

POLAND

**FY 1999 RESULTS REVIEW
& RESOURCE REQUEST**

**USAID/POLAND
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I. Overview and Update on Factors Affecting Program Performance

Poland is a member of the World Trade Organization and the OECD, its progress towards EU integration is on track, and its economic performance is among the best in the region. Poland's excellent record of economic and democratic progress justifies continued support for FY 99 as its final year of USAID funding.

The strategic context remains as was described and analyzed a year ago in the approved "Poland in the Year 2000: USAID Graduation Plan" dated May 1996. The most notable change in macro-economic indicators is the increase in amount of annual foreign investment from about \$2.5 billion in 1995 to about \$5.2 billion in 1996. Cumulative direct foreign investment now totals \$14 billion, clear evidence that Poland's business environment, stability, and progress are inspiring confidence and attracting partners for continued economic growth. Poverty is still prevalent, but data indicates that it is shallow. Sustained economic growth (6% in calendar year 1996 as estimated, with 5.5% predicted for 1997) may trickle down to this group. Both unemployment and inflation rates are declining a little faster than predicted, and the official GOP estimate for percent of GDP already coming from the private sector in calendar year 1996 is 60% (excluding the grey market). Both the Government and the opposition have moved closer to a consensus on the necessity for pension reform and the inclusion of mandatory, capital-funded, privately-managed pension funds as an essential part of a three-tier system: (1) a basic pay-as-you-go pension; (2) a mandatory capital-funded, privately-managed pension; and (3) a voluntary, privately-managed pension. Approval of the reform plan is likely to come after the September 1997 Parliamentary elections.

The USAID/Poland program for local government strengthening continues to evolve. The structure of local government may change over the coming years, and this may have an impact on the program. In response to a delay in legislation that would create a second tier of local government, the "powiat" or county, many municipalities, with the support of the Central Government, have formed "public service city zones" (PSCZs). These zones simulate the structure of powiats, with a focus on services in health and education, and roads, but the PSCZs do not yet have revenue-raising authority. Following the lead of the Nowy Sacz PSCZ, 45 groups of gminas in 31 of 49 regions ("voivoids") have expressed formal interest in registering as PSCZs. It is still not clear whether these PSCZs will become a second tier of local government, or accelerate legislation that would form powiats, or simply remain another form of association of gminas. USAID/Poland is expanding its support to this local government unit on a limited scale.

In February 1997, USAID/Poland completed a statistically significant nationwide customer survey of 250 (10%) local governments, and a survey of 1000 households, 200 financial institutions, 200 SMEs, and 200 public policy NGOs in these same local government

jurisdictions to provide baseline data for FY 96¹. The findings have confirmed Poland's rapid progress in moving through its transition to democracy and markets. While we are achieving our targets in many cases, the survey findings and changes in the local government structure have also caused us to rethink or amend our future targets in some cases. The local government survey needs additional review and some changes.

USAID/Poland and the EU have agreed to coordinate on an agenda of specific activities including cooperative banking, SME development, the energy sector, local government, NGOs, and environment (see Annex 4). Annex 2 includes a map of the regions where the EU provides regional economic development assistance which also have partner gminas that USAID/Poland supports under LGPP. The AID Representative will meet semi-annually with the EU/Poland Coordinator to review progress against this shared agenda. Additional coordination will take place between USAID/Poland and EU technical officers, as noted in the charts in Annex 4.

The Poland-Ukraine Initiative has produced a dynamic set of activities and results. Activity highlights include USAID/Ukraine-financed study tours in Poland for Ukrainian leaders of social benefits reforms and energy sector privatization, restructuring and regulation. Polish-American agribusiness joint ventures are sharing their experience and considering new investments in Ukraine. Polish energy efficiency and environmental expertise is helping to strengthen Ukrainian NGOs, and design and implement Ukrainian urban water projects. Partnerships are being designed for Polish and Ukrainian cities and business schools.

USAID/Poland has been concerned about gender issues, particularly in its private sector program. Data from the SME survey has been analyzed to track relative differences in the profitability of women-owned SMEs and their relative use of business support services and improved management methods (see section IIB (2) and tables in Annex 1) . The only micro-enterprise loan program for women in Poland is receiving assistance under S.O 1.3 in order to achieve sustainability. The FY 97-99 USAID/Poland Country Training Plan emphasizes the importance of realizing the Agency policy of having 50% of training provided to women, and documents whether implementers will be able to meet that goal, given the number of female candidates qualified for each specific training opportunity. The WID office in the Global Bureau has funded two activities in Poland: Poland-Ukraine leadership training for women's NGOs, and research aimed at Polish policy improvement in women's reproductive rights. USAID/Poland support to the Democracy Commission often results in funding for women's NGOs for activities such as: update of a Directory of Polish Women's NGOs, a databank and a hostel to help battered women, and an information campaign on women's reproductive rights. The National Democratic Institute is undertaking pilot assistance to political parties interested in running more women candidates for public office, especially in local government elections.

¹ Confidence levels correspond to sample sizes and are +/- 3.2% for household survey, +/- 6.3 % for local government survey, +/- 7.1% for the surveys of NGOs, SMEs, and financial institutions.

II A. Strategic Objective 1.1 State-owned assets transferred to private sector

Per the June 1996 Country Strategy Review decision, S.O. 1.1 results are being reported in this R4, though work with this S.O. ended 3/97, except for energy sector privatization assistance. In future R2's we will only report on any future results in energy privatization, as well as any voivod privatization transactions that were completed after the 3/97 end of USAID/Poland assistance, but which are attributable to results of the USAID/Poland assistance.

- o Under the Mass Privatization Program, over 25,700,000 Polish citizens collected their Share Certificates. This is 93% of those eligible, attesting to the program's success. The Mass Privatization Program privatized 512 state-owned enterprises among fifteen National Investment Funds. USAID assisted the Ministry of Privatization to design the conceptual framework and regulations for the Mass Privatization Program, negotiate the compensation agreements for National Investment Fund Managers, and plan for share distribution.

- o None of the 20 electric generation companies or the 33 electric distribution companies in Polish have been privatized yet, however, background information for one privatization strategy for the generation plant will be completed in July 1997, and similar information collection has been completed for all 3 distribution companies. The final USAID contribution to privatization of these companies will be completed by September 1997, when a Privatization Manual will be disseminated to all of the 33 electric distribution companies.

- o As a result of training on the benefits of privatization to over 1,200 employees and managers representing 293 state-owned enterprises (SOEs), two-thirds of the SOEs decided to privatize. Support to regional SMEs has led to the completion of three of these transactions to date.

OBJECTIVE: Strategic Objective 1.1.				
APPROVED: 5/96		Country/Organization: Poland/USAID		
RESULT NAME IR 1 - 1 State-owned assets transferred to private sector				
INDICATOR: 1. State-owned enterprises (SOEs) privatized with U.S. technical assistance.				
UNIT OF MEASURE: Cumulative # of SOEs privatized with USAID/Poland assistance		Year	Planned	Actual
		1990(B)		0
		1996		525
SOURCE: USAID/Poland		1997	533	
INDICATOR DESCRIPTION: Of the original number of 8,441 SOEs in the non-financial public sector, those which are no longer owned by the State Treasury, or voivodships.				
COMMENTS				

OBJECTIVE: Strategic Objective 1.1.		Country/Organization: Poland/USAID	
APPROVED: 5/96			
RESULT NAME IR 2 - 1 SOEs prepared for privatization process			
INDICATOR: 1. SOEs with capacity for privatization.			
UNIT OF MEASURE: Cumulative # of SOEs trained	Year	Planned	Actual
	1990(B)		0
SOURCE: USAID/Poland	1996		293
INDICATOR DESCRIPTION: Non-financial sector SOEs with privatization capacity from training supported by USAID/Poland.			
COMMENTS This figure will not change from the FY 96 data as no more activities in this field have been implemented since April 1996.			

II B. Strategic Objective 1.3 Private sector development stimulated at the firm level

(1) 1996 Results Highlights and Performance Ratings

Performance Rating: 2+

The private sector development portfolio is aimed at achieving higher performance by private sector enterprises as demonstrated by a wide range of indicators including: an increase in contribution to GDP, employment, and the number and size of SMEs. USAID/Poland's program also ensures that policies, laws and regulations are conducive to private sector growth. Poland has experienced tremendous growth in its private sector over the past four years. The percentage of GDP from the private sector jumped from a low of 31% in 1990 to 56% in the 1994 calendar year, then grew steadily to 58% in 1995, and 60% in 1996. The private sector share of employment began at only 46% in calendar year 1990, leaping to 61% by 1994, then growing steadily to reach 64% in 1996, the planned target.

USAID/Poland has achieved solid performance against all but one of its targets to date, and that target should be met in FY 97.

I.R. 1 Policies, laws and regulations are conducive to broad-based competition and private sector growth and efficiently administered

Policies, laws and regulations:

- o Enactment or amendment of 6 laws or regulations with broad and positive impacts on SMEs, the FY 96 target, was met. The regulations passed to date are the Anti-Trust Law, Collateral Law, Condominium Law, Rental Reform Law, the SME Policy 1995-1997, and tax-related laws (PIT, CIT and VAT). The Collateral Law will take effect in calendar year 1998. It improves credit availability for housing and will remove one of the principal barriers to SMEs' access to credit.
- o Guaranty and surety legislation was drafted and is under review by a Parliamentary committee. It will directly promote the growth of Polish businesses. A draft Real Estate Law promoting free market principles was approved by the Polish government and sent to Parliament. The Energy Law has passed all legislative hurdles and is expected to receive the President's signature during summer 1997. This new energy law will have a significant impact on the competitiveness of Polish businesses by moving energy prices towards covering costs and reasonable profit, improving the reliability of energy supply, and meeting new environmental protection standards.

Government associations and NGOs advocate for SMEs:

- o The Ministry of the Economy and the Central Statistical Office established a methodology to collect and interpret statistical data on SMEs in collaboration with the

SME Foundation. Lack of systematic and comparable data has until recently hampered the ability of the government to help SMEs.

- o A loan guarantee program for SMEs established by the Konin Regional Development Authority and the GOP's credit guarantee facility for SMEs at the Bank Gospodarstwa Krajowego (BGK) have been substantially reformed.
- o Coalitions of up to 40 business associations successfully lobbied against the Law on Economic Self-Government (which would have imposed mandatory membership in government-approved bodies representing business interests) and government-led changes in tax regulations harmful to SMEs.
- o Recommendations were prepared in collaboration with the Polish Senate that would make the Polish legislative process more transparent and flexible. This would allow business organizations and other groups to lobby Parliament and the government, if they are adopted.
- o A pilot Computerized Classification System (CSS) was installed in Lublin voivodship and a pilot reorganization of tax administration is being tested in Poznan. Both will enable Polish tax authorities to operate more effectively and fairly with standardized and more transparent procedures.
- o The Polish Association of Home Builders, a membership-based trade association which lobbies for home builders before national and local legislatures, was established. It currently has 350 members.
- o The national professional trade associations for real estate brokers and appraisers in Poland and other Central and Eastern European countries were linked through regional networks (CEREAN and CEEVAN) that can be used to promote their national and international interests.

I.R. 2 Improved profitability of SME enterprises

Sustainable indigenous training and business service organizations:

- o Out of the 10 university-based management training institutions for entrepreneurs, executives, public administrators, and local decision-makers, 4 became self-sustainable in calendar year 1996 on a fee-supported basis. They offer training to participants from throughout Eastern and Central Europe. Six centers that are targeted for sustainability by FY 99 are working on their sustainability plans. The 10 training institutions have graduated 450 managers to date.
- o Two-thirds of the FY 00 target (2,750 out of 5,000) for memberships in business organizations, plus half of the FY 00 target for paid business consultations and training

courses (894 out of 1,600) are already achieved.

- o Half (13) of the business support organizations are at the point of sustainability versus the FY 97 target (20).
- o The Housing Finance Project Office has been transformed from a public sector body into a commercial consulting firm that advises developers and banks on mechanisms for construction and mortgage financing for homes.
- o The National Association of Agencies for Local Housing Initiatives (AWIMs) was registered to provide support for the development of private and small-scale cooperative housing developers. New AWIMs were created in eight municipalities bringing the total to 18. They facilitate the design, financing and delivery of small-scale cooperative and private housing.
- o Managers of SMEs in four agribusiness industries (meat, milk, poultry and grain) are able to enhance the profitability of their firms through membership in trade associations that collect and analyze agribusiness commodity market information and publish bulletins with information on supply, demand, prices and the market trends in Poland and other European countries.
- o Of the 69 BSOs that applied for USAID support, 24% were women-owned. Out of the 17 BSOs selected to date, 47% are women-owned, demonstrating that USAID/Poland is committed to strengthening women-owned BSOs.

Improved capacity of enterprises:

- o CARESBAC's \$8 million in equity investments have helped its investees to access more than \$9.4 million of financing from Polish banks. Its pre-tax return on investment is 30% and its portfolio has, on average, enabled its investees to gain 75% higher sales and to create 50% more employment.
- o Waste minimization projects helped 32 Polish companies to achieve annual savings of \$9 million.
- o The Women's Rural Enterprise Development (WRED) Program provided 161 loans totalling \$488,732 to women entrepreneurs in rural areas of high unemployment. Planning, staff reorganization, and training for sustainability of the fund are underway.
- o A macroeconomic research project produced recommendations that would promote disinflation, create jobs, reduce social inequality, and complete privatization and financial sector reform, if adopted.

- o Training was provided to 1,300 women agribusiness managers since 1992.

Information assists SMEs:

- o SMEs have improved access to information on legal and regulatory issues, government policy objectives and general business information through a network of 6 computerized business information centers. Over 2,100 clients have made use of the services to date.

Long term provision of energy services supports a market economy:

- o The Energy Law, which will create an independent regulatory agency, passed a final Senate vote on January 31, 1997. The President is expected to sign this into law by June 1997. The head of the new regulatory agency would be appointed immediately thereafter.

Results that do not apply to our targets:

- o The Polish-American Enterprise Fund (PAEF) has begun the process of closing down its operations. It has 43 large direct equity and credit investments totalling \$197 million. The PAEF's Enterprise Credit Corporation (small lending windows) approved 5,440 loans totalling \$179 million. The PAEF's Fundusz Mikro (micro-lending to SME's) approved 2,600 loans totalling \$4.6 million disbursed, of which \$2 million has been repaid, with \$2.6 million still outstanding. Altogether, PAEF has created a portfolio with an estimated value of \$257 million as of December 31, 1996.

II B. Strategic Objective 1.3 - Private Enterprise Development at the Firm-Level

(2) Indicators Tables Highlights and Commentary

Results from two indicators that are performing better than expected, as well as one than has under-performed compared to expectations are described below. All other indicators tables for this strategic objective are in Annex 1.

SMEs using business support services:

The first-ever national SME survey, completed by USAID/Poland in February 1997, shows that SMEs are making use of business support services, but closer analysis shows most of the SMEs are using only basic legal or tax services. Moreover, feedback from business support organizations as part of selection interviews for the SME Assistance and Development activity confirms the need for a wider range and higher quality of services to SMEs. This supports the USAID/Poland strategic decision to address the issue by augmenting the quality and availability of a wider range of increasingly sophisticated business support services by indigenous organizations. SMEs have proved to be a key element in economic growth and job creation in Poland, but this influence can expand only if the firms grow as a result of quality business support services. The indicator has been reworded to reflect the fact that SMEs need more than just tax and legal services (see comments in the following table).

Sustainable business support organizations providing assistance to SMEs:

After Poland graduates from USAID/Poland assistance, the business community will be able to draw on the high quality indigenous resources of business support organizations. The FY 96 target of 13 was met. The strategic decision to build capacity in these institutions requires USAID/Poland to expand this target to 55 (as opposed to 30) business support organizations throughout Poland, and to disseminate the results of the assistance as widely as possible.

Polish associations and/or institutions that lobby on behalf of SMEs:

Assistance to organizations lobbying on behalf of the SME sector before FY 96 concentrated on general SME associations. The target for the number of lobbying organizations established in FY 96 was set at thirteen; a result of eleven was achieved. Forty years of enforced membership in central planning bodies, and lack of knowledge about the value of lobbying, have made Polish entrepreneurs wary of joining business organizations. USAID/Poland has adapted its strategy to support industry-specific business organizations since the services they provide inherently attract stronger support from businesses. Eight more lobbying organizations will graduate from USAID/Poland assistance and become sustainable in FY 97, and this will overcome the FY 96 shortfall to reach the FY 97 target as planned. Moreover, integrated work with the local government programs has prompted an increase to the target to 34 sustainable lobbying organizations by FY 99 (see table which follows). Training in lobbying skills given to business associations in general has developed an awareness of recommended approaches to lobbying among approximately 400 more organizations that represent businesses on local, regional or industry-wide levels.

OBJECTIVE: Strategic Objective 1.3.			
APPROVED: 5/96		Country/Organization: Poland/USAID	
RESULT NAME IR 2.1 - 4 Sustainable Indigenous organizations provide technical assistance and training to enterprises.			
INDICATOR: 4. SMEs using business support services.			
UNIT OF MEASURE: Part 1. % of all SMEs surveyed nationwide that meet definition Part 2. % of firms that meet definition out of USAID/Poland-assisted (private) firms.	Year	Planned	Actual
	1996(B)		see attached
	1997		
	1998		
	1999		
SOURCE: American Breeders Service AEPS Technoserve CARESAC - Polska Citizens Democracy Corps Cooperative Housing Foundation Fundusz Mikro Intl Executive Service Corps Land O Lakes Found in Support of Econ Dev VOCA/Grain Storage & Mktg. VOCA/SMART Women in Rural Enter Dev			
INDICATOR DESCRIPTION: SMEs sampled nationwide and USAID/Poland-assisted SMEs that reported using business support services.	2000	see attached	
COMMENTS The indicator was expanded to cover all business support services, not just legal and tax services. The following services were taken into account: a) Accounting services, b) Legal services, c) Financial Consulting, d) Market analysis, e) Management consulting, and f) Technical advisor. Targets have been set for FY 00 only, in order to reflect a 4-year trend. * * * Part I. (nationwide sample surveyed by OBCP in Feb. 1997) 59.4% of the sample used at least 1 of the above support services. * * * Part II. (USAID/Poland-assisted SMEs) Shares in Part II have been computed as follows: NUMERATOR - # of SMEs using the practices DENOMINATOR - total # of SMEs in portfolios of implementors that reported on the type of business support service used. As the universe of numbers of service users grows among USAID/Poland-assisted SMEs, the relative percentage of legal assistance will slightly decline from 54% in FY 97 to 60% in FY 00.			

ATTACHMENT A to S.O. 1.3

IR 2.1 - 4 : Sustainable indigenous organizations provide technical assistance and training to enterprises.

Indicator: SMEs using business support services.

FY 96 ACTUAL DATA:

Part 1 (% of SMEs surveyed nationwide)

- a) 21 %
- b) 38 %
- c) 6 %
- d) 4 %
- e) 7 %
- f) 21 %

Part 2 (% of USAID/Poland-assisted SMEs)

- a) 45 %
- b) 54 %
- c) 13 %
- d) 7 %
- e) 27 %
- f) 31 %

FY 00 TARGETS (PLANNED DATA):

Part 1 (% of SMEs surveyed nationwide)

- a) 25 %
- b) 40 %
- c) 10 %
- d) 20 %
- e) 10 %
- f) 25 %

Part 2 (% of USAID/Poland-assisted SMEs)

- a) 50 %
- b) 50 %
- c) 30 %
- d) 50 %
- e) 40 %
- f) 31 %

ATTACHMENT B to S.O. 1.3

IR 2.1 - 4: Sustainable indigenous organizations provide technical assistance and training to enterprises.

Indicator: SMEs using business support services.

Comparative data: Gender specific information re: SME owners in national survey.

	A. Total sample of SMEs surveyed		B. SMEs with 1 - 15 employees	
	1. men	2. women	3. men (N=32)	4. women (N=10)
BSOs used:				
Accounting services	23.3%	23.1%	25.0%	30.0%
Legal Services	40.7%	38.5%	34.4%	40.0%
Market Analysis	2.3%	0	0	0
Management consulting	7.0%	7.7%	6.3%	10.0%
Financial consulting	8.1%	7.7%	3.1%	10.0%
Technical advisors	19.8%	7.7%	12.5%	10.0%

Note: This table shows SMEs within the survey that are owned by private individuals, representing 58.2% of the total sample. Data for this indicator have been further broken down into two categories: A. "Total sample of privately-owned SMEs," and B. "Privately-owned SMEs with 1-15 employees." Data are presented in both ways, as most women within this sample owned firms with 15 or less employees. Due to their minimal size, data from samples in column 2, 3 and 4 only document the situation within the actual sample of SMEs surveyed, and therefore cannot be used to draw general conclusions.

In category A, total sample of SMEs, women-owned firms in most cases demonstrated the same patterns of use of business services as male-owned firms, except for lower level of use of technical advisors.

OBJECTIVE: Strategic Objective 1.3.			
APPROVED: 5/96		Country/Organization: Poland/USAID	
RESULT NAME IR 2.1 -3 Sustainable Indigenous organizations provide technical assistance and training to enterprises.			
INDICATOR: 3. Sustainable business support organizations providing assistance to SMEs.			
UNIT OF MEASURE: Cumulative number of sustainable business support organizations.	Year	Planned	Actual
	1996(B)	13	13
	1997	20	
	1998	28	
	1999	52	
SOURCE: Agricultural Coop Dev. Intl. AEPS Technoserve Cooperative Housing Foundation Found for Energy Efficiency Land O Lakes Women In Rural Enter Dev	2000	56	
	INDICATOR DESCRIPTION: Independent organizations that provide business services to SMEs are capable of sustaining services beyond the termination of USAID/Poland financial support.		
COMMENTS The following Business Support Organizations qualified as sustainable in FY 96: Brokers' Association, Valuers' Association, BSO/Sandomierz and ten AWIM (Agencies in Support of Building Initiatives). Criteria used by USAID/Poland to determine sustainability in FY 96 included financial, programmatic and institutional components. The criteria will be further refined for FY 97.			

OBJECTIVE: Strategic Objective 1.3.		Country/Organization: Poland/USAID	
APPROVED: 5/96			
RESULT NAME IR 1.1 Government organizations and NGOs advocate for policies in support of small and medium enterprises.			
INDICATOR: 1. Polish associations and/or institutions that lobby on behalf of SMEs.			
UNIT OF MEASURE: Cumulative # of sustainable associations that lobby on behalf of SMEs.	Year	Planned	Actual
	1995(B)		a) 6 b) 0
	1996	a) 13 b) 0	a) 11 b) 0
	1997	a) 15 b) 3	
	1998	a) 17 b) 8	
SOURCE: Development Alternatives Inc Foundation in Support of Local Democracy Polish Federation of Independent Entrepreneurs	1999	a) 20 b) 15	
	INDICATOR DESCRIPTION: a) Associations/institutions which lobby on behalf of SMEs because of capability transferred by USAID/Poland; b) Partner cities which lobby on behalf of SMEs.		
COMMENTS Associations/institutions as of FY 95 were as follows (all in [a]): - The Polish Foundation for Promotion and Development of SMEs; - Polish Association of Home-Builders; - NGO Forum; - Foundation Forum; - KLON; and - SME Departments in two Ministries. Associations/institutions added in FY 96 are as follows (all in [a]): - Business Centre Club; - Konin RDA; - Craft association; - Brokers Association; - Valuers Association. FY 97 list will include: - The Polish Federation of Independent Entrepreneurs [a]; - four trade associations [a]; - City of Ostroleka [b].			

II B. Strategic Objective 1.3 Private sector development is stimulated at the firm level

(3) Prospects for Achieving Objectives and Close-Out Plan

At the beginning of FY 98, S.O. 1.3 will have 21 activities and a staff of 5. By the end of FY 98, \$7.22 million will have been obligated. At the beginning of FY 99 there will be 11 activities and a staff of 3. By the end of FY 99, \$2.7 million will have been obligated. At the beginning of FY 00, SME Assistance and Development (also known as the Business Support Program or BSP) will be the only activity and there will be a staff of 3 persons.

The strategic objective has made significant progress over the past year, meeting all but one of its FY 96 targets, and we expect to achieve the objective and its target by the end of FY 00. It is anticipated that this growth rate will be sustained reaching 68% by calendar year 2000. USAID/Poland expects that the private sector share of employment will reach at least 68% by end of calendar year 1999. In terms of labor force employed in SMEs, we anticipate the greatest growth by calendar year 2000 to occur in the small-sized SMEs (6-50 employees) given expected agricultural sector restructuring and economic growth, with more modest growth in both the micro-enterprises (0-5 employees), and medium-sized enterprises (51-250 employees)¹. This relative growth in labor force employed will also be reflected in the growth in the number of enterprises in each of these categories. The number of micro-enterprises will grow from the calendar year 1995 figure of 1.9 million to 2.1 million by the year 2000; the number of small enterprises will grow from 148,779 to 200,000; and the number of medium-sized enterprises from 23,218 to 23,500.

I.R. 1 Policies, laws and regulations are conducive to broad-based competition and private sector growth and efficiently administered

Policies, laws and regulations:

Currently 8 additional laws/or regulations that are conducive to broad-based competition and private sector growth are either being drafted or in the final stages of Parliamentary review. Thus, USAID/Poland is confident that by FY 00, this target will be met by fourteen laws and amendments enacted by Parliament and efficiently administered.

GEMINI will continue to assist the two principal bodies influencing SME policy in Poland [Ministry of the Economy (MoE) and the SME Foundation], resulting in: GOP adoption of the SME Policy for calendar years 1998-2000 and the Industrial Law, and amendment of the

¹ The "0" employee SME in our data in Annex 1 is defined in Poland as a sole proprietorship with no employees.

Public Procurement and Banking Laws in favor of SMEs. Ad hoc reviews of the MoE's legislation will assess the impact of legislative changes on SMEs. Support to the establishment of a small business sub-committee in Parliament and broadening of SME support at regional and local level will decentralize SME policy-making in Poland. SME business and trade associations will continue to provide services in a sustainable manner.

By the phase-out of the Treasury tax advisors in FY 98, the pilot Computerized Classification System in the Lublin voivodship and the pilot reorganization of tax administration currently in the Poznan voivodship will be ready to roll-out country-wide. The new system will allow national tax authorities to operate efficiently, effectively and fairly through standardized and more transparent processes and procedures.

Advocacy for policies in support of SMEs:

A minimum of 35 business associations, official bodies, and local governments will lobby on behalf of SMEs. This number includes at least 15 cities under the Local Government Partnership Program (LGPP). By FY 99, assistance to the LGPP through BSOs will greatly increase the number of gminas capable of effectively lobbying on behalf of SMEs. The International Development Law Institute by FY 98 will have provided support for the implementation of the law on the pledge registry through workshops for judges co-sponsored by the Ministry of Justice. Four hundred trained judges will operate the reorganized court-administered registries, critical to the implementation of the law. By December 1998, ABA/CEELI will have helped Iustitia, an independent national judicial association that trains and lobbies for judges, achieve sustainability. A self-sustaining Commercial Law Center Foundation will provide legal education and a resource library for Poland's legal profession. Legislation affecting Polish business through loan guarantees, securities, corporate law and civil procedures will be developed.

I.R. 2 Improved profitability of SME enterprises

Sustainable indigenous organizations:

As Poland approaches graduation, this result will be the main focus of USAID/Poland funding and technical support. Ten management training institutions will be sustainable by close-out which will include two joint-degree MBA programs in which the University of Minnesota is paired with the Warsaw School of Economics and Olsztyn University, respectively. They will be providing joint degrees to over 40 Polish students each year by FY 00. A possible joint-degree MBA program between American University and the Polish Academy of Entrepreneurship and Management may reach fruition by FY 00. In addition, the Opportunities Industrialization Centre (OIC) will be providing training in improved planning, management, marketing and production capacity to enterprises through certificates and short courses for at least 1,000 managers per year by FY 99.

By close-out, there will be at least 5,000 paid memberships in business organizations, and

1,600 paid business consultations and training courses will have been provided by the Polish American Enterprise Clubs, Craft Association, Polish Federation of Independent Entrepreneurs and energy-related BSOs. At least 55 sustainable business support organizations will be providing assistance to SMEs by the FY 00, and this figure could even be higher. About 50% of these BSOs will be women-owned.

The BSP also targets the greater use of modern business practices by SMEs. By close-out, at least 500 SMEs will have been assisted by the BSP, which should contribute substantially towards achieving the nationwide FY 00 target. Improvement of the profitability of SMEs by promoting increases in job creation, labor productivity, and the real value of exports will also continue under the BSP until FY 00. Since less than 14% of SMEs nationwide are owned by women, assistance will be provided to women-owned firms whenever feasible.

Over 60 waste minimization projects providing environmental benefits will have been completed by FY 99, and at least two of the three Pollution Prevention Centers (Lodz, Katowice and Opole) will be sustainable through fees from services to industries and donations from local environmental organizations. Also, by phase-out at the end of FY 99, a model that demonstrates economic development cooperation between local industries and municipal authorities should be completed and promoted under the LGPP to ensure replication.

S.O. 1.3 activities support and coordinate with the Financial Sector S.O. 1.4 and Local Government S.O. 2.3 activities. In particular, the BSP effort and CARESBAC investment advice will be linked to the Local Government Partnership Program's gmina economic development models under S.O. 2.3. The BSOs will provide technical assistance to support gmina economic development, and CARESBAC's equity investment consultants will also advise gminas.

The Cooperative Housing in a Market Economy (CHF) activity under S.O. 1.3, by its close-out in FY 99, will leave behind a network of indigenous organizations (AWIMs) in 34 cities, to support housing development in partner cities under the LGPP. These financially self-sufficient agencies will provide managerial and technical services to support housing development. The program will also establish a self-sufficient apex organization (the Center for Housing Initiatives) that will back-stop the AWIMs and create new AWIMs in other cities in response to demand. At least 12 partner gminas will also be capable of planning and implementing gmina-wide energy efficiency investments.

In terms of micro-lending to women entrepreneurs, the WRED Foundation will become independent from its parent institution FDPA, will have received \$2 million of additional loan capital from Fundusz Mikro, and will have increased its income enough to achieve financial sustainability by FY 00.

Information assists SMEs:

As discussed earlier in section II B (2), SMEs need a wider range and higher quality of information support services beyond basic legal and tax services. The FY 00 year targets set for this nationwide are supportable and will be met, especially through the Business Support Project.

Improved long term provision of energy services supports a market economy:

Fifty representatives from key energy distribution, generation and transmission companies will have been trained in the operation of a market-based energy sector regulatory system by the end of FY 98. By the end of FY 00, 33 power distribution companies will be capable of operating under the new regulatory system, 4 strong energy-related business support organizations will be actively marketing their services, 10 capable SMEs will be providing energy efficiency consulting services, and 3 power distribution companies will be using modern planning techniques. By the end of FY 00, energy prices are expected to be covering 50% of costs and reasonable profit levels.

II C. Strategic Objective 1.4 Building a competitive, market-oriented financial sector

(1) Cumulative Results Highlights and Performance Ratings

Performance Rating: 2+

The financial sector development portfolio will increase confidence in the financial system by improving supervision, self-regulation, and transparency through reliable flows of information. Increased effectiveness through privatization, increased competition, use of better-trained financial sector personnel, and systems improvements are designed to reduce costs of financing. The availability of standard financial services is being increased to expand finance available for housing, construction, municipalities, small businesses, retailing, and agricultural commodities.

As measured at the strategic objective level, Poland's financial sector is developing well; bank lending to the private sector expanded in real terms by 27% in calendar year 1996, up from 15% in calendar year 1995. Bank and security industry supervisory institutions are in place and functioning well. Confidence in the financial sector has improved: the value of personal bank deposits in relation to GDP far outstripped the target. Also, a range of financial services is widely offered by financial institutions in major cities. Stock market capitalization, at 8% of GDP, remains low compared to potential. Competition is still constrained by the high level of state ownership of banks; private banks account for only 25% of total bank assets. The cost of finance remains high, with banks charging very substantial margins over costs of money, ranging from 4% to 13% as against industrial country norms of 2-4%. The level of access and use of financial services also is low; according to the USAID/Poland national customer survey results, only 25% of households and 42% of businesses have bank accounts.

USAID/Poland either met or exceeded on average targets against its 17 indicators. For two of these indicators, multiple targets were used, and half were met and half not. Achievements in improving supervision over financial institutions and in increasing the dispersion of financial intermediaries and products are particularly noteworthy. The volume of approved mortgage loans, for example, underwent a five-fold increase from 4,800 in calendar year 1995 to 25,000 in calendar year 1996--compared to a target of 4,000 loans. Twelve municipalities issued bonds in FY 96, compared to zero in FY 95 and none targeted for FY 96. Another area of significant growth in the financial sector was the establishment of credit unions, which nearly doubled from 125 in FY 95 to 217 in FY 96, far exceeding the target of 175. These results indicate that financial services are becoming more widely available and products more diversified, although it is not surprising that customer survey results show that people in large cities continue to have greater access to a wider diversity of financial services than do residents of small, rural communities. It also is worth noting that the number of indigenous bank training institutions is now 8, compared to a target of 2 institutions. This bodes well for continued development of the banking sector.

Performance against the indicator for privatized, independent banks was met on average, however, the actual number of privatized banks was below the FY 96 target (4 actual vs. target of 5). The other target, continuous functioning of an independent cooperative banking system, was met. Performance against targets for another indicator, listings on securities exchanges, was exceeded for the Warsaw Stock Exchange (91 actual vs. target of 80), but fell short for the OTC market (2 actual vs. target of 3). OTC performance has actually been lower than the achievement of targets indicates. Though the Over-the-Counter market has come close to achieving its target for number of listings, this indicator does not really adequately measure the sustainability of the market, which remains in question. This issue is discussed further below.

I.R. 1 Increased confidence in the financial sector

Improved supervision:

- o A comprehensive On-Site Inspection Manual was completed and inspectors trained in on-site inspection methods at the Central Bank. The Bank conducted its first-ever full inspections of two large Polish banks in FY 96. This examination validated the usefulness of the inspection manual and the effectiveness of examiner training. Since the beginning of FY 97, new comprehensive bank call reports have been used, and off-site monitoring tools were created to analyze this bank data and identify weaknesses to be reviewed during on-site inspections. Training has continued and the Central Bank this year completed full inspections of two additional Polish banks.
- o The Public Securities Commission in 1997 accepted the first municipal bond issue (by Ostrów Wielkopolski) for public trading on the Over-the-Counter (OTC) market. A model municipal bond prospectus and information memorandum, as well as the guidelines for their preparation, were approved by the Public Securities Commission.

Decreased risk:

- o The first Credit Rating Agency in Central and Eastern Europe was established in FY 96 with initial capitalization from 17 Polish institutional investors and it is ready to provide investment ratings for municipal and corporate bonds, bank paper and commercial paper. The long-term paper can be traded on the OTC market. The agency is now testing its first product, a weekly market bulletin that advises investors on the characteristics of Polish debt instruments.

Self regulation:

- o Trading rules for a brokerage house-owned and -operated OTC market were approved in FY 96 by the brokerage community and the Polish Securities Commission.

I.R. 2 Improved efficiency of the financial markets

Increased competition:

- o Forty-three of Poland's 51 brokerage houses provided initial capital in FY 96 for the establishment of an OTC market, which will allow shares in many companies in the Mass Privatization Program to be sold. Other private companies will also be able to raise equity and trade debt instruments. The market is functioning, though currently there are insufficient listings for financial sustainability. As a competitive reaction to the establishment of the OTC market, the state-owned Warsaw Stock Exchange lowered its fees and improved its trading system.**

Improved capability:

- o One hundred bankers were trained in corporate finance and transaction advisory services on-the-job through enterprise restructuring and capital-raising assistance. In FY 96, Polish banks introduced convertible bonds to the market and issued commercial paper. The first Polish investment fund solely for Polish companies in Central Poland was initiated in early calendar year 1997. This improved investment banking capacity will allow banks to provide better services to private, privatized and privatizing companies and to help these firms raise equity on the OTC market.**
- o A financial planning model was completed in FY 96 that assists independent local cooperative banks to monitor and improve their performance. The model was adapted in FY 97 for use by the Central Bank and other commercial and cooperative banks. Data from the model provides the basis for a Peer Bank Comparative Analysis, which is to be used both as a research and management tool. The 300 participating cooperative banks continue to show strong operating improvements. In calendar year 1996, total assets rose by 20-30% over inflation, showing that these banks have begun to meet the credit needs of their smaller, largely rural clients.**
- o Four independent, self-sustaining training institutions were established to provide continuing education for Polish bankers. They include the Warsaw Institute of Banking (WIB), two Cooperative Bank Training Centers, and a Credit Union Training Center. In calendar year 1996, the Warsaw Institute of Banking provided 83 courses which were attended by a total of 1,903 bankers, and this will increase by 30% in 1997. Polish instructors now deliver 90% of the Institute's training. To place the Institute on the path toward sustainability, its staff received on-the-job training in instructional design and marketing. They are now applying their skills to new course development.**

Effective systems:

- o A Steering Committee of the Polish Banks Association (PBA), including**

representatives of Poland's largest banks and a senior official from the Central Bank, was created in FY 97 to establish policy positions on payment system issues (including how to standardize transfer documentation, whether to implement direct debits and how to improve efficiency), and to work with the National Clearing House to improve the payment system.

I.R. 3 Increased availability of financial services and products

New financial instruments:

- o In FY 96 criteria and documentation were developed for acceptance of licensed warehouse receipts from farmers, millers, bakeries, and other processors by banks as collateral. Farmers and government representatives were trained in the use of the licensed warehouse system and receipts, the essential groundwork for establishment of modern commodity exchanges. Representatives of the state supervisory agency and American consultants jointly inspected participating grain elevators to determine their level of compliance with grain standards and record-keeping requirements. Twenty-seven grain elevators have been accepted so far in FY 97 for a pilot network of licensed warehouses.
- o The Government of Poland is developing a pension reform plan which includes privately-managed capital-funded systems whose design has been importantly influenced by seminars and study tours.
- o About 25,000 housing loans were made in calendar year 1996, with a growth rate of about 8% a month. The number of mortgages issued in calendar year 1995 was negligible. Construction loans are also now widely used.
- o A municipal credit system has been established in Poland, providing the loans and bonds that municipalities need in order to improve local infrastructure and services. Through the end of calendar 1996, long-term credits by commercial banks to municipalities reached the level of PLN 248 million (compared with only PLN 27 million in calendar year 1995). Seven municipalities issued municipal bonds for a total of \$185 million.

Widely accessible:

- o Forty-nine new credit unions were registered in calendar year 1996, increasing access to financial services for 69,000 new members. Recent legislation allows for the establishment of community-based credit unions, in addition to enterprise-based credit unions, the majority of which are associated with state-owned enterprises. Credit unions are now being established in parishes, private companies, and police stations further expanding access to financial services.

- o Six major commercial banks have been trained in a method for evaluation of municipal debt-carrying capacity.**
- o Twenty-five commercial banks are financing non-subsidized loans for the construction and purchase of housing. Mortgage Fund credit can be obtained at 50 bank branches, in 40 cities. Two years ago, only one bank originated mortgages at market rates.**
- o A Loan Portfolio Guaranty Program is providing increased access to bank loans for SMEs. One bank is active and several new candidates are being recruited. The program stimulated improved responsiveness to SMEs in the Polish government's own loan guarantee program.**

II C. Strategic Objective 1.4: Building a competitive, market-oriented financial sector

(2) Indicators Tables Highlights and Commentary

Results from two indicators that are performing better than expected, as well as one that has under-performed compared to expectations are described below. All other indicators tables for this strategic objective are in Annex 1.

Bank supervision:

Progress in improving Poland's bank supervision has been impressive. Against a target of one major on-site bank examination completed in FY 96, two were conducted. Under USAID support for Poland's Central Bank, a comprehensive On-Site Inspection Manual was completed and inspectors were trained in on-site inspection methods. The bank conducted its first-ever full inspections of two large Polish banks in calendar year 1996. These examinations validated the usefulness of the inspection manual and the effectiveness of examiner training. Since the beginning of calendar year 1997, new comprehensive bank call reports were implemented, and off-site monitoring tools were created to analyze this bank data and identify weaknesses to be reviewed during on-site inspections. Training has continued, and the Central Bank this year completed full inspections of two additional Polish banks, which when added to the first two banks, constitute about 25% of total Polish banking assets.

Listings on securities exchanges & Over-the-Counter Market:

The Warsaw Stock Exchange in calendar year 1996 had more listings than had been targeted: 91 vs the target of 80. The USAID-supported Over-the-Counter Market, on the other hand, fell short of the target for three listings, succeeding in posting only two listings by end of calendar year 1996.

This measure of performance of the OTC Market, however, fails to reflect the gravity of the problems besetting this new market, which competes against the well-led, well-financed and prestigious state-owned Warsaw Stock Exchange, whose growth resulted in performance beyond the target levels. The brokerage-owned and operated company Centralna Tabela Ofert (CeTO) formally opened the OTC Market for trading in December 1996. When the project was designed, the Ministry of Privatization promised that there would be a flood of listings from mass privatization National Investment Fund (NIF) companies. This did not materialize, so USAID refocused project resources toward marketing. The OTC Market's first listing, the insurance company, Polisa, was heavily traded by investors who wanted to take advantage of special tax relief that expired at the end of calendar year 1996. Under pressure from the Warsaw Stock Exchange, Polisa delisted, thereby eliminating what had been a double listing of a security on both the OTC and Warsaw Stock Exchange. The OTC market's second listing, Rafamet, did not generate investor interest and trading. In early calendar year 1997, a privately placed municipal bond from Ostrowiec Wielkopolski was

listed. In addition, USAID announced that it would finance the preparation of information memoranda for up to 15 companies that would be listed on the OTC Market. By the first deadline, 10 applications were received; 3 were accepted for financing, and 3 additional ones were also provisionally accepted, if issues would be expanded to offer a larger number of shares. USAID has continued to support market-maker training, publicity, and creation of a market development committee for the OTC Market. The Ministry of State Treasury finally in April 1997 selected five consortia, including brokerage houses, to prepare information memoranda for listings on the OTC Market for National Investment Fund (Mass Privatization) companies with World Bank financing. Twenty of these companies have now confirmed that they do wish to prepare information memoranda in order to be listed on the OTC Market. The Ministry of State Treasury has also told the consortia to work with the NIFs to develop a second list of NIF companies that wish to have information memoranda prepared under World Bank financing.

Based on the details above, chances for securing a critical mass of listings on the OTC Market look promising. However, there is a risk that these listings may not materialize in time, or generate sufficient fees that would allow CeTO to cover its operating expenses before depleting the capital subscribed by brokerage house shareholders. In addition, until brokerage houses see higher volumes of trading, many of the OTC Market's shareholders will not pay the membership fees that would allow them to trade on the OTC. CeTO is currently requesting a further capital infusion from shareholders. Bank-owned brokerage houses may only be willing to inject more capital if CeTO's egalitarian shareholder structure is changed to allow a core group of bank-owned brokerage houses to gain management control of CeTO by eliminating the restriction on each shareholder's voting rights to a maximum of 10% of the total. Smaller independent brokerage houses may well be reluctant to vote for such a change. Should CeTO fail to secure financing, it would have to declare bankruptcy. In that event, the major bank-owned brokerage houses might then offer to buy the pieces and then cobble together an OTC market owned and operated by the major bank-owned brokerage houses. Alternatively, the Warsaw Stock Exchange might choose to consolidate the OTC market with its own third floor.

Dispersion of financial intermediaries:

By end of calendar year 1996, 217 Credit Unions had been formed, providing increased access to financial services for their 140,500 members. The FY 96 target called for only 175 credit unions to be formed. Recent legislation allows for the establishment of community-based credit unions, in addition to enterprise-based credit unions, the majority of which are associated with state-owned enterprises. On the basis of the new legislation, credit unions are now being established in parishes, private companies and police stations, further expanding access to retail financial services. The number and diversity of credit unions has grown. The continued safety and soundness of Polish credit unions is assured by risk management training, a liquidity fund, and supervision. The National Association of Credit Unions now has sufficient financial resources to cover the costs of these functions.

By November 1996, 18 banks were listed as offering unsubsidized loans for housing purchase - most as long-term mortgages and loans for housing construction. By early calendar year 1997, the number of banks marketing housing loans had risen to 24. The target of 3 banks with mortgage portfolios exceeding \$10 million per bank was reached in calendar year 1996. The mortgage market continues to grow; in 1996, about 25,000 mortgage loans were approved, equivalent to over 25% of housing starts. (This meets the original target of 20,000 mortgage loans by FY 00.)

Similarly, by the end of calendar year 1996, long-term loans from commercial banks to municipalities reached the level of PLN 248 million (compared to PLN 27 million in calendar year 1995 and PLN 2 million in 1994). Seven municipalities issued municipal bonds, compared to the target of 4 by FY 97.

OBJECTIVE: Strategic Objective 1.4				
APPROVED: 5/96		Country/Organization: Poland/USAID		
RESULT NAME IR A.1 -1 Improved supervision of the financial sector.				
INDICATOR: 1. Quality and coverage of bank supervision system				
UNIT OF MEASURE: a) Number of major banks audited annually b) Uniform system for bank reporting in operation. (Yes/No)		Year	Planned	Actual
SOURCE: Barents Group		1995(B)	a) 0 b) N	
		1996	a) 1 b) N	a) 2 b) N
		1997	a) 2 b) Y	
		1998	a) 3 b) Y	
		1999	a) 5 b) Y	
INDICATOR DESCRIPTION: a) Number of major commercial banks audited annually on-site by the National Bank of Poland Supervision Department; b) Existence of a uniform system of reporting to the NBP.				
COMMENTS a) Through April 1997, the National Bank of Poland has completed full inspections of 4 major Polish banks, whose assets comprise 25% of banking sector assets. b) The uniform bank reporting system was tested in 1996 for implementation in 1997.				

OBJECTIVE: Strategic Objective 1.4.		Country/Organization: Poland/USAID	
APPROVED: 5/96			
RESULT NAME IR B.1 -2 Increased competition in financial markets			
INDICATOR: 2. Listings on securities exchanges			
UNIT OF MEASURE: # of stocks (a-b).	Year	Planned	Actual
	1995(B)		a) 70 b) 0
	1996	a) 80 b) 3	a) 83 b) 2
	1997	b) 15	
	1998	b) 50	
SOURCE: Barents Group Financial Services Ltd.	1999	b) 100	
	INDICATOR DESCRIPTION: Number of stocks listed on a) the Warsaw Stock Exchange, b) the OTC Market.		
COMMENTS a) At the end of November 1996 there were 66 companies listed on the first tier of the Warsaw Stock Exchange, and there were 17 companies on the second tier. b) Documentation for the privately placed municipal bond issued by the Ostrow Wielkopolski gmina was completed in 1996 for listing on the OTC Market (which occurred in March 1997). The failure of the Ministry of Privatization to secure in a timely fashion financing promised by the World Bank for the preparation of information memoranda for OTC market listings has resulted in a substantial delay in National Investment Fund company listings. Funding is finally available, and 20 companies have confirmed interest in preparing information memorandum for listing on the OTC. The opening of a third floor in the Warsaw Stock Exchange has undercut the attractiveness of listing on the OTC for many potential issuers			

OBJECTIVE: Strategic Objective 1.4.			
APPROVED: 5/96		Country/Organization: Poland/USAID	
RESULT NAME IR C.2 Financial sector more widely accessible.			
INDICATOR: 1. Dispersion of financial intermediaries.			
UNIT OF MEASURE: a) Cumulative # of credit unions formed, b) Cumulative # of commercial banks with municipal infrastructure loan programs; c) Cumulative # of banks disbursing housing & construction loans.	Year	Planned	Actual
	1994(B)		a) 84 b) 1 c) 1
	1995		a) 125
	1996	a) 175 b) 3 c) 3	a) 217 b) see note c) 18
	1997	a) 250	
SOURCE: Cooperation Fund PADCO World Council of Credit Unions			
INDICATOR DESCRIPTION: Dispersion is indicated by the number of intermediaries, e.g. credit unions, banks capable of large loans to municipalities, banks disbursing housing & construction loans of at least \$ 10 million per bank.			
COMMENTS b) No data are yet available on the number of banks with municipal infrastructure loan programs. However, there has been significant growth in the volume of long term credits by commercial banks to municipalities. 1994: 1,900,000 PLN 1995: 27,000,000 PLN 1996: 248,000,000 PLN c) Measures the number of commercial banks offering housing and/or construction loans on a non-subsidized basis.			

II C. Strategic Objective 1.4: Building a competitive, market-oriented financial sector

(3) Prospects for Achieving Objective and Close-Out Plan

At the beginning of FY 98 there will be 14 activities and a staff of 3.5. By the end of FY 98, \$7.95 million will have been obligated. At the beginning of FY 99, there will be 9 activities and a staff of 3. By the end of FY 99, \$2.9 million will be obligated. At the beginning of FY 00, there will be 4 activities and a staff of 2.5.

Overall prospects for achieving this objective are good, but some results under IRs B and C are not assured and may not be achieved.

By calendar year 2000, the real value of bank lending to the private sector will still be growing by 15% per year. Stock exchange markets will be capitalized at the level of at least 20% of GDP. Private banks' assets will be at least 50% of total bank assets. The value of personal bank deposits will be at least 15% of GDP. A wide array of financial services will be available, not just in the largest cities, but in towns throughout Poland.

IR A Increased confidence in the financial sector

Two major activities contribute to this intermediate result: bank supervision and support to a Polish credit rating agency. Activities placed under other intermediate results also contribute to the establishment of appropriate regulatory and supervisory structures over other parts of the financial sector. Given that adequate bank supervision is fundamental to inspiring confidence in the financial sector, this will still receive support in FY 99, the last year of funding. The credit rating agency will receive only modest support in FY 98 to insure that the market for credit ratings develops.

Prospects for achieving targeted results under this intermediate result are excellent. With the introduction of a new call report and the recent completion of four major bank examinations, we expect to achieve our target in bank supervision, of at least five annual major bank examinations by FY 99. Supervision and self-regulation in the Over-the-Counter Market has already been established. The government has agreed on proposals for pension reform for submission to Parliament; these include provisions for establishing supervision and regulation over both mandatory, capital-funded privately-managed pensions and voluntary private pensions. The outlook is good for passage of this reform in calendar year 1998, which would lay the ground work legally for establishment of appropriate regulatory and supervisory bodies over pension funds, with USAID help, in calendar year 1999. The pilot system of licensed warehouses is in place. This has established the foundation for a formal legal framework for a system of licensed warehouses that could issue warehouse receipts and for supervision of commodity exchanges and futures trading in calendar 1998. The recently

established Central European Rating Agency (CERA) is conducting a public education campaign on the value of credit ratings. CERA is well-capitalized and will also receive revenue from the sale of other products, notably a bulletin on commercial paper, assessments of counterpart risk for banks, and specialized training. These help to assure that CERA will have the funds to continue operating until the market for ratings fully develops.

Establishment of private pension funds and mortgage bonds will likely create a new demand for credit ratings, in the first instance to assure investors and fund supervisors that holdings of publicly-issued debt are of investment grade, and in the second instance, as an aid in selling securitized mortgage bonds.

IR B Improved efficiency of financial markets

Currently, seven on-going activities support achievement of this intermediate result: Over-the-Counter Market, support to payments improvement, Warsaw Institute of Banking, assistance to Cooperative Banking, assistance to credit unions, the IAA with Treasury, and FSVC. The Financial Services Resource Center was an eighth, but this activity has recently ended. Support to the OTC Market will end by September 1997 and the credit unions activity will end by December 1997.

Prospects for achieving results under this intermediate result are good, but not assured. Bank privatization (supported by the Bank Privatization Fund and Treasury IAA) had fallen behind schedule until now. The recent decision to proceed with privatization of Bank Handlowy, using a convertible bond whose proceeds would finance the government's costs of implementing pension reform, assures that this divestiture will soon be completed. PBK Bank is also scheduled for privatization this year. Bank Zachodni is targeted for calendar year 1999, while the new consolidated state-owned banking group, PEKAO SA, which includes three of the prior nine state-owned commercial banks, is unlikely to be privatized in the next few years, while consolidation is still underway. Privatization of the specialized state-owned banks (PKO BP, the state savings bank; and BGZ, the APEX cooperative Bank for Food Economy) remains problematic. Thus, the completion of bank privatization may take until calendar year 2010.

The independent cooperative banks are likely to survive, since they are the strongest ones in the cooperative banking system and since, effective in calendar year 1997, they too have enjoyed the same tax forgiveness that applied to cooperative banks affiliated with the state Bank for Food Economy (BFE). Furthermore, strong pressure is being exerted by the EBRD to convert the BFE into a commercial bank and privatize it in conjunction with a substantial EBRD investment. These developments augur well for the survival of a strong independent cooperative banking system.

Whether the Over-the-Counter Market offers effective competition to the state-owned Warsaw Stock Exchange, or is folded into it, depends heavily on brokerage house interest in effectively marketing to and securing new OTC issuers. Until sufficient trading and revenues are generated, the continued existence of the market will depend heavily on brokerage houses

and other financial institutions providing the necessary capital to cover operating expenses. If interim finance becomes available to sustain the OTC Market into calendar year 1998, the prospects are very good that it will gain a critical mass of listings from National Investment Fund companies, municipalities, banks owning equity shares, privately-owned firms wishing to go public, and investment funds seeking to exit from holdings.

The close-out of the Financial Services Resource Center activity means that expected results in creating full service investment banks will not be attained. This project was allowed to expire for two reasons: the high cost of achieving results and an Embassy policy that discontinued assistance directed toward individual banks, in favor of more cost-effective infrastructure or institutions that serve the banking sector as a whole. However, investment banking capacity has been created.

Targets for Polish bank training have already been met, but the sustainability of the Warsaw Institute of Banking has not yet been achieved. However, marketing, accounting, and instructional and course development assistance will place the institute well on the road to sustainability by FY 98.

Payments systems improvements will depend heavily on banker acceptance of electronic payments systems and agreement to set standards that could reduce the float under the current system. The impending opening of the Polish market to foreign banks should spur agreement to improve payments, so we expect that results will be achieved as targeted in FY 99.

IR C Increased availability of standard financial services and products

Three sets of on-going activities support achievement of this intermediate result: support to pension reform and development of privately-managed, capital-based pension funds; licensed warehouse receipts; and housing finance.

While municipalities have issued municipal bonds, these have all been privately placed. To increase municipal access to Poland's capital market, and to reinforce use of the new Polish credit rating agency and the OTC market, USAID/Poland is proposing a new grant program that will finance for municipalities the cost of preparing municipal bond and municipal entity share offerings for public placement as well as credit ratings. This financing should provide by end of FY 99 a positive, critical demonstration for all municipalities on how to access Poland's capital market.

As previously mentioned, prospects are good for Parliamentary passage of pension reform and a legal framework for warehouse receipts and the operation of commodity exchanges. As a consequence, results re availability of private pension plans and warehouse receipts should be achieved in the planned time frame.

The housing finance system is already market-based, but relatively fragile. The supply of affordable housing, and weak demand because of high interest rates, constrain growth in the home mortgage market. Both constraints are, however, lessening. As the housing development industry becomes more responsive to demand, and as the inflation rate continues to fall towards single figures, banks should expect a stronger demand for mortgages. Banks, supported by their professional association, the Government and the central bank, are working on several initiatives that would make the system more robust, competitive, and better integrated with the capital market. By close-out, it is probable that (a) there will be a competitive institutional structure for housing finance, provided by both commercial banks and specialized mortgage banks; (b) a comprehensive housing finance training delivery system will be in place in one or more bank training institutes; and, therefore, (c) mortgage and construction lending will be significantly more widespread than it is today.

As noted in the Graduation Plan, small businesses have limited access to finance. The customer survey of SMEs revealed that only 42% possess a bank account or have an overdraft facility. Small businesses rely heavily on self-finance and retained earnings for working capital and to finance operations and investment. Leasing, receivables finance, and lending against inventory are not commonly available to small businesses. Through a new three-part effort to begin in FY 98, USAID/Poland will address these needs. The policy climate for leasing will be improved. Training curricula on lending to small businesses will be developed and used by Poland's bank training institutions. BSOs will promote available SME finance programs and insure that their staff and consultants are equipped to help small businesses to access finance and make best use of financial resources.

II D. Strategic Objective 2.3: Local government is effective, responsive and accountable

(1) 1996 Results Highlights and Performance Rating

Performance Rating: 2

It is clear that significant progress towards achieving planned FY 97 targets has been made. USAID/Poland is on track towards achieving the objective of effective, accountable and responsive local government, as illustrated by the FY 96 results discussed below. The local governance objective supports Polish local governments in their effort to become more effective managers of resources and more responsive and accountable to citizens and the private sector. At the national level, the program helps improve the policy and legislative environment within which municipalities operate. It improves municipal management to support economic development and enhanced service delivery, in ways which respond to constituent priorities. The program also integrates NGO and private sector contributions into economic development and service delivery improvements. The underlying objective is to build Polish capacity to develop and implement reforms. The program creates a strong base of expertise and experience in Polish consultants, training and academic institutions, municipalities, and their associations; these entities will complete the reform process after Poland's graduation from U.S. assistance.

At the strategic objective level, Poland's local governments have attained more independence and demonstrated more management ability than other ENI countries. Based on results of the customer survey, local governments have recently acquired access to the longer term capital for needed infrastructure investments, through an increased number of municipal bonds and loans. Municipal financial system reforms have been initiated including revision of one formula for intergovernmental transfers. It is clear that improved municipal management concepts are being adopted throughout the country. On the other hand, municipalities remain dependent upon central government transfers rather than having their own significant revenue-raising authorities. Both the customer survey and the inventories of best practices indicate many reforms that would lead to more effective and responsive municipal service delivery have been identified. Full implementation, however, has not taken place; only leadership, not line staff, have adopted these improvements so far.

Strategic Objective 2.3 is the newest strategic objective in the Poland portfolio and, as such, is still early in its implementation. Data required for the establishment of targets were collected during the February 1997 national customer survey. For this reason, in the Graduation Plan Performance Tables, targets were not set for FY 96. The Indicators Tables in this R4 and its Annex 1 show the targets that were set from FY 97-00 as revised based on review of these customer survey results. Further revision may be needed next year after more experience in LGPP implementation; a number of indicators do not adequately describe qualitative differences, for instance, and thus have tended to over-report the implementation of municipal management improvements.

Certain assumptions affecting results under this objective have changed since submission of USAID/Poland's Graduation Plan in May 1996. At that time, the flagship activity in support of this S.O.'s IR 3.1, the Local Government Partnership Program (LGPP), was expected to support 30 municipalities. During FY 97, the number of "local government partners" increased to 48 to capture the full range of Polish local governments, from rural to large cities, and to include special purpose associations. USAID/Poland also decided to include public service city zones, a new level of local government. These may be models for a possible reinstatement of "county" level government. USAID/Poland has decided to expand the number and types of innovative best practices which will be disseminated to municipalities nationwide. To jump-start LGPP, while program design and procurement were still underway, as well as a competitive partner selection process, USAID implemented a "pilot" partners program in seven municipalities and one public service city zone. One result of the pilot is an inventory of best practices in seven substantive areas, very relevant for the LGPP. USAID/Poland was also invited to participate in the national level debate over reform of the municipal finance system. As a result, funding has increased for policy and legislative assistance under this S.O. In the long run, this will improve the likelihood of achieving the policy-level targets. Experience over the past year supports the need for flexibility.

Progress towards FY 97 institutional development targets under IR 4 is also on track. Poles are assuming leadership roles in institutions, previously managed by Americans, which provide consulting services in land management, environmental services, housing development and municipal finance. Polish partners serve on an advisory committee for the LGPP, which also serves as the selection committee for the new partner cities. Polish customers have been active in disseminating the tools which have already been developed and tested in the pilot cities.

I.R. 1 Increased influence of local government on national and regional policy

National policy change through adoption of local models:

- o Assistance to non-profit housing associations provided grass roots input to the development of legislation which created the National Housing Fund. This fund offers loans for nonprofit housing development. Two national housing associations are now participating in a national media campaign to lobby for enhanced local government provision of serviced land and permits for housing.

- o Case material was developed that improved the legal environment for the municipal capital market, through work with one municipality (Ostrow Wielkopolski) on preparation of its bond. Disclosure guidelines for municipal bonds were negotiated with the Securities Commission and adopted. This mode of achieving national policy change, by starting at the local level with a demonstration project, is a key design

feature of the new Local Government Partnership Program.

Increased capacity of municipal associations

- o Four major national municipal associations signed a partnership agreement with USAID/Poland in May 1997 to establish a system of analysis and build their capacity to lobby for reform of the local government legislative and policy environment. These associations and the Ministry of Finance have prepared municipal finance reform guidelines that increase gminas' resource generation capacity and the transparency and effectiveness of inter-governmental transfers. These policy guidelines will soon be submitted to the GOP for approval.

I.R. 2 Participation in local government decision-making increased.

Increased participation in civic processes:

- o As reported under S.O 1.3, local agencies to support housing initiatives were established in 18 cities. They also contribute to S.O 2.3 by assisting local governments to promote and improve mechanisms for housing delivery using public-private partnerships.
- o Gaja, a public policy-oriented NGO in Bielsko-Biala, conducted a successful campaign to block the Polish government's plan to build a system of dams on the Vistula River. Gaja persuaded the GOP to abandon the plan and announce an international competition for alternative proposals. Gaja's campaign was one of the first broadly-based successful national lobbying efforts in the history of the environmental movement in Poland.

Expanded mechanisms for public input:

- o The Bielsko-Biala city council formally established a steering committee which includes local businesses, NGOs, banks, and representatives of local government that will implement a pilot center city historic district economic revitalization project. Private businesses also formed their own association to participate in this effort, based on the Philadelphia model.
- o As a result of advocacy by a public policy-oriented NGO (Green Action Environmental Foundation in Legnica), 7 gminas of Upper Silesia prepared and began to implement local environmental protection plans, including plans for \$26 million for new infrastructure investments: 6 waste-water treatment plants, conversion from coal to natural gas in 40 villages, re-forestation in 8 gminas, water mains in 72 villages, and modernization of waste disposal facilities in 8 gminas.

More sustainable civic participation:

- o The Open Society Network of 6 NGO support organizations designed and field-tested in 6 regions an NGO capacity-building methodology for needs assessments, individualized technical assistance, and design of strategic development plans. The network has also created a database of funding sources for NGOs, including local and international donors.
- o The DemNet program's final grant-making is targeting NGO collaboration with local governments and replication of earlier successes. Twenty-nine NGOs have developed two-year strategic development plans (many of them for the first time). Twenty-one more NGOs are developing similar plans. The Nida Development Foundation in Nidzica has established a fund to support projects in several gminas that address local issues with \$400,000 in locally-raised public, private, regional, and foreign funds.

I.R. 3 Increased capacity to efficiently deliver services and manage local resources

Increased technical and managerial capacity:

- o Under the Housing Finance and Municipal Advisory Program, 7 municipalities received direct technical assistance which enables them to use the Gmina Financial Analysis model. The results produced or supported applications for 3 long-term loans and 2 municipal bond issues for municipal infrastructure projects totalling 117 million PLN.
- o Three new municipal waste-water treatment plants were opened for operations.
- o Ten municipal infrastructure projects assisted by EAPS, mostly ones that will eliminate air pollution, will receive implementation support from voivodship environmental funds. Over \$900,000 in environmental infrastructure grants and \$278,000 in loans to municipalities have been approved this year.
- o Recent review indicates that in FY 95-96 ETP-assisted communities started \$73 million of environmental investments funded from local resources. Also, over 20 projects that will improve companies' environmental impacts have been started as a result of Post-Diploma Studies for top industry managers.

Increased financial resources:

- o Seven municipalities issued municipal bonds raising a total of 185 million PLN for infrastructure investments. This demonstrates gminas' capacity to prepare projects and access the new municipal finance system.

- o Six major Polish commercial banks and the representatives of the National Bank of Poland have been trained in the municipal debt-carrying capacity evaluation methodology which is utilized in the Gmina Financial Analysis Model. This will increase loans to municipalities and streamline their processing times.
- o The Polish Public Securities Commission accepted for public trading on the OTC the first municipal bond issue by Ostrow Wielkopolski.

I.R. 4 Improved indigenous mechanisms for support to local government

- o The focus of assistance to the Foundation in Support of Local Government (FSLD) in FY 96 was to secure its sustainability. Income from training fees and other services generated 38% of FSLD's total calendar year 1996 income of 17 million PLN; this is an important step toward financial sustainability. FSLD now encompasses a national network of 17 regional training centers and 5 schools of local government. Using a cadre of over 3,000 permanent and part time trainers/consultants, FSLD trains more than 40,000 people per year, offering nearly 2,000 courses.
- o A "model" procedure consistent with Polish procurement laws was developed to facilitate contracts between local governments and local consulting firms for improved solid waste management. This model developed by the Local Environmental Management Program has been replicated and used to initiate 11 new contracts.
- o This year the Pilot Local Government Partnership Program is using over 30 Polish consultants to carry out the bulk of technical assistance to pilot partner gminas and to develop new tools in economic development and municipal enterprise analysis.
- o Through the Cooperation Fund grant, 3 Polish training institutions are training local consultants in task-based budgeting, capital investment planning, and municipal financial analysis. The Krakow Local Budget Research Center recently completed its first independently offered course in task-based budgeting, independent of U.S. assistance.

II D. Strategic Objective 2.3: Local government is effective, responsive and accountable

(2) Indicators Tables Highlights and Commentary

Results from two indicators that are performing better than expected, as well as one that has under-performed compared to expectations are described below. All other indicators tables for this strategic objective are in Annex 1. Indicators and measures will be reviewed prior to next year's customer survey to better capture the breadth and depth of certain results, e.g. capturing the extent of citizen participation and its impact on actual decisions, the extent of quality improvements in services, etc.

The performance indicators highlighted here demonstrate program impact relating to: municipal finance, improvement in quality of services, and NGO-strengthening.

Increased Non-Subsidized Financial Resources:

Municipal access to long-term commercial (non-subsidized) financial resources increased substantially in FY 96. The number of municipalities issuing bonds more than doubled, demonstrating that USAID/Poland's pioneer work in creating this market is a clear success. FY 97 targets anticipate that with LGPP assistance, these trends will continue, but that municipal debt-carrying capacity should limit the rate of increase over time. Because the work with a large pool of rural communities is just beginning and their debt-carrying capacity is inherently low, the targets for our partner gminas increase significantly in the next few years, but are slightly lower than what was anticipated at the time the Graduation Plan was written.

Improved Quality of Services:

Performance in improving the quality of services offered to citizens far exceeds FY 96 targets, both nationally and in pilot partner gminas, according to our customer survey. In the environmental sector (water, waste water, and solid waste), these positive returns have been verified by implementers. In other sectors, "improvement" needs to be more clearly defined and findings will be incorporated into the FY 00 R2. Over 70% of the national sample of gminas reported quality improvements in water services, 61% in solid waste, 54% in sewage services and nearly 50% in water quality. Future nationwide targets have been adjusted upward, in response to these customer survey findings. Partner cities targets remain the same to account for an increase in the overall sample and the fact that pilot cities were not new to assistance, as they were selected because of their previous successful experience in absorbing USAID/Poland's assistance. Citizens' opinions of service quality are being measured through the household customer survey as a cross-check against gminas' self-assessments of the quality of services that they provide.

More Sustainable Civic Participation:

Policy-oriented NGOs were evaluated against a set of variables indicating institutional maturity and financial stability. Overall, NGO institutional sustainability is encouraging; 77% of USAID/Poland-assisted NGOs and 30% of the national sample have systems in place which are indicative of organizational maturity. Organizations were considered institutionally sustainable if they met 6 out of 9 criteria in the comments section of the following indicator table. The financial sustainability of NGOs in Poland is more problematic, although the definition is rigorous. USAID/Poland-assisted organizations again out-performed non-assisted NGOs. Only a small percentage of NGOs in Poland met all five financial sustainability criteria in the indicator table's comments box (25% of USAID/Poland-assisted organizations and 11% of the national sample). These results suggest that, as might be expected, institutional sustainability of NGOs has been easier to ensure than financial sustainability. To address this situation, USAID/Poland is promoting cooperation between local governments and NGOs, but results from these efforts will only become visible in another year or two.

OBJECTIVE: Strategic Objective 2.3.			
APPROVED: 5/96		Country/Organization: Poland/USAID	
RESULT NAME IR 3 - 1 Increased capacity to deliver services and manage local resources efficiently			
INDICATOR: 1. Gminas using non-subsidized bank or bond financing, or co-financing for infrastructure and economic development.			
UNIT OF MEASURE: 1a) # of gminas that meet criteria a) and 1b) % of gminas that meet criteria b); 2a) # of partner cities that meet criteria a) and 2b) % of partner cities that meet criteria b).	Year	Planned	Actual
	1996(B)		1a) 4 gminas 1b) 12.4% 2a) 1 2b) 14.2% (1/7)
	1997	1a) 5 1b) 12.4% 2a) 2 2b) 29% (2/7)	
	1998	1a) 20 1b) 13% 2a) 11 2b) 35% (11/31)	
	1999	1a) 30 1b) 15% 2a) 22 2b) 50% (22/43)	
SOURCE: Cooperation Fund National Survey of Gminas The Urban Institute			
INDICATOR DESCRIPTION: Definition: Gmina that issued a) bonds, b) non-subsidized long-term (over 5 years) bank loans to finance investments (public and private) that generate economic development in the gmina and/or improve infrastructure.	2000	1a) 50 1b) 20% 2a) 30 2b) 70% (30/43)	
COMMENTS FY 96 figures for all 1a) data represent the actual number of gminas with municipal bonds. FY 97 data for 1b) represents data gathered from Feb. 1997 OBOP survey. Partner city data was collected by Urban Institute administering the OBOP questionnaire to 7 partner cities. Planned (target) figures for FY 97-FY 99 partner cities were reduced in April of 1997 to respond to the inclusion of rural gminas within the selected group of partner cities. Previous targets were - FY 97: 50%, FY 98: 50%, FY 99: 80%, and FY 00: 83%.			

OBJECTIVE: Strategic Objective 2.3.			
APPROVED: 5/96		Country/Organization: Poland/USAID	
RESULT NAME IR 3 - 4 Increased capacity to deliver services and manage local resources efficiently			
INDICATOR: 4. Gminas which show improvement in quality of service offered to citizens.			
UNIT OF MEASURE: a) % of gminas surveyed nationwide that meet the relevant criteria, and b) #(% of partner cities that meet relevant criteria.	Year	Planned	Actual
	1996(B)		a) 17.24% b) 3/7 (42.9%)
	1997	b) 30% (2/7)	
	1998	a) 35% b) 50% (16/31)	
	1999	a) 40% b) 60% (26/43)	
SOURCE: National Survey of Gminas The Urban Institute			
INDICATOR DESCRIPTION: Definition: Six major sectors concerned are: a) housing construction, b) municipal housing stock management, c) local health care, d) solid waste disposal, e) water quality and f) waste water treatment.	2000	a) 50% b) 66% (28/43)	
COMMENTS FY 96 nationwide response represents data gathered from Feb. 1997 OBOP survey. Partner city data was collected by Urban Institute administering the OBOP questionnaire to 7 pilot partner cities in March 1997. FY 96 figure for a) represents the weighted average of the shares of urban and rural gminas, 16.4% and 18.4%, respectively. Relevant criteria for both national survey and partner cities required that urban gminas improved quality in at least three services, while rural gminas improved quality in at least two services. FY 97-FY 00 targets for partner cities stay the same, yet are lower than FY 96 actual data to account for the overall sample (i.e. denominator) increasing significantly, as well as the fact that pilot cities received USAID/Poland assistance previous to being selected as partner cities. Original targets for nationwide sample were - FY 97: <1%; FY 98: 2%; FY 99 6%; FY 00 10%.			

OBJECTIVE: Strategic Objectiv 2.3			
APPROVED: 5/96		Country/Organization: Poland/USAID	
RESULT NAME IR 2.1 - 1 Increased involvement by citizens, NGOs and businesses in local civic process			
INDICATOR: 1. NGOs that are sustainable and have demonstrated capability to work with, and/or influence local governments in the field of environment, social services, economic growth and democracy.			
UNIT OF MEASURE: Number of USAID/Poland-assisted organizations that meet definition.	Year	Planned	Actual
	1996(B)		15
	1997	40	
SOURCE: Academy for Educational Development National Survey of NGOs	1998	70	
	INDICATOR DESCRIPTION: Definition: team has set criteria for defining sustainability, including: existence of organization's strategic development plan, diversity of funding sources; % of funding coming from non-USAID/Poland, especially local sources; degree to degree to which the organization has already secured funds for at least one year beyond USAID/Poland grant; and size of membership.		
COMMENTS The OBOP questionnaire was administered to a sample of USAID/Poland-assisted NGOs represented by AED's 61 public policy-oriented NGOs. This indicator reflects the "financial sustainability" of NGOs. A similar figure (and percentage) was also calculated from the national survey of public policy NGOs. As cited above 15 (24.6%) USAID/Poland- assisted NGOs met all five of the following criteria: 1) 3 or more diverse sources of funding; 2) guaranteed resources to realize activities for over seven months period into the future; 3) operating for at least three years; 4) financial management system in place; 5) donations/grants from abroad account for less than 50% of 1996 financial base. (At least 3 three of the above criteria are met by 75.4%, at least 4 - 50.8%). The OBOP survey administered Feb. 1997 provides the following results for the national sample: 11.1% were deemed "financially sustainable" using all five of the criteria. (At least 4 criteria: 43.2%, at least 3 criteria: 73.2%) * * * Conditions were also established for measuring "institutional sustainability". This involved whether or not both samples of NGOs fulfilled at least 6 of the 9 proposed criteria for institutional sustainability, namely: 1) share of organization's tasks realized by volunteers (<60%); 2) extent to which NGO collects information about client needs/ concerns of community; 3) flexibility vis a vis NGO's mission and client needs; 4) possession of internal auditing process; 5) possession of financial management system; 6) NGO staff participation in training; 7) increase in budget (1996-1995); 8) grant application activity; and 9) membership in NGO network(s) and/or associations. According to this study, 77% of USAID/Poland-assisted NGOs were "institutionally sustainable". compared with 30.5% of the national sample of NGOs.			

II D. Strategic Objective 2.3: Local government is effective, responsive and accountable

(3) Prospects for Achieving Objective and Close-out Plan

At the beginning of FY 98, SO 2.3 will have 15 activities, and 11 staff. By the end of FY 98, SO 2.3 will have obligated \$17.18 million. At the beginning of FY 99, there will be 10 activities and a staff of 9. By the end of FY 99, \$13.3 million will have been obligated. At the beginning of FY 00, there will be 3 activities and a staff of 8. At the beginning of FY 01, there will be one activity, the Local Government Partnership Program (LGPP) and a staff of 4 including a program-funded US PSC and 3 FSNs. On March 31, 2001, that staff of 4 will close out that final activity.

Prospects for achieving the targets under this Strategic Objective by FY 00 are excellent. This prediction is based on the following factors: the strong foundation for the two major initiatives built during FY 96; the active participation of counterparts from local municipalities up to the national government; evidence from past performance that the U.S. government is a valued contributor to municipal development; enthusiastic collaboration of other donors, including provision of capital finance to complement USAID/Poland's technical assistance; and, evidence that concepts of sound, responsive municipal management have already been disseminated across much of the country. Experience gained at the local level continues to be applied to the policy and legislative process, confirming the future opportunity for national level political impact. USAID/Poland has gained considerable visibility and credibility in Poland; our presence and involvement in and of itself contributes to the accomplishment of reforms sought by our Polish partners.

Several risk factors that could affect future success must also be recognized. In September 1997, there will be Parliamentary elections, and the outcome could affect the policy, legislative and financial environment for local governments, particularly the passage of a new municipal finance law that could strengthen the financial authority of local governments. In late spring 1998, local elections will also be held, which could potentially impact program progress in two ways -- causing substantial change in policy direction and/or personnel who are key partners, both in municipalities and in national municipal associations. In addition, the GOP may institute a new tier of government--counties or the former "powiats," mandating a refinement or redesign of the program and its targets and/or time line. Programs have been insulated from political changes by focusing on technical areas and building capacity in local Polish institutions that can play stable roles despite personnel changes.

An additional risk relates to the procurement process. The bulk of resources for the Local Government Partnership Program, the core program under both IR 3 "increased capacity to deliver services and manage local resources efficiently" and IR 4 "improved indigenous mechanisms for support to local government" will be obligated through a new contract. If

there are any substantial delays to the award of this contract, USAID/Poland will be severely constrained in its ability to achieve its targets and objectives on the current schedule.

IR 1 Increased influence of local government on national and regional policy

The major vehicle for achievement of targets under this IR is the Municipal Finance Reform Initiative, a two-pronged activity working with both the central government and local government representatives on fiscal and political decentralization. The project will help to introduce data and solid analysis into the policy debate and strengthen the local government associations. Local government associations are creating an analytical system; the project also provides advice to the Ministry of Finance and other central government policy-makers. By FY 98 this will create improved lobbying capacity in the local government associations. By FY 99, efficiency and/or equity will be improved in 4 of the revenue transfer formulas or the delegation of authority to local governments to raise and expend revenues will be completely rewritten. Options for municipal financial reform are being prepared for the new Parliament after the fall 1997 elections.

IR 2 Participation in local government decision-making increased

Two sets of targets under this IR will be achieved by close-out. One set strengthens NGOs to become sustainable entities that influence and collaborate with local governments; the other set improves local government mechanisms to incorporate more participation into decision-making. Through the Democracy Network, the Cooperative Housing Foundation, and a new grant program under the Local Government Partnership Program, at least 52% of public policy NGOs will be influencing local government FY 00, and 7 training and service organizations assisting NGOs will be self-sustaining. The Local Government Partnership Program will work directly with municipalities to create models for increased participation in order to achieve the target of 65% of local governments nationwide preparing budgets and strategic plans using the input from citizens, businesses, and NGOs by FY 00. According to the customer survey, over 51% of gminas already solicit this kind of participatory input, however, the survey did not screen for the depth of such participation nor whether decisions were changed based on such input. The next phase of assistance will develop mechanisms that promote more active and effective participation, as well as seek to improve the measures used to monitor this activity.

IR 3 Increased capacity to deliver services and manage local resources

IR 4 Improved indigenous mechanisms for support to local government

The cornerstone for achieving results under both IR 3 and IR 4 is the Local Government Partnership Program. By working with a large set of local governments, special purpose districts and public service city zones (48 representing a range of sizes and types) and utilizing Polish consultants and institutions, the LGPP will develop and refine municipal management methodologies, and institutionalize and disseminate them across Poland. The

program addresses 7 technical sectors, including strategic financial management, housing, economic development and municipal service delivery. In each sector, a set of best practices and tools will be developed from past experience, whenever possible, and newly developed where precedents do not exist. These will then be packaged into technical assistance programs and delivered to municipalities, primarily through Polish consultants. Assistance to associations of municipalities, both special purpose districts (such as 3-4 municipalities sharing a waste water treatment plant) and public service city zones (a model for a third tier of local governance, or county) will be primarily focused on organizational structure and aspects of service delivery specific to multiple municipalities. This aspect of the program is still under design; more detailed objectives and targets will be defined in the coming year.

By FY 00, the majority of Polish municipalities will be using task/program-based budgeting, will have reduced the per unit cost of services in at least two municipal services, and will have noted a net increase in SME firms on an annual basis. The majority of Polish gminas will have restructured fees and/or tariffs to promote cost recovery, and will have realized cost savings through restructuring or contracting with the private sector for municipal services. It is also anticipated that because many of financial managers in municipal government are women, and financial management is a primary focus under LGPP, a high percentage of women will have increased their professional skills through program activities. Experience in the partner municipalities will also be used to identify needed legislative and policy changes; the municipal associations are partners in all aspects of USAID/Poland's program, from city-specific experiments to policy change.

To achieve these targets, the program will have transferred methodologies to local professional firms, associations and institutions and disseminated them throughout the country. The LGPP contractor will be primarily responsible for this, but all other implementors have elements in their workplans that enhance the sustainability of their contributions. In addition, 4 institutions of higher education will have established degree programs in city management and regional/urban planning.

USAID/Poland has implemented a "pilot partners" program in FY 96-97, which provides a foundation for the future LGPP. The Pilot Partners Project has given all partners practical experience in managing technical assistance through partnerships and it has produced a significant inventory of resources--tools, methodologies, manuals and case studies. A set of "strategy modules" has been written for each sector, identifying tools already available for use immediately as well those that require further work. These modules are being tested and refined in the pilot partners. Once the new LGPP contract is in place, these materials will be used in partner local governments. Twenty-seven partners have been selected, including one public service city zone and two special purpose districts; limited assistance to them will begin in summer 1997. A final round of selection of partner municipalities and rural gminas will be conducted in late fall 1997. The "pilot partners" will continue to receive assistance, bringing with them experience to share with newer partners.

II E. Special Initiatives 4.1 and Cross-Cutting 4.2: FY 96 Results Highlights, Strategic Reorientation and Close-Out Plan

Since completion of the Graduation Plan, the only major strategic shift applies to the proposed Department of Labor (DOL) Reemployment Fund activity as discussed below. In other respects, the strategic directions outlined in the Graduation Plan are being followed with heavy emphasis on and major achievements towards sustainability planning for all Polish organizations that are expected to remain active after the completion of USAID/Poland funding. The USAID/Poland close-out staffing plan merges the management and monitoring of Special Initiatives 4.1 and Cross-Cutting Support 4.2. At the beginning of FY 98, there will be 13 activities managed and monitored by staff in all SO Teams and the Program Office, who have other responsibilities. No staff will be assigned primarily to either SO 4.2 or 4.1 activity management. At the end of FY 98, \$2.65 million will be obligated. At the beginning of FY 99, there will be 9 activities. At the end of FY 99, \$1.1 million will be obligated. At the beginning of FY 00, there will be 5 activities.

Labor Market Restructuring

A contract has been signed with CDC to produce a sustainability business plan for the Solidarity Union's Bureaus of Consulting and Negotiations (BKNs) by May 1997, in preparation for the conclusion of FTUI assistance to these offices by September 1998. The BKN's completed 1,020 cases of collective bargaining, and they provided 13,500 consultations to workers threatened with lay-offs, thus they met their targets for FY 96.

DOL:

The total FY 97-99 budget for DOL is substantially larger than the level foreseen in the Graduation Plan (see explanation in section IV A.). Since Poland's original commitment to coal sector restructuring is indefinitely on hold, the Reemployment Services Activity would develop a model for a portable public-private effort that could be refined, tested in Silesia over a two and a half year period, and then replicated without U.S. assistance in all sectors. A major DOL design effort is underway and due to be completed by June 15, 1997. The two-phase project design will define results expected from an investment of up to \$2.5 million of U.S. funds and an additional \$2.5 million of GOP matching funds. A decision on whether to go ahead to implement Phase I of the design will be made in June 1997.

DOL has promised to contract with CDC to produce sustainability plans for the four centers that are not yet sustainable. DOL is to turn the two crafts skills training centers over to the Solidarity Union's management by September 30, 1997, with 100% of operating costs covered by self-generated income by September 1998 according to DOL. Clear progress has been made towards the first two results: vocational testing and consulting capacity was put in place in April 1997 in all Polish labor offices, and the effectiveness of services has been assessed in 20% of those offices (against a target of 33% by September 30, 1998).

Democracy

A major sustainability planning effort is underway for the Warsaw Journalism Center. A collaborative effort between a local Polish BSO and the former IESC/Poland Director is underway that should produce a quality sustainability plan, and negotiations are underway to secure a long term facility. Over 50% of operating costs are covered by self-generated income, out-performing the original target of 34% of operating costs covered in this way by January 1997. The Center trained 168 journalists in independent media courses during 1997, out-performing the target of 100.

Results under three other activities are also noteworthy. The National Security Graduate Program, for which USAID/Poland funds some lecturers' fees and library materials, graduated 53 trainees in calendar years 1996-1997 who are qualified to participate in civilian oversight of the military. The National Democratic Institute has improved the organizing and communications skills of 5 political parties, its target for August 1997. Under its 632(a) IAA Educational Reform activity, USIA completed the development of 2 new specializations (Public Policy and Industrial Relations) within the Warsaw University Institute of Sociology.

Environment

The Environmental Health Project was completed in April 1997. A curriculum was developed for the Krakow-based post-graduate Environmental Health Training Program. This course strengthens the role of local and regional governments in the management and delivery of health services.

DOE:

--In FY 96, the Krakow Low Emissions Project helped establish 3 joint ventures with Polish companies, and introduced and replicated energy efficiency procedures in 5 housing cooperatives in Krakow to make this practice commonly used. Over 100 small and medium boilers were either closed down or converted to operate as heat exchangers, and the estimated environmental benefits include decrease of particulate emissions by 7,516 tons annually, decrease in SO₂ of 5,300 tons annually, decrease in NO₂ and NO_x of 1,300 tons annually, and decrease in CO of 16,000 tons annually. Since the elimination of low emissions is mandated by a local law and incentive scheme, the city developed a central heating network to further eliminate local boilers and carry out the plan of introducing gas heat to the Old Town.

EPA

--The Environmental Management Training Center (EMTC) trained 800 participants in environmental assessments and sustainable management of natural resources, and the skills they have acquired help local governments and industries to improve their investments and development plans. EMTC became a sustainable training center, supported by fees from trainees.

--The Local Environmental Action Program created communal partnership groups in Elk and Radom that became advocates for local government improvement in the management of local water resources. These groups are working to implement 4 local projects: in Radom, Mleczna River cleaning, Borki Reservoir protection, and extension of potable water deliveries; and in Elk, the clean-up of Elk Lake.

--Plock Environmental Education Center established a network of approximately 50 municipalities and provided them with environmental education curricula. The Center attracted local funding of \$130,000 from the National Fund for Environmental Protection. It is now sustainable, and disseminates the program to other municipalities.

--The technical approach promoted under the Biosolids Management activity helps the Upper Silesian industries to curb particulate and heavy metals emissions from 4 selected pilot sites (three non-ferrous plants' dump sites and one coal mine dump site). The data base, models and patents will be adopted by local industries (mines, ferrous and non-ferrous metals' industries) as general emissions elimination methodologies. Also, under SO 2.3, LEM will use this methodology to help local governments seal and protect communal landfills. The EPA activity produced and tested revegetation practices specifically adapted to the Upper Silesian conditions, the least expensive methods of rehabilitating the environment and decreasing risks to human health.

--EPA methods for testing underground storage tanks, new to Poland, will result in controlled storage of hazardous substances, and will reduce soil pollution caused by industries and gas stations. Special technologies are now used to assess the technical conditions in storage tanks buried underground, and their impact on soil and underground water resources. The methodology is expected to become a common assessment practice in chemical, oil, pharmaceutical, and other industries after completion of the EPA pilots. The Polish state distributor of fuels (CPN) already adopted the procedure in its fuel storage depots.

Health

Under the Partners for International Economic Reform activity which will end on September 30, 1997, 40 of the 60 Polish coal mines were surveyed for occupational safety hazards in a new process that empowered workers to collect the data and negotiate with management over resulting needs for safety improvements. Plans have been made to ensure the sustainable annual replication of this survey without further U.S. assistance after the planned end date.

Cross-Cutting Support Results

A database through a Polish contractor has been established for performance measurement under our three strategic objectives and a national customer survey has been completed by that contractor. A thorough review of the research design will be undertaken before the FY 98 survey is implemented. One of the five survey instruments, the gmina survey, will definitely need to be revised and supplemented with case studies for future target tracking. The

institutional contract funds an annual results publication and conference with implementers starting in June 1997, and year FY 98 update of all of performance measurement system products, including the repetition of the customer survey. We expect to contract for updated performance measurement system products in FY 99 and FY 00. The LGPP implementers will be responsible for reporting Strategic Objective 2.3 results for 2001.

The FY 97- FY 99 USAID/Poland Country Training Plan, completed in March 1997, specified all results expected from the completion of participant training in the U.S., Poland, and third countries. The FY 97 budget fully funds all participant training processing costs, and meets all ENI processing requirements until close-out.

As a response to the difficulty that implementers have been having in developing sustainability plans for key institutions, as noted in quarterly program reviews in the first half of FY 97, a special Financial Sustainability contract with a Polish institution will be awarded and fully funded in FY 97. This contractor will provide short term financial and other consultants necessary to develop sustainability plans for key institutions that are expected to continue to provide services after USAID/Poland assistance ends.

III A. Prioritization of Objectives

In early FY 96, USAID/Poland reduced the number of its strategic objectives from ten to three in order to better focus the Poland program to achieve a higher level of results, given the planned reduction in resources. All of the activities identified in our FY 97-99 budgets are critical to achieving the USAID/Poland Graduation Plan's results.

First Tier

SO 2.3 is our highest priority. USAID/Poland's strengthening of local government units is the most important program element. This effort mobilizes local economic development and develops new modes of municipal service delivery by working with 48 local government partners, which include individual municipalities, special purpose local government associations, and public service city zones. This SO also funds NGO strengthening in all of the partner gminas, a priority for the Agency's overall civil society initiatives, as well as for USAID/EU civil society coordination. Under this Strategic Objective, the sustainability of institutions critical to the long term effectiveness of local government is assured, and local government's influence on national policy is increased. The models developed in the 48 sites will be disseminated to all local government units in Poland.

Second Tier

Specific Intermediate Results under SO 1.3 and SO 1.4 are equally important. They constitute the second tier of funding priorities. Under SO 1.3, IR2 "improved profitability of SMEs" is the most important result. Funding primarily supports the Business Support Organizations Program. Under SO 1.4, IR A "increased confidence in the financial sector" and IR C "increased availability of standard financial services and products" are the most important results, so they are the funding priorities. The U.S. is the only or lead donor addressing these aspects of financial sector reform.

Third Tier

SO 1.3 IR 1 "support to policies, laws and regulations in support of SMEs," and SO 1.4 IR B "improved efficiency of financial markets" are third tier results that would cut be if resources were reduced for the Poland portfolio.

III B. USAID FY 97-99 Budget Requests by Program/Country (Agency format)

Pipeline status is not as accurate or timely as required but it has been considered when making resource allocation proposals. USAID/Poland's strategic emphasis and allocation of resources over the FY 97-00 period will shift even faster than planned a year ago towards support for local government, as targets in the financial and private sectors will be achieved sooner. In FY 97, 45% of USAID funds are allocated to local government, 25% to the financial sector, 21% to the private sector, and 9% to cross-cutting support and special initiatives. In FY 98, almost 49% of the budget will be allocated to local government assistance, with 23% to the financial sector, 20% to the private sector and 8% to cross-cutting support and special initiatives. In FY 99, 61% of the last year of funding will be allocated to local government, 15% to the financial sector, 14% to the private sector, and 10% to cross-cutting support and special initiatives.

Since it is not permitted to split contracts or grants in coding, the AED funding for assistance to NGO sustainability is assigned to the democracy/governance area. Health and environmental activities under Strategic Objective 2.3 are assigned to the health and environment codes. All other funds under Strategic Objective 2.3 are assigned to the economic development code, rather than to the democracy/governance code, because the primary results expected from these USAID investments are economic. It is expected that per unit cost-savings in service delivery, as well as locally generated economic development, will be our main results.

At the request of the U.S. Ambassador, \$2 million was set aside in the Poland Graduation Plan as a Special Initiatives Reserve for FY 99. This amount will be reduced to \$1.2 million, because an \$800,000 supplement for Skawina completion was needed in FY 97.

USAID FY 1997 Budget Request by Program/Country
(\$000)

20-Jun-97
02:42 PM

Country/Program: Poland

S.O. #, Title	Approp Acct	Bilateral/Field Spt	Est. SO Pipeline at end of FY 96	FY 1997 Request								Est Expend. FY 97	Est Total cost - life of SO	Mortgage at end of 1997		
				FY 1997 Total Request	Basic Education for Childrn	Other Economic Growth	Population	Child Survival	HIV/AIDS	Other Health	Environ				D/G	
SO 1.3: Private sector development is stimulated at the firm level																
		Bilateral		8,650	0	7,940	0	0	0	0	0	710	0			
		Field Spt		0	0	0	0	0	0	0	0	0	0			
		Total *	81,965	8,650	0	7,940	0	0	0	0	0	710	0	11,515	18,572	9,922
SO 1.4: A competitive, market-oriented private financial sector is developed																
		Bilateral		9,875	0	9,875	0	0	0	0	0	0	0			
		Field Spt		0	0	0	0	0	0	0	0	0	0			
		Total	17,165	9,875	0	9,875	0	0	0	0	0	0	0	16,500	20,725	10,850
SO 2.3: Local government is effective, responsive and accountable																
		Bilateral		15,298	0	14,400	0	0	0	0	0	2,243	655			
		Field Spt		700	0	0	0	0	0	700	0	0	0			
		Total	19,066	15,998	0	14,400	0	0	0	700	0	2,243	655	23,364	46,476	30,478
SO 4.1: Special Initiatives																
		Bilateral		4,933	0	850	0	0	0	0	0	2,800	1,283			
		Field Spt		100	0	0	0	0	0	0	0	0	100			
		Total	20,693	5,033	0	850	0	0	0	0	0	2,800	1,383	11,403	8,703	3,670
SO 4.2: Support to all Strategic Objectives																
		Bilateral		391	0	391	0	0	0	0	0	0	0			
		Field Spt		183	0	183	0	0	0	0	0	0	0			
		Total	314	574	0	574	0	0	0	0	0	0	0	450	654	80
SSO 2 (Type in approved full title of SO here)																
		Bilateral		0	0	0	0	0	0	0	0	0	0			
		Field Spt		0	0	0	0	0	0	0	0	0	0			
		Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SP0 1: (Type in approved full title of SPO here)																
		Bilateral		0	0	0	0	0	0	0	0	0	0			
		Field Spt		0	0	0	0	0	0	0	0	0	0			
		Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SP0 2: (Type in approved full title of SPO here)																
		Bilateral		0	0	0	0	0	0	0	0	0	0			
		Field Spt		0	0	0	0	0	0	0	0	0	0			
		Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Bilateral				39,147	0	33,456	0	0	0	0	0	5,753	1,938			
Total Field Support				983	0	183	0	0	0	700	0	100				
TOTAL PROGRAM				139,203	40,130	33,639	0	0	0	700	5,753	2,038	63,232	95,130	55,000	

* Total SO 1.3 pipeline includes \$63,100,073 as reported pipeline for Polish-American Enterprise Fund

FY 97 Budget Request by Appropriation - (\$000's)	
Development Assistance	0
Development Fund for Africa	0
Economic Support Funds	0
SEED	40,130
FSA	0
PL 480 Title II	0
PL 480 Title III	0
Micro & Small Ent. Dev. Credit Program	0
Housing Investment Guarantee Program	0
Enhanced Credit Program	0
Disaster Assistance	0

USAID FY 1998 Budget Request by Program/Country
(\$000)

20-Jun-97
02:42 PM

Country/Program: Poland

S.O. #	Title		Est. SO Pipeline at end of FY 97	FY 1998 Request								Est Expend. FY 98	Est Total cost - life of SO	Mortgage at end of 1998	
	Approp Acct	Bilateral/Field Spt		FY 1998 Total Request	Basic Education for Chldrn	Other Economic Growth	Population	Child Survival	HIV/AIDS	Other Health	Environ				D/G
SO 1.3: Private sector development is stimulated at the firm level															
		Bilateral		7,222	0	7,222	0	0	0	0	0	0			
		Field Spt		0	0	0	0	0	0	0	0	0			
		Total	79,100	7,222	0	7,222	0	0	0	0	0	0	71,322	18,572	2,700
SO 1.4: A competitive, market-oriented private financial sector is developed															
		Bilateral		7,950	0	7,950	0	0	0	0	0	0			
		Field Spt		0	0	0	0	0	0	0	0	0			
		Total	10,540	7,950	0	7,950	0	0	0	0	0	0	12,000	20,725	2,900
SO 2.3: Local government is effective, responsive and accountable															
		Bilateral		16,478	0	16,133	0	0	0	0	345	0			
		Field Spt		700	0	0	0	0	0	700	0	0			
		Total	13,700	17,178	0	16,133	0	0	0	700	345	0	21,878	46,476	13,300
SO 4.1: Special Initiatives															
		Bilateral		2,470	0	1,520	0	0	0	0	0	950			
		Field Spt		100	0	0	0	0	0	0	0	100			
		Total	12,323	2,570	0	1,520	0	0	0	0	0	1,050	10,620	8,703	1,100
SO 4.2: Support to all Strategic Objectives															
		Bilateral		80	0	80	0	0	0	0	0	0			
		Field Spt		0	0	0	0	0	0	0	0	0			
		Total	438	80	0	80	0	0	0	0	0	0	430	654	0
SSO 2 (Type in approved full title of SO here)															
		Bilateral		0	0	0	0	0	0	0	0	0			
		Field Spt		0	0	0	0	0	0	0	0	0			
		Total	0	0	0	0	0	0	0	0	0	0	0	0	0
SPO 1: (Type in approved full title of SPO here)															
		Bilateral		0	0	0	0	0	0	0	0	0			
		Field Spt		0	0	0	0	0	0	0	0	0			
		Total	0	0	0	0	0	0	0	0	0	0	0	0	0
SPO 2: (Type in approved full title of SPO here)															
		Bilateral		0	0	0	0	0	0	0	0	0			
		Field Spt		0	0	0	0	0	0	0	0	0			
		Total	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Bilateral				34,200	0	32,905	0	0	0	0	345	950			
Total Field Support				800	0	0	0	0	0	700	0	100			
TOTAL PROGRAM				116,101	35,000	32,905	0	0	0	700	345	1,050	116,250	95,130	20,000

FY 98 Budget Request by Appropriation - (\$000's)	
Development Assistance	0
Development Fund for Africa	0
Economic Support Funds	0
SEED	35,000
FSA	0
PL 480 Title II	0
PL 480 Title III	0
Micro & Small Ent. Dev. Credit Program	0
Housing Investment Guarantee Program	0
Enhanced Credit Program	0
Disaster Assistance	0

Country/Program: Poland

S.O. #, Title	Approp Acct	Bilateral/Field Spt	Est. SO Pipeline at end of FY 98	FY 1999 Request									Est Expend. FY 99	Est Total cost - life of SO	Mortgage at end of 1999
				FY 1999 Total Request	Basic Education for Childrn	Other Economic Growth	Population	Child Survival	HIV/AIDS	Other Health	Environ	D/G			
SO 1.3: Private sector development is stimulated at the firm level															
		Bilateral		2,700	0	2,700	0	0	0	0	0	0			
		Field Spt		0	0	0	0	0	0	0	0	0			
		Total	15,000	2,700	0	2,700	0	0	0	0	0	0	11,700	18,572	0
SO 1.4: A competitive, market-oriented private financial sector is developed															
		Bilateral		2,900	0	2,900	0	0	0	0	0	0			
		Field Spt		0	0	0	0	0	0	0	0	0			
		Total	6,490	2,900	0	2,900	0	0	0	0	0	0	7,000	20,725	0
SO 2.3: Local government is effective, responsive and accountable															
		Bilateral		13,300	0	13,300	0	0	0	0	0	0			
		Field Spt		0	0	0	0	0	0	0	0	0			
		Total	9,000	13,300	0	13,300	0	0	0	0	0	0	16,425	46,476	0
SO 4.1: Special Initiatives															
		Bilateral		1,000	0	0	0	0	0	0	0	1,000			
		Field Spt		100	0	0	0	0	0	0	0	100			
		Total	4,273	1,100	0	0	0	0	0	0	0	1,100	6,150	8,703	0
SO 4.2: Support to all Strategic Objectives															
		Bilateral		0	0	0	0	0	0	0	0	0			
		Field Spt		0	0	0	0	0	0	0	0	0			
		Total	88	0	0	0	0	0	0	0	0	0	240	654	0
SSO 2 (Type in approved full title of SO here)															
		Bilateral		0	0	0	0	0	0	0	0	0			
		Field Spt		0	0	0	0	0	0	0	0	0			
		Total	0	0	0	0	0	0	0	0	0	0	0	0	0
SPO 1: (Type in approved full title of SPO here)															
		Bilateral		0	0	0	0	0	0	0	0	0			
		Field Spt		0	0	0	0	0	0	0	0	0			
		Total	0	0	0	0	0	0	0	0	0	0	0	0	0
SPO 2: (Type in approved full title of SPO here)															
		Bilateral		0	0	0	0	0	0	0	0	0			
		Field Spt		0	0	0	0	0	0	0	0	0			
		Total	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Bilateral				19,900	0	18,900	0	0	0	0	0	1,000			
Total Field Support				100	0	0	0	0	0	0	0	100			
TOTAL PROGRAM				34,851	20,000	18,900	0	0	0	0	1,100	41,515	95,130	0	

FY 99 Budget Request by Appropriation - (\$000's)	
Development Assistance	0
Development Fund for Africa	0
Economic Support Funds	0
SEED	20,000
FSA	0
PL 480 Title II	0
PL 480 Title III	0
Micro & Small Ent. Dev. Credit Program	0
Housing Investment Guarantee Program	0
Enhanced Credit Program	0
Disaster Assistance	0

III C.

**FY 1997 -1999 Budget Request
by Strategic Objective and Activity
(ENI format)**

USAID / Poland Activities Data Base with Budget (\$000)

Project number	activity name	provider	planned enddt	COTR location	AID/W proj. officer	Warsaw proj. officer	FY 97 budget (\$40,130)	FY 98 budget (\$ 35,000)	FY 99 budget (\$ 20,000)
SO 1.3 Private Sector Enterprise Development									
IR.1 Policies, laws and regulations									
180-0020.2	ABA/CEELI - Commercial Law;	AMERICAN BAR ASSOCIATION/ CEELI	11/98	W	Iilona Countryman	Magda Wyganowska	470	0	0
180-0023.16	SME Development / PEDS III	COOPERS & LYBRAND / DAI	9/98	P	Melissa Brinkerhoff	Pawel Krzeczunowicz	920	0	0
180-0026.13	ENI Regional - Collateral Law Project (IRIS)	UNIVERSITY RESEARCH CORP.	5/97	W	Susan Gurley	Magda Wyganowska	0	0	0
180-0026.6	ENI Regional - Legal Reform Grant (IDLJ)	INTL. DEVELOPMENT LAW INST.	9/99	W	Aleksandra Braginski	Magda Wyganowska	0	217	0
180-0027.1	IAA with Treasury - Tax Administration	U.S. DEPARTMENT OF TREASURY	9/98	W	Margaret Pollock	Peter Amato	300	0	0
180-0034.3	Polish Association of Home Builders	NATIONAL ASS. OF HOME BUILDERS RES. CENTER	1/98	P	Nancy Hooff	Michael Lee	165	0	0
180-0249.2	CASE - Second Stage of Economic Transition	CASE FOUNDATION -POLAND	6/99	P	N/A	Pawel Krzeczunowicz	200	0	0
IR 1 Sub-Total:							2055	217	0
IR.2 Improved profitability of SME enterprises									
180-0004.1	World Env. Center	WORLD ENVIRONMENT CENTER INC	9/98	W	Melody Bacha	Andrzej Pecikiewicz	710	0	0
180-0010.1	Polish-American Enterprise Fund	POLISH-AMERICAN ENTERPRISE FUND	3/98	W	Tom Clarkson	Peter Amato	0	0	0
180-0014.5	US PSC (senior advisor)	Senior Private Sector Advisor (PA)	9/98	P	N/A	Suzanne Oids	82	0	0
180-0014.5	US PSC (advisor)	Private sector advisor (PK)	9/2000	P	N/A	Peter Amato	80	80	80
180-0023.14	CDC - Technical Assistance to Enterprises	CITIZENS DEMOCRACY CORPS INC	9/97	W	Melissa Brinkerhoff	Magda Wyganowska	0	0	0
180-0023.8	SEAF - Small Enterprise Assist. Funds (CARESAC)	SMALL ENTERPRISE ASSISTANCE FUNDS	9/98	P	Melissa Brinkerhoff	Peter Amato	1840	0	0
180-0023.22	FSLD - Polish American Enterprise Clubs	FOUNDATION IN SUPPORT OF LOCAL DEMOCRACY	3/98	P	Karen Brown	Pawel Krzeczunowicz	55	0	0
180-0023.17	American University - Building Skills for US-Polish Trade	AMERICAN UNIVERSITY	3/98	P	Melissa Brinkerhoff	Pawel Krzeczunowicz	0	0	0
180-0023	OIC-Poland	OPPORTUNITIES INDUSTRIALIZATION CENTRE	9/98	P	Melissa Brinkerhoff	Nina Majer	0	0	0
180-0023.1	IESC - International Executive Service Corps	INTERNATIONAL EXECUTIVE SERVICE CORPS	9/97	W	James May	Magda Wyganowska	0	0	0
180-0023.3	Center for International Private Enterprise	CENTER FOR INTL PRIVATE ENTERPRISE	4/97	W	Melissa Brinkerhoff	Magda Wyganowska	0	0	0
180-0023.5	MBA Enterprise Corps - Regional	MBA ENTERPRISE CORPS	9/97	W	Melissa Brinkerhoff	Magda Wyganowska	0	0	0
180-0023	DAI - SME Regional Networking	DEVELOPMENT ALTERNATIVES INTL.	6/97	P	Melissa Brinkerhoff	Pawel Krzeczunowicz	0	0	0
180-0023.15	2 FSNs	Project specialists (MW, MJ)	9/99	P	N/A	Peter Amato	120	80	40
180-0023.18	SME Assistance and Development	ACDI	9/2000	P	Judith Schumacher	Peter Amato	463	4569	2580
180-0024.17	LOL - Polish Business Dev. / Trading Assoc.	LAND O LAKES INC	9/97	P	Charles Uphaus	Magda Wyganowska	0	0	0
180-0029.1	Management Training Large Grants - Univ. of Maryland	UNIV. OF MARYLAND	9/99	W	Jim Nindel	Magda Wyganowska	384	0	0
180-0029.1	Management Training Large Grants - Univ. of Minnesota	UNIV OF MINNESOTA	9/99	P	Jim Nindel	Maryia Jakubowicz	1198	0	0
180-0029.1	Management Training - Univ. of Warsaw (unsol. proposal)	UNIV. OF WARSAW	12/97	P	Jim Nindel	Magda Wyganowska	0	0	0
180-0030.10	Utility Consultancy agreement with Polish partners	US UTILITY NEW YORK STATE ELEC & GAS	9/97	W	Bob Ichord	Maryia Jakubowicz	0	0	0
180-0030.1	Industry Contracts - Restructuring/Legal Reform/IPP	BECHTEL CORPORATION	9/99	W	Jackie de Rosa	Maryia Jakubowicz	500	800	0
180-0030.1	Industry Contracts - Energy Efficiency	ELECTROTEK CONCEPTS INC	9/99	W	Ira Birnbaum	Maryia Jakubowicz	300	500	0
180-0030.4	Utility Partnership Program	UNITED STATES ENERGY ASSOCIATION	12/98	W	Bob Ichord	Maryia Jakubowicz	0	0	0
180-0034.1	Creation and Development of Real Estate Institute	EASTERN EUROPE REAL PROPERTY FOUND	9/97	W	David Olinger	Krzysztof Jaszczolt	0	0	0
180-0034.3	Technical Assistance to Housing Developers	PADCO INC.	9/97	P	Nancy Hooff	Michael Lee	0	0	0
180-0034.3	Cooperative Housing in a Market Economy	COOPERATIVE HOUSING FOUNDATION INTL	9/99	P	Nancy Hooff	Michael Lee	663	976	0
180-0249	Management Training - Gdansk University (uns. proposal).	CENTRAL CONNECTICUT STATE UNIVERSITY	9/97	W	N/A	Magda Wyganowska	0	0	0
180-0023	WID SME Support II	FDPAWRED	12/98	P	N/A	Magda Wyganowska	200	0	0
IR 2 Sub-Total:							6595	7005	2700
SO 1.3 SUB-TOTAL							8650	7222	2700

USAID / Poland Activities Data Base with Budget (\$000)

Project number	activity name	provider	planned enddt	COTR location	AID/W proj. officer	Warsaw proj. officer	FY 97 budget (\$40,130)	FY 98 budget (\$ 35,000)	FY 99 budget (\$ 20,000)
SO 1.4 Financial Sector Development									
IR A Increased confidence in the financial sector									
180-0014.4	Poland - National Bank of Poland (Supervision)	KPMG PEAT MARWICK	9/2000	W	Jean Lange	Vicki Peterson	1700	1500	1500
180-0014.4	Bank System Development (Credit Rating)	FIRST WASHINGTON ASSOCIATES LTD	3/99	W	Victoria Wohlsen	Vicki Peterson	450	250	0
IR A Sub-Total:							2150	1750	1500
IR B Improved efficiency of financial markets									
180-0014.4	Poland - Financial Services Resource Center	CRIMSON CAPITAL	3/97	W	Tim DuBel	Vicki Peterson	165	0	0
180-0014.4	FSRC Project Close-Out	CRIMSON CAPITAL	7/97	P	Tim DuBel	Vicki Peterson	10	0	0
180-0014.2	OTC - Over The Counter Market	BARENTS	8/97	W	Ann Richards	Mark Kraczkiewicz	750	0	0
180-0014.4	Bank System Development (Payments)	FIRST WASHINGTON ASSOCIATES LTD	3/99	W	Victoria Wohlsen	Vicki Peterson	400	250	0
180-0014.4	Warsaw Institute of Banking (Bank Training)	KPMG	9/98	W	Kim McKeon	Vicki Peterson	450	0	0
180-0014.4	US PSC (off shore)	Financial sector development advisor (VP)	2/99	P	N/A	Mark Kraczkiewicz	250	300	0
180-0014.4	FSN PSC	Project assistant (ML)	12/99	P	N/A	Mark Kraczkiewicz	50	50	0
180-0023.6	WOCCU - Building the Polish Credit Union System	CREDIT UNION NATIONAL ASSOC.	12/97	W	Melissa Brinkerhoff	Mikolaj Lepkowski	0	0	0
180-0024.6	Cooperative Banking	AGRICULTURAL COOP DEV INTL	9/99	P	Charles Uphaus	Mikolaj Lepkowski	800	400	0
180-0027.1	IAA with Treasury: Bank Sector Financial Reform	U.S. TREASURY DEPARTMENT	1/98	W	Margaret Pollock	Mark Kraczkiewicz	0	0	0
180-0027.2	FSVC Grant	FINANCIAL SERVICES VOLUNTEER CORPS INC	9/2000	W	Victoria Wohlsen	Mark Kraczkiewicz	800	700	300
IR B Sub-Total:							3675	1700	300
IR C Increased availability of standard financial services and products									
180-0014.2	Private Pension Funds II	PRICE WATERHOUSE	9/98	P	Robert Singletary	Mark Kraczkiewicz	90	0	0
180-0014.2	Private Pension Funds III	PRICE WATERHOUSE	12/99	P	Robert Singletary	Mark Kraczkiewicz	948	1950	850
180-0014.2	Pension Funds: Plenipotentiary's Salary	IBRD	9/98	P	Robert Singletary	Mark Kraczkiewicz	32	50	0
180-0014.2	Municipal Access to Capital Markets	COOPERATION FUND	9/99	P	Ann Richards	Vicki Peterson	500	0	0
180-0014.4	Financial Services to SMEs	OMNIBUS II	9/2000	TBD	Robert Singletary	Vicki Peterson	0	1500	250
180-0024.16	VOCA - Commodity Exchange	VOLUNTEERS IN OVERSEAS COOPERATIVE ASST	9/98	P	Charles Uphaus	Magda Wyganowska	500	0	0
180-0034.1	Urban Institute: Housing Finance	URBAN INSTITUTE	9/99	P	Nancy Hooff	Bill Frej / Michael Lee	1670	1000	0
180-0034.1	PADCO: Housing Finance Technical Assistance	PADCO INC	9/97	P	Nancy Hooff	Bill Frej / Michael Lee	10	0	0
180-0034.1	TCN PSC	Housing finance advisor (ML)	12/98	P	N/A	Bill Frej	300	0	0
IR C Sub-Total:							4050	4500	1100
SO 1.4 SUB-TOTAL:							9875	7950	2900

USAID / Poland Activities Data Base with Budget (\$000)

Project number	activity name	provider	planned enddt	COTR location	AIDW proj. officer	Warsaw proj. officer	FY 97 budget (\$40,130)	FY 98 budget (\$ 35,000)	FY 99 budget (\$ 20,000)
SO 2.3 Local Government									
180-0002.18	Poland - Local Govt.-Health Service Mgt.	HARVARD SCHOOL OF PUBL. HEALTH	9/99	W	Katie McDonald (G)	Tomasz Potkanski	700	700	0
180-0004.11	HIID Env. Policy	HARVARD UNIVERSITY	9/97	W	Dwight Walker	Andrzej Pecikiewicz	0	0	0
180-0019.7	DAI - Public Administration - Local Government	DEVELOPMENT ALTERNATIVES INTL.	9/99	P	Illona Countryman	Tomasz Potkanski	1825	975	0
180-0019.7	GMF-Dialog / Community Action	GERMAN MARSHALL FUND	9/98	W	Illona Countryman	Nina Majer	0	0	0
180-0019.7	FSLD/Local Government / Community Action	FOUNDATION IN SUPPORT OF LOCAL DEMOCRACY	9/2000	P	Illona Countryman	Tomasz Potkanski	91	500	500
180-0019.7	FSN PSC	Local government specialist (TP)	9/2000	P	N/A	Bill Frej	0	80	0
180-0034.2	FSN PSC	Local government specialist (TP)	9/2000	P	N/A	Bill Frej	0	0	0
180-0030.1	Energy Cities	FEWE (unsolicited proposal)	9/99	P	N/A	Maryia Jakubowicz	533	0	0
180-0032.9	Democracy Networks	ACADEMY FOR EDUCATIONAL DEV. INC.	7/98	P	Christine Sheckler	Nina Majer	655	0	0
180-0032.9	FSN PSC	NGO Project Manager (NM)	9/2000	P	N/A	Bill Frej	90	0	90
180-0034.2	PADCO: Municipal Development	PADCO INC	9/97	P	Nancy Hooff	Rebecca Black	0	0	0
180-0034.2	Urban Institute: Municipal Development / Partner Cities	URBAN INSTITUTE	9/98	P	Nancy Hooff	Bill Frej/R. Black	2400	0	0
180-0034.2	Cooperation Fund - Urban Management	COOPERATION FUND - POLAND	9/97	P	Nancy Hooff	Krzysztof Jaszczolt	500	0	0
180-0039.10	Env. Action Prog. Support Proj. Regional	CHEMONICS INTERNATIONAL CONSULTING DIV.	3/98	W	Gordon Straub	Andrzej Pecikiewicz	649	0	0
180-0039.10	FSN PSC	Environment Specialist (AP)	9/98	P	N/A	Bill Frej	61	55	0
180-0039.6	Local Env. Management Proj. Poland (LEM II)	RESEARCH TRIANGLE INSTITUTE	9/99	P	Gordon Straub	Andrzej Pecikiewicz	360	290	0
180-0041	Env. Training Project Poland	MINNESOTA, UNIVERSITY OF	9/98	W	Gordon Straub	Andrzej Pecikiewicz	640	0	0
180-0034.2	Municipal Development	MDA (unsolicited proposal)	9/2000	P	Nancy Hooff	Rebecca Black	590	500	250
180-0034.2	New Local Govt. Initiative	New competitive procurement	3/2001	P	Nancy Hooff	Rebecca Black	6669	13928	12210
180-0034.2	TCN PSC	Local Government Finance Specialist (ML)	12/99	P	N/A	Bill Frej	0	150	0
180-0034.2	Bielsko Biala and other Historic Study Tours	CHF	12/98	P	N/A	Michael Lee	0	0	0
180-0034.2	Housing Support for Partner Cities	CHF	12/98	P	N/A	Michael Lee	0	0	0
180-0034.2	Bielsko Biala Historic Revitalization	CHF	12/98	P	Nancy Hooff	Michael Lee	196	0	0
180-0034	Local Government Close-Out	(USPSC, 3 FSNs, FY01 FASS/ICASS)	3/01	P	N/A	Bill Frej	0	0	250
180-0249	PD&S (Design of New Local Govt. Initiative)/Evaluation	Short Term Personal Service Contractor (EC)	7/97	P	Gloria Steele	Bill Frej	39	0	0
SUB-TOTAL							15998	17178	13300

USAID / Poland Activities Data Base with Budget (\$000)

Project number	activity name	provider	planned enddt	COTR location	AID/W proj. officer	Warsaw proj. officer	FY 97 budget (\$40,130)	FY 98 budget (\$ 35,000)	FY 99 budget (\$ 20,000)
SO 4.1 Special Initiatives									
180-0002.7	Georgetown University Scholarship Program	GEORGETOWN UNIVERSITY	12/97	W	Stephen Brooks	Anna Jozefowicz			
180-0002.9	USIA - English Language Training Program	UNITED STATES INFORMATION AGENCY	10/98	W	Joyce Kaiser	Anna Jozefowicz	0	0	0
180-0045.6	USIA - Ron Brown Fellowship (former Muskie)	UNITED STATES INFORMATION AGENCY	9/2000	W	Joyce Kaiser	Anna Jozefowicz	180	0	0
180-0004.4	Fossil Energy Skawina Poland	U.S. DEPARTMENT OF ENERGY	12/98	W	Ichord/Madland	Maryla Jakubowicz	350	200	150
180-0014.4	East-East Dissemination	CASE	9/2000	P	N/A	Vicki Peterson	2800	0	0
180-0020	DOJ/CEELI - Criminal Justice	US DEPARTMENT OF JUSTICE/CEELI	8/98	W	Keith Henderson	Anna Jozefowicz	150	689	500
180-0021.5	Political Party Building Program	NATIONAL DEMOCRATIC INSTITUTE	3/98	P	Deborah Berns	Anna Jozefowicz	0	0	0
180-0021.1	IAA with USIA (Educational Reform)	UNITED STATES INFORMATION AGENCY	12/97	W	Deborah Berns	Anna Jozefowicz	150	0	0
180-0021.8	FTUI - Support to Solidarity /BKN (follow-up)	FREE TRADE UNION INST	9/98	W	Corbin Lyday	Anna Jozefowicz	0	0	0
180-0022.1	Warsaw Journalism Center	WARSAW JOURNALISM CENTER	12/98	P	Peter Graves	Deborah Prindle	200	0	0
180-0023.7	SPA - Small Project Assistance/Env. & English Teach.	PEACE CORPS	9/2000	W	Arnold Baker (G)	Anna Jozefowicz	250	0	0
180-0031	Krakow Low Emissions Project	U.S. DEPARTMENT OF ENERGY	9/98	W	Ichord/Madland	Anna Jozefowicz	100	100	100
180-0033.1	* US DOL - Labor Market Transition	U.S. DEPARTMENT OF LABOR	2/2000	W	Bruce Grogan	Andrzej Pecikiewicz	0	0	0
180-0033.2	PIER - Mine Safety (Silesia)	PARTNERS IN ECONOMIC REFORM	9/97	P	Bruce Grogan	Deborah Prindle	500	1231	0
180-0037	Joint Commission on Accreditation of Hospitals	JOINT COMMISSION INT. ON ACCREDITATION	6/97	W	Tina Cieland	Krzysztof Janiak	0	0	0
180-0039.1	EPA 1994 IAA: Silesia / EMTC and Karkow Air / Agriculture	U.S. ENVIRONMENTAL PROTECTION AGENCY	9/99	W	Mike Kalinoski	Anna Jozefowicz	0	0	0
180-0019	Democracy Commission Small Grants	UNITED STATES INFORMATION AGENCY	9/2000	W	Kathryn Stratos	Pecikiewicz/Jakubowicz	0	0	0
180-0022.2	Media Exchanges	UNITED STATES INFORMATION AGENCY	12/98	W	Peter Graves	Anna Jozefowicz	350	350	350
180-0249	National Security Graduate Program	UNIVERSITY OF WARSAW	10/98	P	N/A	Anna Jozefowicz	3	0	0
180-0249	Parking Fines Set Aside		N/A	N/A	Brian Wickland	Anna Jozefowicz	0	0	0
SUB-TOTAL							5033	2570	1100
SO 4.2 Support to all three Strategic Objectives									
180-0249	PD&S (Data Collection Contract/Monitoring)	FINANCIAL SERVICES Ltd	9/2000	P	Gloria Steele	Deborah Prindle	300	0	0
180-0249	Monitoring Support	Short Term Personal Service Contractors	9/99	P	N/A	Deborah Prindle	0	80	0
180-0045.1	PIET - Participant Training Project for Europe	PARTNERS FOR INTL ED & TRNG	3/97	W	Joyce Kaiser	Anna Jozefowicz	41	0	0
180-0045.1	Participant Training Processing	WORLD LEARNING (G Bureau buy-in)	9/2000	W	Joyce Kaiser	Anna Jozefowicz	183	0	0
180-0249	Embassy Medical Support for Implementers		7/97	P	N/A	Jerry Johnston	0	0	0
180-0249	Financial Sustainability Planning	Limited Competition - new design FY97	9/2000	P	N/A	Deborah Prindle	50	0	0
SUB-TOTAL							574	80	0
TOTAL							40130	35000	20000

* FY97 amount to be obligated for US Dept. of Labor - Labor Market Transition may change based on design review and approval in June 1997

III D. Global Bureau Field Support Requests FY 97-99

SO 1.4 Loan Portfolio Guarantee (LPG) Program

Until now, only one Polish bank (Amerbank) has participated in this program. The Bank Inicjatyw Społeczno-Ekonomicznych (BISE) has expressed interest, but has not yet joined. As the program's scope expands, NGOs and other microfinance institutions will be invited to participate. The majority of the Polish banking sector is still state-owned and more willing to finance current or former state-owned enterprises to the disadvantage of private firms, especially SMEs. Even the growing number of private banks tend to finance larger enterprises which are able to offer substantial guaranties. The LPG program is designed to offset bank risks in lending to smaller private firms to promote the development of SMEs. USAID/Poland requests that the Global Bureau finance the \$200,000 subsidy cost per year for two more years for a loan guarantee limit of \$2,500,000. The guaranties expire 5 years after the first year of funding. If the program is continued in FY 98 as proposed, the guaranties will expire in FY 03, and would need to be monitored by G/EG/CI in the Global Bureau in AID/W until then.

RHUDO Operating Expenses

In the USAID/Poland portfolio, RHUDO staff are involved in the management of S.O 2.3 plus housing finance under S.O 1.4 and housing assistance under S.O 1.3. The RHUDO/Warsaw staff manage three Housing Guaranty (HG) programs in the region, while also serving as the COTR for three contracts. RHUDO/Warsaw has management responsibility for housing assistance in Hungary, the Czech Republic and Albania. RHUDO/Warsaw also provides technical advice to the Croatia municipal programs, though ENI/EEUD is the COTR for these activities. The scale of RHUDO/Warsaw's technical assistance program, in conjunction with RHUDO's on-going management of the Czech HG (and, potentially, additional HGs in the region), argue for continued Global Bureau contribution of the Operating Expense Budget for two USDHs through the end of FY 99. RHUDO/Warsaw proposes that Global fund only two FSNs in FY 98 and no FSNs in FY 99. USAID/Poland proposes to fund these FSNs through FY 99 as well as OE for two USDHs through the end of FY 99 and one USDH through the end of FY 00. Project management responsibilities for LGPP will be assumed by one US PSC and FSN staff from October 1, 2000, under USAID/Poland funding, until the project closes on March 31, 2001. While RHUDO USDH presence will end in Warsaw at the end of FY 00, it is anticipated that the Regional USAID Mission in Budapest will assume HG project management and monitoring responsibilities within the region after the close-out of RHUDO/Warsaw in September 2000. This will involve residual monitoring of the Poland HG and on-going

management and monitoring of the Czech HG, if additional borrowings are still requested and/or required. If additional HGs are to be developed in the region after FY 00, Regional USAID/Budapest would also have this responsibility.

GLOBAL FIELD SUPPORT

Objective Name	Field Support: Activity Title & Number	Priority *	Duration	Estimated Funding (\$000)					
				FY 1997		FY 1998		FY 1999	
				Obligated by:		Obligated by:		Obligated by:	
				Operating Unit	Global Bureau	Operating Unit	Global Bureau	Operating Unit	Global Bureau
S.O.1.4: A competitive, market-oriented financial sector is developed	Loan Portfolio Guarantee	Medium - high	5 years (1997-2001)	0	200	0	200	0	0
S.O.2.3: Local Government is effective, responsive and accountable	RHUDO Operating Expenses	High	3 years (1997-1999)	0	360	0	326	0	307
GRAND TOTAL.....				0	560	0	526	0	307

*For Priorities use high, medium-high, medium, medium-low, low

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III E. BHR/PVC Bureau Field Support Request FY 98-01

S.O. 1.3 Cooperative Housing Foundation Grant

The Cooperative Housing Foundation (CHF) has been awarded a grant by BHR/PVC for a Cooperative Development Program for the Philippines, Poland and the Republic of South Africa. Of the total award, \$825,174 is for Poland. CHF will develop Polish capability to provide technical assistance to condominium and cooperative associations in their management, maintenance and renovation of housing. A pilot condominium renovation project, with accompanying workshop and manual, will demonstrate how local Agencies for the Support of Housing Initiatives (AWIMs) can provide services to condominium associations on a fee-paying basis. The Poland component will begin early in FY 98 and be completed earlier than initially planned to coincide with the September 30, 2000, closing of the USDH presence in Poland.

IV A. Status of Management Contract

In this FY 99 R4, budgets for FY 97-99 are proposed that require ENI approvals at the DAA level because they exceed the AID Representative's authority to increase or decrease the budget for an SO by more or less than 20% in five cases, and they propose to change the amount in a SAA in a given year by more or less than 5%, in seven cases. The following summary table compares the total by SO and by FY in the Graduation Plan and this R4, and calculates the percentage changes. Approval for the FY 97 changes was requested in an email to ENI/PCS prior to submission of this R4. This section on status of the management contract also identifies changes in plans relating to other U.S. Government agencies which require the State Coordinator's approval. A request for this approval for the FY 97 changes was sent by E-mail to ENI/PCS.

Changes:

FY 97 --52.52% Increase to SO 4.1, 79% Decrease to SO 4.2, 12.27% Increase to SAA II, 6% Decrease to SAA I, and 7.32% Decrease to SAA III:

The increase to SAA II is a result of the increase under SO 2.3 from \$3,674,000 in the Graduation Plan to \$6,669,000 in FY 97 funds needed for the new Local Government Partnership Program. Costs increased because the number of local government units to be assisted has increased from 30 to 48. Funds needed for the activity implemented by DAI also had to be doubled to achieve the expected results in reform of fiscal transfer formulas and analytical capacity-building in local government associations. As a result of these increases in S.O 2.3 funding, the total budget for SAA II Democracy increased by 12.27%. Elimination of the budget for evaluations decreased the funding for SO 4.2 by 79%. Instead of external evaluations, USAID/Poland is relying on its indicators and targets database, as well as quarterly reviews of activity performance, for more cost-effective, comprehensive and timely data for management decision-making. The increase to SO 2.3 resulted in a decrease of funding for SAA I Economic Restructuring and SAA III Special Initiatives and Cross-Cutting Support, by 6% and 7.32%, respectively.

FY 98 -- 71% Increase to SO 4.1, 84% Decrease to SO 4.2, and 33% Net Increase to SAA III:

The budget for SO 4.2 was \$500,000 in the Graduation Plan, so elimination of the funds for external evaluations caused the 84% drop in the budget for this SO.

Under S.O 4.1, funding for the DOL activities is greatly increased, because in FY 97 sustainability had not been achieved for the skills training centers created in the past. No new money for FY 98 was planned for DOL in the Graduation Plan.

DOL proposed a FY 97 budget in fall 1996. USAID/Poland and DOL analyzed the DOL pipeline for Poland and the proposed program, and the following levels of funding were approved by the U.S. Embassy and USAID/Poland:

Activity	FY 97 Funding Level
Employment Services	\$ 40,000
Construction Training Center	\$265,000
White Collar Training Center	\$187,000
Advisory Center for Women	\$ 55,000
Field Director (through 1/98)	\$ 64,000
Labor-Management Relations	\$120,000
	—————
Total:	\$731,000

Since the Coal Restructuring Reemployment Activity was not on track, it was decided to use \$731,000 of the \$1,462,610 pipeline for this activity to fund the above programs. It was decided, if required in FY 97 and FY 98, to replenish the Coal Restructuring Reemployment Activity pipeline and bring it up to the \$2.5 million level originally planned (including pre-FY 97 as well as FY 97 design costs, management and technical assistance costs) for a new Reemployment Services Activity.

For this reason, USAID/Poland shows \$500,000 in the FY 97 budget for DOL, and the FY 98 budget shows \$1,231,600 for DOL, but a decision will only be made in June 1997 about whether to proceed with Phase I, and a second decision will be made at the end of Phase I about whether to proceed with Phase II, and whether to fund it at this maximum level. The net increase for SAA III of 32.5% is caused by the proposed budget increase for DOL.

The Labor-Management Relations Activity funding level is still being discussed. The Embassy and USAID/Poland agreed to review a DOL proposal which has not yet been submitted.

FY 99 -- 26% Decrease to SO 1.4, 45% Decrease to SO 4.1, 100% decrease to SO 4.2, 19.82% Increase to SAA II, 15% Decrease to SAA I and 52.17% Decrease to SAA III:

The reduction in SO 1.4 funding results from the decision to end the Financial Services Resource Center activity in FY 97 [see discussion in section II C (3)]. The \$1,000,000 freed up in FY 99 by this decision was moved to SO 2.3 for the Local Government Partnership

Program, where a higher than expected level of resources will be needed, because of the higher number of local government units that will be assisted and the increased level of results expected compared to the Graduation Plan. The decrease to SO 4.1 and therefore SAA III were caused by the shift of funds from the Special Initiatives reserve to the SO 2.3 for the New Local Government Initiative and its close-out. Funds originally planned under SO 4.2 are now no longer required, because the Polish institutional data collection and monitoring contract will be fully funded in FY 97. SAA levels thus increased under SAA II and decreased under the other two SAAs.

Changes to FY 97-99 Plans for other U.S. Agencies:

For the Treasury IAA, we propose a reduction of \$100,000 in FY 97 under SO 1.4 because these funds are no longer needed in view of pipeline still available and expected completion date.

For USIA in FY 97, there will be an increase of \$130,000 from regional funds for the Ron Brown (Muskie) Fellowship Program, plus a new Media Exchanges activity of \$50,000 (including \$47,000 of FY 96 carry over not shown in this R4's budget tables, plus the \$3,000 that is shown in the FY 97 budget). The Graduation Plan had not assigned Special Initiatives funds to specific activities in FY 99. For FY 99, this R4 proposes for the USIA Ron Brown (Muskie) Fellowships \$150,000, plus for the Democracy Commission \$350,000 (its present annual level).

An increase of \$2,800,000 in FY 97 for the DOE IAA or a contract or IAA with another implementer is needed to contribute funding for correction of the Skawina construction defects.

A decrease of \$150,000 for DOL in FY 97, and an increase of up to \$1,231,000 for DOL in FY 98 are budgeted. This budget change was fully explained under FY 98 earlier in this section.

In the Graduation Plan, there was no commitment to funding for Peace Corps in FY 99. In FY 99, \$100,000 is now budgeted for the SPA program (the same annual level as in FY 97 and FY 98).

Management Contract Table [\$'000]

SO	FY 97			FY 98			FY 99			Total % change (FY 99 R4 / Graduation Plan)
	Total Budget Planned in Graduation Plan	Total Budget Planned in FY99 R4	% change	Total Budget Planned in Graduation Plan	Total Budget Planned in FY99 R4	% change	Total Budget Planned in Graduation Plan	Total Budget Planned in FY99 R4	% change	
SO 1.3	7,950	8,650	8.81%	7,222	7,222	0.00%	2,700	2,700	0.00%	3.92%
SO 1.4	11,750	9,875	-15.96%	8,600	7,950	-7.56%	3,900	2,900	-25.64%	-14.54%
SO 2.3	14,250	15,998	12.27%	17,178	17,178	0.00%	11,100	13,300	19.82%	9.28%
SO 4.1	3,300	5,033	52.52%	1,500	2,570	71.33%	2,000	1,100	-45.00%	27.99%
SO 4.2	2,750	574	-79.13%	500	80	-84.00%	300	0	-100.00%	-81.58%
TOTAL	40,000	40,130		35,000	35,000		20,000	20,000		
SAA										
SO 1.3 + SO 1.4	19,700	18,525	-5.96%	15,822	15,172	-4.11%	6,600	5,600	-15.15%	-6.71%
SO 2.3	14,250	15,998	12.27%	17,178	17,178	0.00%	11,100	13,300	19.82%	9.28%
SO 4.1 + SO 4.2	6,050	5,607	-7.32%	2,000	2,650	32.50%	2,300	1,100	-52.17%	-9.59%

IV B. Program Close-Out Management, Reporting, and Property Disposal, and Maintenance of U.S. Relationships Thereafter

The following summary table shows the relative obligations, numbers of activities and numbers of USAID/Poland staff managing each strategic objective in FY 97-01. The budget tables in Section III of this R4 show the activity-specific planned end dates, COTR location, and the names of the Warsaw and USAID/W individuals responsible for management and monitoring of each activity. These assignments will be updated continuously over time as staff attrition and close-out occurs. The column of COTR location shows that many activities are still managed from Washington, but in fact, USAID/Poland is the virtual manager of all of the projects (except IAAs).

USAID/Poland proposes to keep sufficient in-country staff in place through March 31, 2001 to manage the close-out of program activities, as explained earlier in this section of the R4. A US PSC local government technical officer with FSN support will need to remain in Poland through that date to manage close-out of the Local Government Partnership Program. The last AID Representative will leave country at the end of FY 00. From Oct. 1, 2000, residual field staff can likely be housed in temporary Embassy office space. The staffing proposed in the summary table, and in the Section V. C. OE and Staffing Tables in this R4, will be adequate for program oversight through completion on March 31, 2001 of all bilateral activities. Global Bureau oversight of the Loan Guarantee Program until FY 04, and the Housing Guarantees until they are complete, will still be required as discussed in section III D of this R4.

A document entitled "Five Year Retrospective: USAID Program in Poland 1990-1995" was completed in December 1996. For results since FY 95, the ENI Monitoring and Reporting System (MRS) will remain the major vehicle for close-out reporting on activities. USAID/Poland will refile a complete set of updated cumulative results reports (2 pages each) for each on-going activity in November or December of calendar years 1997-2000 (depending on annual due date set by ENI/W for MRS reports). This will also be the close-out report for any activity that will end by June of the following calendar year. A special MRS two-page cumulative close-out report will be filed on any activity that ends during July through October of any calendar year, and each such report will be filed at the time the activity ends. The close-out reports already filed in this way as part of USAID/Poland December 1996 MRS AMR submission show the cumulative results each activity contributes towards the USAID/Poland indicators and targets. Future close-out MRS reports will also continue this practice.

Non-Expendable Property (NXP) will usually be donated to counterpart Polish institutions and organizations. Since there is no bilateral agreement for the USAID/Poland program, all NXP entered Poland under temporary duty exemptions, and the duty and income tax situation for recipients of our donations is the major issue that requires urgent clarification. A Diplomatic Note will be submitted to the Minister of Finance under the signature of the Ambassador, requesting duty waivers and income tax exemptions for the value of all NXP

donations to relevant grantees and customer organizations. It is virtually certain that NXP donations to any GOP organization (e.g. universities, SME Foundation) will receive these approvals from the MOF. It is less clear at this point whether for-profit organizations (e.g. some BSOs) can benefit from tax waivers or exemptions, but the first step is to ask for this as a blanket policy ruling. Whatever the outcome of this negotiation, this will guide our policy for NXP donations. Case-by-case negotiations with the MOF on these matters will not be conducted. The final ruling will be given to all implementers as guidance, and at least 3 months prior to each activity's planned end date, each implementer will be required to submit a Plan for NXP Disposal to USAID/Poland for approval (with concurrence of COTR in ENI/W where appropriate). The USAID/Poland activities database includes a column for "NXP Disposal Plan Approved" in which the dates of each plan's approval will be entered. Priority will be given to on-going projects that need any available NXP prior to approval of any other disposal plan.

Post-Close-Out Maintenance of U.S.-Polish Relationships

As discussed in the USAID Graduation Plan, the main vehicle for the maintenance of long term U.S.-Polish relationships will be the private sector commercial, university and non-governmental organizations' relationships established by activities under S.O. 1.3, 1.4, 2.3, and 4.1 through our focus on leaving sustainable Polish institutions in place under all of these objectives and special initiatives. In addition, The Polish-American Enterprise Fund is expected to leave in place a foundation with a permanent endowment of between \$86-\$125 million for the purpose of improving U.S.-Polish relations through an annual grant-making program that will export Polish success at transition, develop leadership, and support voluntary and philanthropical organizations.

Program Close-Out Plan: Summary Table

Strategic Objective	FY 98	FY 98	FY 99	FY 99	FY 00	FY 00	FY 01	FY 01
	# of activities 10/1/97	# of staff 10/1/98	# of activities 10/1/98	# of staff 10/1/99	# of activities 10/1/99	# of staff 10/1/00	# of activities 10/1/00	# of staff 1/10/00
SO 1.3	21	5	11	3	1	3	0	0
SO 1.4	14	3.5	9	3	4	2.5	0	0
SO 2.3	15	11	10	9	3	8	1	4
SO 4.1+ SO 4.2	13	0	9	0	5	0	0	0
TOTAL	60	19.5	35	15	12	13.5	1	4

Footnotes

1. IAA 632(a) activities by USIS as well as activities by Peace Corps and Georgetown University Fellowships are not counted because they do not require USAID/Poland oversight. This also assumes 632(a) for Skawina Project.
2. The SO 4.2 activities are not ends in themselves; they support activities under the other Strategic Objectives. The activities under SO 4.1 and 4.2 will be managed by PSCs and FSNs who have other responsibilities under other SOs and the Program Office.
3. SO 2.3 staff numbers include RHUDO as well as ENI-funded staff.
4. AIDREP, EXO, RCO, Controller and Program Office staff are not included.

Planned end dates of the activities

Strategic Objective/Activity Name	planned enddt	FY 98				FY 99				FY 00				FY 01	
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
SO 1.3 Private Sector Enterprise Development															
Management Training - Univ. of Warsaw (unsol. proposal)	12/97	X	X												
Polish Association of Home Builders	1/98	X	X												
Polish-American Enterprise Fund	3/98	X	X												
FSLD - Polish American Enterprise Clubs	3/98	X	X												
American University - Building Skills for US-Polish Trade	3/98	X	X												
SME Development / PEDS III	9/98	X	X	X	X										
IAA with Treasury - Tax Administration	9/98	X	X	X	X										
World Env. Center	9/98	X	X	X	X										
SEAF - Small Enterprise Assist. Funds (CARESAC)	9/98	X	X	X	X										
OIC-Poland	9/98	X	X	X	X										
ABA/CEELI - Commercial Law	11/98	X	X	X	X	X									
Utility Partnership Program	12/98	X	X	X	X	X									
WID SME Support	12/98	X	X	X	X	X									
CASE - Second Stage of Economic Transition	6/99	X	X	X	X	X	X	X							
ENI Regional - Legal Reform Grant (IDL)	9/99	X	X	X	X	X	X	X	X						
Management Training Large Grants - Univ. of Maryland	9/99	X	X	X	X	X	X	X	X						
Management Training Large Grants - Univ. of Minnesota	9/99	X	X	X	X	X	X	X	X						
Industry Contracts - Restructuring/Legal Reform/IPP	9/99	X	X	X	X	X	X	X	X						
Industry Contracts - Energy Efficiency	9/99	X	X	X	X	X	X	X	X						
Cooperative Housing in a Market Economy	9/99	X	X	X	X	X	X	X	X						
SME Assistance and Development	9/2000	X	X	X	X	X	X	X	X	X	X	X	X		

Planned end dates of the activities

Strategic Objective/Activity Name	planned enddt	FY 98				FY 99				FY 00				FY 01	
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
SO 1.4 Financial Sector Development															
WOCCU - Building the Polish Credit Union System	12/97	X													
IAA with Treasury: Bank Sector Financial Reform	1/98	X	X												
Warsaw Institute of Banking (Bank Training)	9/98	X	X	X	X										
Private Pension Funds II	9/98	X	X	X	X										
Pension Funds: Plenipotentiary's salary	9/98	X	X	X	X										
VOCA - Commodity Exchange	9/98	X	X	X	X										
Bank System Development (Credit Rating)	3/99	X	X	X	X	X	X								
Bank System Development (Payments)	3/99	X	X	X	X	X	X								
Cooperative Banking	9/99	X	X	X	X	X	X	X	X						
Municipal Access to Capital Markets	9/99	X	X	X	X	X	X	X	X						
Urban Institute: Housing Finance	9/99	X	X	X	X	X	X	X	X						
Private Pension Funds III	12/99	X	X	X	X	X	X	X	X	X					
Poland - National Bank of Poland (Supervision)	9/2000	X	X	X	X	X	X	X	X	X	X	X	X		
FSVC Grant	9/2000	X	X	X	X	X	X	X	X	X	X	X	X		
Financial Services to SMEs	9/2000			X	X	X	X	X	X	X	X	X	X		

Planned end dates of the activities

Strategic Objective/Activity Name	planned enddt	FY 98				FY 99				FY 00				FY 01	
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
SO 2.3 Local Government															
Env. Action Prog. Support Proj. Regional	3/98	X													
Democracy Networks	7/98	X	X	X											
Env. Training Project: Poland	9/98	X	X	X	X										
GMF-Dialog / Community Action	9/98	X	X	X	X										
Urban Institute: Municipal Development / Partner Cities	9/98	X	X	X	X										
Bielsko Biala and other historic Study Tours	12/98	X	X	X	X	X									
Housing Support for Partner Cities	12/98	X	X	X	X	X									
Bielsko Biala Historic Revitalization	12/98	X	X	X	X	X									
Poland - Local Govt.-Health Service Mgt.	9/99	X	X	X	X	X	X	X	X						
DAI - Public Administration - Local Government	9/99	X	X	X	X	X	X	X	X						
Energy Cities	9/99	X	X	X	X	X	X	X	X						
Local Env. Management Proj. Poland (LEM II)	9/99	X	X	X	X	X	X	X	X						
FSLD/Local Government / Community Action	9/2000	X	X	X	X	X	X	X	X	X	X	X	X		
Municipal Development	9/2000	X	X	X	X	X	X	X	X	X	X	X	X		
New Local Govt. Initiative	3/2001	X	X	X	X	X	X	X	X	X	X	X	X	X	X

Planned end dates of the activities

Strategic Objective/Activity Name	planned enddt	FY 98				FY 99				FY 00				FY 01	
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
SO 4.1 Special Initiatives															
Political Party Building Program	3/98	X	X												
DOJ/CEELI - Criminal Justice	8/98	X	X	X	X										
FTUI - Support to Solidarity /BKN (follow-up)	9/98	X	X	X	X										
Krakov Low Emissions Project	9/98	X	X	X	X										
National Security Graduate Program	10/98	X	X	X	X	X									
Fossil Energy Skawina Poland	12/98	X	X	X	X	X									
Warsaw Journalism Center	12/98	X	X	X	X	X									
EPA 1994 IAA: Silesia / EMTC and Karkow Air / Agriculture	9/99	X	X	X	X	X	X	X	X						
US DOL - Labor Market Transition	2/2000	X	X	X	X	X	X	X	X	X	X				
East-East Dissemination	9/2000	X	X	X	X	X	X	X	X	X	X	X			
SO 4.2 Cross-cutting															
PD&S (Data Collection Contract/Monitoring)	9/2000	X	X	X	X	X	X	X	X	X	X	X	X		
Participant Training Processing	9/2000	X	X	X	X	X	X	X	X	X	X	X	X		
Financial Sustainability Planning	9/2000	X	X	X	X	X	X	X	X	X	X	X	X		

Procurement Actions

Strategic Objective	FY 97			FY 98			FY 99		
	New Procurement	Incremental Funding + Amendments	IAAs/Peace Corps	New Procurement	Incremental Funding + Amendments	IAAs/Peace Corps	New Procurement	Incremental Funding + Amendments	IAAs/Peace Corps
SO 1.3	0	14	1	0	5	0	0	1	0
SO 1.4	1	14	0	1	8	0	0	4	0
SO 2.3	2	11	0	0	6	0	0	3	0
SO 4.1+ SO 4.2	2	6	7	0	0	4	0	0	3
TOTAL	5	45	8	1	19	4	0	8	3

Footnotes:

1. The numbers include IAAs, and OP as well as RCO procurement actions.
2. FY97 includes FY96 Carryover procurement actions.
3. This does not include US PSC and FSN actions.
4. Numbers may change because of FY 98 and FY 99 Special Initiatives Reserve.
5. Excludes any regional obligations -- Georgetown University and DOJ.

IV C. Staffing and OE tables

FY 99 is the last year for new USAID/Poland obligations of program funds but in-country staff will be needed through March 2001 to manage and monitor the close-out of activities. USAID/Poland has carefully reviewed personnel needs through March 2001, and has determined that the staff levels indicated below will be required to maintain adequate management and oversight over those projects, and to conduct close-out for activities. It is anticipated that the regional responsibilities of the Warsaw Controller will be transferred to the Regional Service Center by FY 2000. The Regional EXO function will end in FY 98.

Operating expenses in FY 98 are expected to decrease by over \$70,000 from FY 97. The decrease includes an increase of \$151,000 in FASS/ICASS costs from \$284,000 to \$435,00 as noted below. Additional costs were budgeted in FY 97 to cover expenses for two USDHs who will retire, post assignment costs for two USDH transfers, and projected FN local staff severance payments of \$70,000 due to the mission's graduation. FY 99 OE costs will be over \$340,000 (14.6%) lower than FY 98. We have also projected lower ICASS costs for FY 99 due to the anticipated reduction of USDH and FN personnel levels. Operating Expenses and staff levels required to manage the portfolio are summarized as follows:

	FY 97	FY 98	FY 99	FY 00	FY 01
TOTAL OE ['000]	\$2,445.4	\$2,372.3	\$2,026.6	\$1,861.0	\$0
FASS/ICASS ['000] (Included in OE Total above, except for FY 01, which is program - funded)	\$284.3	\$435.0	\$370.0	\$300.0	\$50.0
Staff Levels (Beginning of Fiscal Year)	48	44	35	30	4

NOTE: Staff levels above do not include RHUDO/Warsaw personnel critical for the successful implementation of the Local Government Strategic Objective. RHUDO/Warsaw personnel are OE funded under code 24181: FY 97 - 1 USDH and 4 FNs; FY 98 - 1 USDH and 2 FNs; FY 99 - 1 USDH and FY 00 - 1 USDH. The FASS/ICASS costs in FY 01 will come from program funds obligated in FY 99 as part of a US PSC contract under SO 2.3.

**Workforce Resources
FY 1997 Position Allocation of Staff Ceilings**

Organization: USAID/POLAND (22181)

Staff	Strategic Object: 2.3 Local Gov.	Strategic Object: 1.4 Financial Sec.	Strategic Object: 1.3 Private Sec.	Special Initiatives: 4.1/4.2	Special Objective 2: (title)	Special Objective 3: (title)	Subtotal S.O. Staff	Support Offices							Subtotal Support Staff	Grand Total Staff
								Mission Mgt.	Controller	EXO	Contracts	Legal	Program	Other		
USDH	1	1					2	1	1	1	1		1		5	7
USPSC (OE/TF) Internationally Recruited							0								0	0
USPSC (OE/TF) Locally Recruited							0	1		1					2	2
USPSC (Program Funded)		1	2				3			1					1	4
FSN/TCN Direct Hire (OE/TF) Internationally Recruited							0								0	0
FSN/TCN Direct Hire (OE/TF) Locally Recruited							0								0	0
FSN/TCN Non-Direct Hire (OE/TF) Internationally Recruited							0								0	0
FSN/TCN Non-Direct Hire (OE/TF) Locally Recruited	2	1	1				4	1	8	11	1		2		23	27
FSN/TCN Non-Direct Hire (Program Funded)	3	1	3	1			8								0	8
Other (RSSA, PASA, IPA) (OE/TF Funded)							0								0	0
Other (RSSA, PASA, IPA) (Program Funded)							0								0	0
Total Staff by Objective	6	4	6	1	0	0	17	3	9	14	2	0	3	0	31	48
TAACs*																
Fellows*																
IDI										1						
NOTE: 1) Schedules reflects FTEs for Regional Controller and RCO who provide services to various OARs in ENI. 2) SO 2.3 Local Gov. includes the RHUDO Director's USDH FTE which is reflected in ENI's staff ceiling. This position is funded by and also reflected in RHUDO/Warsaw's (24181) staff ceiling schedule 3) SO 2.3 Local Gov. above does not reflect RHUDO/Warsaw (24181) funded staff (USDH -1 and FNs - 4) 4) Figures are for October 1, 1996.																

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Totals by Staffing Category - FY 1997 Ceiling

Staff	Strategic Object: 2.3 Local Gov.	Strategic Object: 1.4 Financial Sec.	Strategic Object: 1.3 Private Sec.	Special Initiatives: 4.1/4.2	Special Objective 2: (title)	Special Objective 3: (title)	Subtotal S.O. Staff	Support Offices							Subtotal Support Staff	Grand Total Staff
								Mission Mgt.	Con-troller	EXO	Con-tracts	Legal	Program	Other		
USDH	1	1	0	0	0	0	2	1	1	1	1	0	1	0	5	7
USPSC (OE/TF)	0	0	0	0	0	0	0	1	0	1	0	0	0	0	2	2
USPSC (Program Funded)	0	1	2	0	0	0	3	0	0	1	0	0	0	0	1	4
Total USPSCs	0	1	2	0	0	0	3	1	0	2	0	0	0	0	3	6
FSN/TCN Direct Hire (OE/TF)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
FSN/TCN Non Direct Hire (OE/TF)	2	1	1	0	0	0	4	1	8	11	1	0	2	0	23	27
FSN/TCN Non Direct Hire (Program Funded)	3	1	3	1	0	0	8	0	0	0	0	0	0	0	0	8
Total FSN/TCN Non Direct Hire	5	2	4	1	0	0	12	1	8	11	1	0	2	0	23	35
Total FSN/TCN (OE/TF)	2	1	1	0	0	0	4	1	8	11	1	0	2	0	23	27
Total FSN/TCN (Program Funded)	3	1	3	1	0	0	8	0	0	0	0	0	0	0	0	8
Total FSN/TCN Staff	5	2	4	1	0	0	12	1	8	11	1	0	2	0	23	35
Total Other (RSSA, PASA, IPA) (OE/TF)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Other (RSSA, PASA, IPA) (Program Funded)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total FSN/TCN Staff	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total OE/TF Staff (includes USDH)	3	2	1	0	0	0	6	3	9	13	2	0	3	0	30	36
Total Program Funded Staff	3	2	5	1	0	0	11	0	0	1	0	0	0	0	1	1
Grand Total All Staff	6	4	6	1	0	0	17	3	9	14	2	0	3	0	31	48

Notes:

- TAACs and Fellows count against G ceilings only and thus are "below the line" for field operating units. Service in the capacity of TAACs should be reported as TAACs regardless of the hiring mechanism. They should not be reported under PSCs, PASAs, RSSAs, etc.

The data in the table reflects positions, NOT, on-board strength or FTEs. You can divide the positions of people working on more than one SO, but do not subdivide in units of less than a half (0.5).

Provide separate tables for FY 97, 98, and 99.

**Workforce Resources
FY 1998 Position Allocation of Staff Ceilings**

Organization: USAID/POLAND (22181)

Staff	Strategic Object: 2.3 Local Gov.	Strategic Object: 1.4 Financial Sec.	Strategic Object: 1.3 Private Sec.	Special Initiatives: 4.1/4.2	Special Objective 2: (title)	Special Objective 3: (title)	Subtotal S.O. Staff	Support Offices							Subtotal Support Staff	Grand Total Staff
								Mission Mgt.	Con-troller	EXO	Con-tracts	Legal	Program	Other		
USDH	2						2	1	1	1	2				5	7
USPSC (OE/TF) Internationally Recruited		0.5					0.5					0.5			0.5	1
USPSC (OE/TF) Locally Recruited							0								0	0
USPSC (Program Funded)		1	2				3								0	3
FSN/TCN Direct Hire (OE/TF) Internationally Recruited							0								0	0
FSN/TCN Direct Hire (OE/TF) Locally Recruited							0								0	0
FSN/TCN Non-Direct Hire (OE/TF) Internationally Recruited							0								0	0
FSN/TCN Non-Direct Hire (OE/TF) Locally Recruited	1	1	1				3	1	7	10	2	2			22	25
FSN/TCN Non-Direct Hire (Program Funded)	5	1	2				8								0	8
Other (RSSA, PASA, IPA) (OE/TF Funded)							0								0	0
Other (RSSA, PASA, IPA) (Program Funded)							0								0	0
Total Staff by Objective	8	3.5	5	0	0	0	16.5	2	8	11	4	0	2.5	0	27.5	44
TAACs*																
Fellows*																

NOTE: 1) Schedules reflects FTEs for Controller and RCO who provide services to more than one office
2) SO2.3 Local Gov. includes one USDH position which is reflected in ENI's staff ceiling. This position is funded by and also reflected in RHUDO/Warsaw's (24181) staff ceiling schedule
3) SO 2.3 Local Gov. above does not reflect RHUDO/Warsaw (24181) funded staff (USDH - 1 and FNs -2)
4) These numbers are for October 1, 1997.

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Totals by Staffing Category - FY 1998 Ceiling

Staff	Strategic Object: 2.3 Local Gov.	Strategic Object: 1.4 Financial Sec.	Strategic Object: 1.3 Private Sec.	Special Initiatives: 4.1/4.2	Special Objective 2: (title)	Special Objective 3: (title)	Subtotal S.O. Staff	Support Offices							Subtotal Support Staff	Grand Total Staff
								Mission Mgt.	Controller	EXO	Contracts	Legal	Program	Other		
USDH	2	0	0	0	0	0	2	1	1	1	2	0	0	0	5	7
USPSC (OE/TF)	0	0.5	0	0	0	0	0.5	0	0	0	0	0	0.5	0	0.5	1
USPSC (Program Funded)	0	1	2	0	0	0	3	0	0	0	0	0	0	0	0	3
Total USPSCs	0	1.5	2	0	0	0	3.5	0	0	0	0	0	0.5	0	0.5	4
FSN/TCN Direct Hire (OE/TF)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
FSN/TCN Non Direct Hire (OE/TF)	1	1	1	0	0	0	3	1	7	10	2	0	2	0	22	25
FSN/TCN Non Direct Hire (Program Funded)	5	1	2	0	0	0	8	0	0	0	0	0	0	0	0	8
Total FSN/TCN Non Direct Hire	6	2	3	0	0	0	11	1	7	10	2	0	2	0	22	33
Total FSN/TCN (OE/TF)	1	1	1	0	0	0	3	1	7	10	2	0	2	0	22	25
Total FSN/TCN (Program Funded)	5	1	2	0	0	0	8	0	0	0	0	0	0	0	0	8
Total FSN/TCN Staff	6	2	3	0	0	0	11	1	7	10	2	0	2	0	22	33
Total Other (RSSA, PASA, IPA) (OE/TF)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Other (RSSA, PASA, IPA) (Program Funded)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total FSN/TCN Staff	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total OE/TF Staff (includes USDH)	3	1.5	1	0	0	0	5.5	2	8	11	4	0	2.5	0	27.5	33
Total Program Funded Staff	5	2	4	0	0	0		0	0	0	0	0	0	0	0	0
Grand Total All Staff	8	3.5	5	0	0	0	16.5	2	8	11	4	0	2.5	0	27.5	44

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Notes:

- TAACs and Fellows count against G ceilings only and thus are "below the line" for field operating units. Service in the capacity of TAACs should be reported as TAACs regardless of the hiring mechanism. They should not be reported under PSCs, PASAs, RSSAs, etc.

The data in the table reflects positions, NOT, on-board strength or FTEs. You can divide the positions of people working on more than one SO, but do not subdivide in units of less than a half (0.5).

Provide separate tables for FY 97, 98, and 99.

**Workforce Resources
FY 1999 Position Allocation of Staff Target Levels**

Organization: USAID/POLAND (22181)

Staff	Strategic Object: 2.3 Local Gov.	Strategic Object: 1.4 Financial Sec.	Strategic Object: 1.3 Private Sec.	Special Initiatives: 4.1/4.2	Special Objective 2: (title)	Special Objective 3: (title)	Subtotal S.O. Staff	Support Offices							Subtotal Support Staff	Grand Total Staff
								Mission Mgt.	Con-troller	EXO	Con-tracts	Legal	Program	Other		
USDH	2						2	1	1	1	2				5	7
USPSC (OE/TF) Internationally Recruited		0.5					0.5						0.5		0.5	1
USPSC (OE/TF) Locally Recruited							0								0	0
USPSC (Program Funded)		1	1				2								0	2
FSN/TCN Direct Hire (OE/TF) Internationally Recruited							0								0	0
FSN/TCN Direct Hire (OE/TF) Locally Recruited							0								0	0
FSN/TCN Non-Direct Hire (OE/TF) Internationally Recruited							0								0	0
FSN/TCN Non-Direct Hire (OE/TF) Locally Recruited	2	0.5	1				3.5	1	5	6	2		1.5		15.5	19
FSN/TCN Non-Direct Hire (Program Funded)	4	1	1				6								0	6
Other (RSSA, PASA, IPA) (OE/TF Funded)							0								0	0
Other (RSSA, PASA, IPA) (Program Funded)							0								0	0
Total Staff by Objective	8	3	3	0	0	0	14	2	6	7	4	0	2	0	21	35
TAACs*																
Fellows*																

NOTE: 1) Schedules reflects FTEs for Controller and RCO who provide services to more than one office
 2) SO 2.3 Local Gov. includes one USDH position which is reflected in ENI's staff ceiling. This position is funded by and also reflected in RHUDO/Warsaw's (24181) staff ceiling schedule
 3) SO 2.3 Local Gov. does not reflect Rhudo/Warsaw (24181) funded staff (USDH - 1)
 4) These numbers are for October 1, 1998

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Totals by Staffing Category - FY 1999 Target

Staff	Strategic Object: 2.3 Local Gov.	Strategic Object: 1.4 Financial Sec.	Strategic Object: 1.3 Private Sec.	Special Initiatives: 4.1/4.2	Special Objective 2: (title)	Special Objective 3: (title)	Subtotal S.O. Staff	Support Offices								Subtotal Support Staff	Grand Total Staff
								Mission Mgt.	Controller	EXO	Contracts	Legal	Program	Other			
USDH	2	0	0	0	0	0	2	1	1	1	2	0	0	0	5	7	
USPSC (OE/TF)	0	0.5	0	0	0	0	0.5	0	0	0	0	0	0.5	0	0.5	1	
USPSC (Program Funded)	0	1	1	0	0	0	2	0	0	0	0	0	0	0	0	2	
Total USPSCs	0	1.5	1	0	0	0	2.5	0	0	0	0	0	0.5	0	0.5	3	
FSN/TCN Direct Hire (OE/TF)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
FSN/TCN Non Direct Hire (OE/TF)	2	0.5	1	0	0	0	3.5	1	5	6	2	0	1.5	0	15.5	19	
FSN/TCN Non Direct Hire (Program Funded)	4	1	1	0	0	0	6	0	0	0	0	0	0	0	0	6	
Total FSN/TCN Non Direct Hire	6	1.5	2	0	0	0	9.5	1	5	6	2	0	1.5	0	15.5	25	
Total FSN/TCN (OE/TF)	2	0.5	1	0	0	0	3.5	1	5	6	2	0	1.5	0	15.5	19	
Total FSN/TCN (Program Funded)	4	1	1	0	0	0	6	0	0	0	0	0	0	0	0	6	
Total FSN/TCN Staff	6	1.5	2	0	0	0	9.5	1	5	6	2	0	1.5	0	15.5	25	
Total Other (RSSA, PASA, IPA) (OE/TF)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total Other (RSSA, PASA, IPA) (Program Funded)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total FSN/TCN Staff	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total OE/TF Staff (includes USDH)	4	1	1	0	0	0	6	2	6	7	4	0	2	0	21	27	
Total Program Funded Staff	4	2	2	0	0	0	6	0	0	0	0	0	0	0	0	0	
Grand Total All Staff	8	3	3	0	0	0	14	2	6	7	4	0	2	0	21	35	

Notes:

- TAACs and Fellows count against G ceilings only and thus are "below the line" for field operating units. Service in the capacity of TAACs should be reported as TAACs regardless of the hiring mechanism. They should not be reported under PSCs, PASAs, RSSAs, etc.

The data in the table reflects positions, NOT, on-board strength or FTEs. You can divide the positions of people working on more than one SO, but do not subdivide in units of less than a half (0.5).

Provide separate tables for FY 97, 98, and 99.

**Workforce Resources
FY 2000 Position Allocation of Staff Target Levels**

Organization: USAID/POLAND (22181)

Staff	Strategic Object: 2.3 Local Gov.	Strategic Object: 1.4 Financial Sec.	Strategic Object: 1.3 Private Sec.	Special Initiatives: 4.1/4.2	Special Objective 2: (title)	Special Objective 3: (title)	Subtotal S.O. Staff	Support Offices							Subtotal Support Staff	Grand Total Staff
								Mission Mgt.	Con-troller	EXO	Con-tracts	Legal	Program	Other		
USDH	1						1	1		1	0				2	3
USPSC (OE/TF) Internationally Recruited							0						1		1	1
USPSC (OE/TF) Locally Recruited							0								0	0
USPSC (Program Funded)		1	1				2								0	2
FSN/TCN Direct Hire (OE/TF) Internationally Recruited							0								0	0
FSN/TCN Direct Hire (OE/TF) Locally Recruited							0								0	0
FSN/TCN Non-Direct Hire (OE/TF) Internationally Recruited							0								0	0
FSN/TCN Non-Direct Hire (OE/TF) Locally Recruited	2	0.5	1				3.5	1	4.5	6.5	1		1.5		14.5	18
FSN/TCN Non-Direct Hire (Program Funded)	4	1	1				6								0	6
Other (RSSA, PASA, IPA) (OE/TF Funded)							0								0	0
Other (RSSA, PASA, IPA) (Program Funded)							0								0	0
Total Staff by Objective	7	2.5	3	0	0	0	12.5	2	4.5	7.5	1	0	2.5	0	17.5	30
TAACs*																
Fellows*																

NOTE: 1) Schedules reflects FTEs for Controller and RCO who provide services to more than one office
2) SO 2.3 Local Gov. includes one USDH position which is reflected in ENI's staff ceiling. This position is funded by and also reflected in RHUDO/Warsaw's (24181) staff ceiling schedule
3) SO 2.3 Local Gov. does not reflect Rhudo/Warsaw (24181) funded staff (USDH - 1)
4) These numbers are for October 1, 1998

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Totals by Staffing Category - FY 2000 Target

Staff	Strategic Object: 2.3 Local Gov.	Strategic Object: 1.4 Financial Sec.	Strategic Object: 1.3 Private Sec.	Special Initiatives: 4.1/4.2	Special Objective 2: (title)	Special Objective 3: (title)	Subtotal S.O. Staff	Support Offices							Subtotal Support Staff	Grand Total Staff
								Mission Mgt.	Controller	EXO	Contracts	Legal	Program	Other		
USDH	1	0	0	0	0	0	1	1	0	1	0	0	0	0	2	3
USPSC (OE/TF)	0	0	0	0	0	0	0	0	0	0	0	0	1	0	1	1
USPSC (Program Funded)	0	1	1	0	0	0	2	0	0	0	0	0	0	0	0	2
Total USPSCs	0	1	1	0	0	0	2	0	0	0	0	0	1	0	1	3
FSN/TCN Direct Hire (OE/TF)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
FSN/TCN Non Direct Hire (OE/TF)	2	0.5	1	0	0	0	3.5	1	4.5	6.5	1	0	1.5	0	14.5	18
FSN/TCN Non Direct Hire (Program Funded)	4	1	1	0	0	0	6	0	0	0	0	0	0	0	0	6
Total FSN/TCN Non Direct Hire	6	1.5	2	0	0	0	9.5	1	4.5	6.5	1	0	1.5	0	14.5	24
Total FSN/TCN (OE/TF)	2	0.5	1	0	0	0	3.5	1	4.5	6.5	1	0	1.5	0	14.5	18
Total FSN/TCN (Program Funded)	4	1	1	0	0	0	6	0	0	0	0	0	0	0	0	6
Total FSN/TCN Staff	6	1.5	2	0	0	0	9.5	1	4.5	6.5	1	0	1.5	0	14.5	24
Total Other (RSSA, PASA, IPA) (OE/TF)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Other (RSSA, PASA, IPA) (Program Funded)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total FSN/TCN Staff	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total OE/TF Staff (includes USDH)	3	0.5	1	0	0	0	4.5	2	4.5	7.5	1	0	2.5	0	17.5	22
Total Program Funded Staff	4	2	2	0	0	0	6	0	0	0	0	0	0	0	0	0
Grand Total All Staff	7	2.5	3	0	0	0	12.5	2	4.5	7.5	1	0	2.5	0	17.5	30

Notes:

- TAACs and Fellows count against G ceilings only and thus are "below the line" for field operating units. Service in the capacity of TAACs should be reported as TAACs regardless of the hiring mechanism. They should not be reported under PSCs, PASAs, RSSAs, etc.

The data in the table reflects positions, NOT, on-board strength or FTEs. You can divide the positions of people working on more than one SO, but do not subdivide in units of less than a half (0.5).

Provide separate tables for FY 97, 98, and 99.

**Workforce Resources
FY 2001 Position Allocation of Staff Target Levels**

Organization: USAID/POLAND (22181)

(from 10/1/2000 until 3/31/2001)

Support Offices

Staff	Strategic Object: 2.3 Local Gov.	Strategic Object: 1.4 Financial Sec.	Strategic Object: 1.3 Private Sec.	Special Initiatives: 4.1/4.2	Special Objective 2: (title)	Special Objective 3: (title)	Subtotal S.O. Staff	Support Offices							Subtotal Support Staff	Grand Total Staff
								Mission Mgt.	Con- troller	EXO	Con- tracts	Legal	Program	Other		
USDH							0								0	0
USPSC (OE/TF) Internationally Recruited							0								0	0
USPSC (OE/TF) Locally Recruited							0								0	0
USPSC (Program Funded)	1						1								0	1
FSN/TCN Direct Hire (OE/TF) Internationally Recruited							0								0	0
FSN/TCN Direct Hire (OE/TF) Locally Recruited							0								0	0
FSN/TCN Non-Direct Hire (OE/TF) Internationally Recruited							0								0	0
FSN/TCN Non-Direct Hire (OE/TF) Locally Recruited							0								0	0
FSN/TCN Non-Direct Hire (Program Funded)	3						3								0	3
Other (RSSA, PASA, IPA) (OE/TF Funded)							0								0	0
Other (RSSA, PASA, IPA) (Program Funded)							0								0	0
Total Staff by Objective	4	0	0	0	0	0	4	0	0	0	0	0	0	0	0	4
TAACs*																
Fellows*																

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NOTE: 1) Schedules reflects FTEs for Controller and RCO who provide services to more than one office
 2) SO 2.3 Local Gov. includes one USDH position which is reflected in ENI's staff ceiling. This position is funded by and also reflected in RHUDO/Warsaw's (24181) staff ceiling schedule
 3) SO 2.3 Local Gov. does not reflect Rhudo/Warsaw (24181) funded staff (USDH - 1)
 4) These numbers are for October 1, 1998

Totals by Staffing Category - FY 2001 Target

(from 10/1/2000 until 3/31/2001)

Staff	Strategic Object: 2.3 Local Gov.	Strategic Object: 1.4 Financial Sec.	Strategic Object: 1.3 Private Sec.	Special Initiatives: 4.1/4.2	Special Objective 2: (title)	Special Objective 3: (title)	Subtotal S.O. Staff	Support Offices							Subtotal Support Staff	Grand Total Staff	
								Mission Mgt.	Con-troller	EXO	Con-tracts	Legal	Program	Other			
USDH	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
USPSC (OE/TF)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
USPSC (Program Funded)	1	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	1
Total USPSCs	1	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	1
FSN/TCN Direct Hire (OE/TF)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
FSN/TCN Non Direct Hire (OE/TF)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
FSN/TCN Non Direct Hire (Program Funded)	3	0	0	0	0	0	3	0	0	0	0	0	0	0	0	0	3
Total FSN/TCN Non Direct Hire	3	0	0	0	0	0	3	0	0	0	0	0	0	0	0	0	3
Total FSN/TCN (OE/TF)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total FSN/TCN (Program Funded)	3	0	0	0	0	0	3	0	0	0	0	0	0	0	0	0	3
Total FSN/TCN Staff	3	0	0	0	0	0	3	0	0	0	0	0	0	0	0	0	3
Total Other (RSSA, PASA, IPA) (OE/TF)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Other (RSSA, PASA, IPA) (Program Funded)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total FSN/TCN Staff	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total OE/TF Staff (Includes USDH)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Program Funded Staff	4	0	0	0	0	0		0	0	0	0	0	0	0	0	0	0
Grand Total All Staff	4	0	0	0	0	0	4	0	0	0	0	0	0	0	0	0	4

Notes:

* TAACs and Fellows count against G ceilings only and thus are "below the line" for field operating units. Service in the capacity of TAACs should be reported as TAACs regardless of the hiring mechanism. They should not be reported under PSCs, PASAs, RSSAs, etc.

The data in the table reflects positions, NOT, on-board strength or FTEs. You can divide the positions of people working on more than one SO, but do not subdivide in units of less than a half (0.5).

Provide separate tables for FY 97, 98, and 99.

OVERSEAS MISSION BUDGET REQUEST

OE-22181.wk4

Org. Title: 22181
 Org. No: USAID/POLAND

OC
 11.1 Personnel compensation, full-time permanent
 11.1 Base Pay & pymt. for annual leave balances - FNDH
 Subtotal OC 11.1
 11.3 Personnel comp. - other than full-time permanent
 11.3 Base Pay & pymt. for annual leave balances - FNDH
 Subtotal OC 11.3
 11.5 Other personnel compensation
 11.5 USDH
 11.5 FNDH
 Subtotal OC 11.5
 11.8 Special personal services payments
 11.8 USPCS Salaries
 11.8 FN PSC Salaries
 11.8 IPA/Details-In/PASAs/RSSAs Salaries
 Subtotal OC 11.8
 12.1 Personnel benefits
 12.1 USDH benefits
 12.1 Educational Allowances
 12.1 Cost of Living Allowances
 12.1 Home Service Transfer Allowances
 12.1 Quarters Allowances
 12.1 Other Misc. USDH Benefits
 12.1 FNDH Benefits
 12.1 Payments to the FSN Separation Fund - FNDH
 12.1 Other FNDH Benefits
 12.1 US PSC Benefits
 12.1 FN PSC Benefits
 12.1 Payments to the FSN Separation Fund - FN PSC
 12.1 Other FN PSC Benefits
 12.1 IPA/Detail-In/PASA/RSSA Benefits
 Subtotal OC 12.1
 13.0 Benefits for former personnel
 13.0 FNDH
 13.0 Severance Payments for FNDH
 13.0 Other Benefits for Former Personnel - FNDH
 13.0 FN PSCs
 13.0 Severance Payments for FN PSCs
 13.0 Other Benefits for Former Personnel - FN PSCs
 Subtotal OC 13.0

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	FY 97			FY 98			Requested FY 99			Requested FY 00		
	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
Do not enter data on this line			0.0			0.0			0.0			0.0
Do not enter data on this line			0.0			0.0			0.0			0.0
Do not enter data on this line			0.0			0.0			0.0			0.0
Do not enter data on this line			0.0			0.0			0.0			0.0
Do not enter data on this line			0.0			0.0			0.0			0.0
Do not enter data on this line			0.0			0.0			0.0			0.0
Do not enter data on this line			0.0			0.0			0.0			0.0
Do not enter data on this line			0.0			0.0			0.0			0.0
Do not enter data on this line			0.0			0.0			0.0			0.0
Do not enter data on this line			0.0			0.0			0.0			0.0
57.0			57.0	95.0		95.0	100.0		100.0	105.0		105.0
460.0			460.0	460.0		460.0	400.0		400.0	300.0		300.0
			0.0			0.0			0.0			0.0
517.0	0.0	517.0	555.0	0.0	555.0	500.0	0.0	500.0	405.0	0.0	405.0	
Do not enter data on this line												
Do not enter data on this line												
27.3		27.3	28.0		28.0	28.0		28.0	0.0		0.0	
23.4		23.4	21.0		21.0	22.0		22.0	9.6		9.6	
		0.0			0.0			0.0			0.0	
		0.0			0.0			0.0			0.0	
11.0		11.0	20.0		20.0	10.0		10.0	12.0		12.0	
Do not enter data on this line												
		0.0			0.0			0.0			0.0	
		0.0			0.0			0.0			0.0	
46.0		46.0	30.0		30.0	30.0		30.0	31.5		31.5	
Do not enter data on this line												
		0.0			0.0			0.0			0.0	
10.0		10.0	10.0		10.0	5.0		5.0	3.0		3.0	
		0.0			0.0			0.0			0.0	
117.7	0.0	117.7	109.0	0.0	109.0	95.0	0.0	95.0	56.1	0.0	56.1	
Do not enter data on this line												
Do not enter data on this line												
		0.0			0.0			0.0	0.0		0.0	
		0.0			0.0			0.0			0.0	
Do not enter data on this line												
69.8		69.8	87.6		87.6	5.0		5.0			0.0	
		0.0			0.0			0.0			0.0	
69.8	0.0	69.8	87.6	0.0	87.6	5.0	0.0	5.0	0.0	0.0	0.0	

OVERSEAS MISSION BUDGET REQUEST

OE-22181.wk4

Org. Title: 22181
 Org. No: USAID/POLAND
 OC

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	FY 97			FY 98			Requested FY 99			Requested FY 00		
	Dollars	TF	Total									
21.0 Travel and transportation of persons	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
21.0 Training Travel	20.0		20.0	30.0		30.0	20.0		20.0	10.0		10.0
21.0 Mandatory/Statutory Travel	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
21.0 Post Assignment Travel - to field	8.0		8.0	4.0		4.0	0.0		0.0	0.0		0.0
21.0 Assignment to Washington Travel	1.0		1.0	2.0		2.0	0.0		0.0	12.0		12.0
21.0 Home Leave Travel	7.0		7.0	21.5		21.5	9.0		9.0	3.5		3.5
21.0 R & R Travel	6.0		6.0	6.0		6.0	10.0		10.0	6.0		6.0
21.0 Education Travel			0.0			0.0			0.0			0.0
21.0 Evacuation Travel			0.0			0.0			0.0			0.0
21.0 Retirement Travel	4.0		4.0	0.0		0.0	0.0		0.0	0.0		0.0
21.0 Pre-Employment Invitational Travel			0.0			0.0			0.0			0.0
21.0 Other Mandatory/Statutory Travel	11.0		11.0	8.0		8.0	7.0		7.0	7.0		7.0
21.0 Operational Travel	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
21.0 Site Visits - Headquarters Personnel	24.5		24.5	18.0		18.0	10.0		10.0	0.0		0.0
21.0 Site Visits - Mission Personnel	8.0		8.0	15.0		15.0	12.0		12.0	12.0		12.0
21.0 Conferences/Seminars/Meetings/Retreats	17.0		17.0	15.0		15.0	15.0		15.0	10.0		10.0
21.0 Assessment Travel			0.0			0.0			0.0			0.0
21.0 Impact Evaluation Travel			0.0			0.0			0.0			0.0
21.0 Disaster Travel (to respond to specific disasters)			0.0			0.0			0.0			0.0
21.0 Recruitment Travel			0.0			0.0			0.0			0.0
21.0 Other Operational Travel	28.0		28.0	24.0		24.0	24.0		24.0	10.0		10.0
Subtotal OC 21.0	134.5	0.0	134.5	143.5	0.0	143.5	107.0	0.0	107.0	70.5	0.0	70.5
22.0 Transportation of things	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
22.0 Post assignment freight			74.0			40.0			0.0			140.0
22.0 Home Leave Freight			3.0			6.7			2.0			1.5
22.0 Retirement Freight			36.0			0.0			0.0			0.0
22.0 Transportation/Freight for Office Furniture Equip.			4.0			4.0			4.0			2.0
22.0 Transportation/Freight for Res. Furniture Equip.			10.0			2.0			1.0			1.0
Subtotal OC 22.0	127.0	0.0	127.0	52.7	0.0	52.7	7.0	0.0	7.0	144.5	0.0	144.5
23.2 Rental payments to others	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
23.2 Rental Payments to Others - Office Space	484.0		484.0	450.0		450.0	400.0		400.0	400.0		400.0
23.2 Rental Payments to Others - Warehouse Space	26.0		26.0	26.0		26.0	26.0		26.0	26.0		26.0
23.2 Rental Payments to Others - Residences	343.1		343.1	254.4		254.4	254.4		254.4	254.4		254.4
Subtotal OC 23.2	853.1	0.0	853.1	730.4	0.0	730.4	680.4	0.0	680.4	680.4	0.0	680.4
23.3 Communications, utilities, and miscellaneous charges	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
23.3 Office Utilities	8.0		8.0	8.0		8.0	6.0		6.0	6.0		6.0
23.3 Residential Utilities	20.0		20.0	21.0		21.0	22.0		22.0	11.0		11.0
23.3 Telephone Costs	40.0		40.0	50.0		50.0	40.0		40.0	40.0		40.0
23.3 ADP Software Leases			0.0			0.0			0.0			0.0
23.3 ADP Hardware Lease			0.0			0.0			0.0			0.0
23.3 Commercial Time Sharing			0.0			0.0			0.0			0.0
23.3 Postal Fees (Other than APO Mail)			0.0			0.0			0.0			0.0
23.3 Other Mail Service Costs			0.0			0.0			0.0			0.0
23.3 Courier Services			0.0			0.0			0.0			0.0
Subtotal OC 23.3	68.0	0.0	68.0	79.0	0.0	79.0	68.0	0.0	68.0	57.0	0.0	57.0

OVERSEAS MISSION BUDGET REQUEST

OE-22181.wk4

Org. Title: 22181
 Org. No: USAID/POLAND
 OC

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	FY 97			FY 98			Requested FY 99			Requested FY 00		
	Dollars	TF	Total									
24.0 Printing and Reproduction	5.0		5.0	5.0		5.0	5.0		5.0	5.0		5.0
Subtotal OC 24.0	5.0	0.0	5.0	5.0	0.0	5.0	5.0	0.0	5.0	5.0	0.0	5.0
25.1 Advisory and assistance services	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.1 Studies, Analyses, & Evaluations			0.0			0.0			0.0			0.0
25.1 Management & Professional Support Services	50.0		50.0	0.0		0.0	35.0		35.0	35.0		35.0
25.1 Engineering & Technical Services			0.0			0.0			0.0			0.0
Subtotal OC 25.1	50.0	0.0	50.0	0.0	0.0	0.0	35.0	0.0	35.0	35.0	0.0	35.0
25.2 Other services	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.2 Office Security Guards	28.0		28.0	30.0		30.0	30.0		30.0	30.0		30.0
25.2 Residential Security Guard Services	46.0		46.0	50.0		50.0	50.0		50.0	20.0		20.0
25.2 Official Residential Expenses			0.0			0.0			0.0			0.0
25.2 Representation Allowances	1.5		1.5	2.0		2.0	2.0		2.0	2.5		2.5
25.2 Non-Federal Audits			0.0			0.0			0.0			0.0
25.2 Grievances/Investigations			0.0			0.0			0.0			0.0
25.2 Insurance and Vehicle Registration Fees			0.0			0.0			0.0			0.0
25.2 Vehicle Rental			0.0			0.0			0.0			0.0
25.2 Manpower Contracts	5.0		5.0	5.0		5.0	5.0		5.0	5.0		5.0
25.2 Records Declassification & Other Records Services			0.0			0.0			0.0			0.0
25.2 Recruiting activities			0.0			0.0			0.0			0.0
25.2 Penalty Interest Payments			0.0			0.0			0.0			0.0
25.2 Other Miscellaneous Services	40.0		40.0	30.0		30.0	20.0		20.0	20.0		20.0
25.2 Staff training contracts			0.0			0.0			0.0			0.0
25.2 ADP related contracts	4.0		4.0	4.1		4.1	4.2		4.2	1.0		1.0
Subtotal OC 25.2	124.5	0.0	124.5	121.1	0.0	121.1	111.2	0.0	111.2	78.5	0.0	78.5
25.3 Purchase of goods and services from Government accounts	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.3 ICASS	284.3		284.3	435.0		435.0	370.0		370.0	300.0		300.0
25.3 All Other Services from Other Gov't. accounts			0.0			0.0			0.0			0.0
Subtotal OC 25.3	284.3	0.0	284.3	435.0	0.0	435.0	370.0	0.0	370.0	300.0	0.0	300.0
25.4 Operation and maintenance of facilities	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.4 Office building Maintenance	7.5		7.5	5.0		5.0	5.0		5.0	5.0		5.0
25.4 Residential Building Maintenance			0.0			0.0			0.0			0.0
Subtotal OC 25.4	7.5	0.0	7.5	5.0	0.0	5.0	5.0	0.0	5.0	5.0	0.0	5.0
25.6 Medical Care			0.0			0.0			0.0			0.0
Subtotal OC 25.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
25.7 Operation/maintenance of equipment & storage of goods	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.7 ADP and telephone operation and maintenance costs			0.0			0.0			0.0			0.0
25.7 Storage Services			0.0			0.0			0.0			0.0
25.7 Office Furniture Equip. Repair and Maintenance	12.0		12.0	9.0		9.0	7.0		7.0	5.0		5.0
25.7 Vehicle Repair and Maintenance	4.0		4.0	4.0		4.0	4.0		4.0	4.0		4.0
25.7 Residential Furniture/Equip. Repair and Maintenance	12.0		12.0	9.0		9.0	8.0		8.0	4.0		4.0
Subtotal OC 25.7	28.0	0.0	28.0	22.0	0.0	22.0	19.0	0.0	19.0	13.0	0.0	13.0

OVERSEAS MISSION BUDGET REQUEST

OE-22181.wk4

Org. Title: 22181
 Org. No: USAID/POLAND
 OC

25.8 Substance and support of persons (by contract or Gov't)
 Subtotal OC 25.8
 26.0 Supplies and materials
 Subtotal OC 26.0
 31.0 Equipment
 31.0 Purchase of Residential Furniture/Equip.
 31.0 Purchase of Office Furniture/Equip.
 31.0 Purchase of Vehicles
 31.0 Purchase of Printing/Graphics Equipment
 31.0 ADP Hardware purchases
 31.0 ADP Software purchases
 Subtotal OC 31.0
 32.0 Lands and structures
 32.0 Purchase of Land & Buildings (& construction of bldgs.)
 32.0 Purchase of fixed equipment for buildings
 32.0 Building Renovations/Alterations - Office
 32.0 Building Renovations/Alterations - Residential
 Subtotal OC 32.0
 42.0 Claims and indemnities
 Subtotal OC 42.0
 TOTAL BUDGET

	FY 97			FY 98			Requested FY 99			Requested FY 00		
	Dollars	TF	Total									
			0.0			0.0			0.0			0.0
	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	28.0		28.0	23.0		23.0	18.0		18.0	10.0		10.0
	28.0	0.0	28.0	23.0	0.0	23.0	18.0	0.0	18.0	10.0	0.0	10.0
	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
	12.5		12.5	0.0		0.0	0.0		0.0	0.0		0.0
	6.0		6.0	2.0		2.0	0.0		0.0	0.0		0.0
			0.0			0.0			0.0			0.0
			0.0			0.0			0.0			0.0
	5.0		5.0	0.0		0.0	0.0		0.0	0.0		0.0
	7.5		7.5	2.0		2.0	1.0		1.0	1.0		1.0
	31.0	0.0	31.0	4.0	0.0	4.0	1.0	0.0	1.0	1.0	0.0	1.0
	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
			0.0			0.0			0.0			0.0
			0.0			0.0			0.0			0.0
			0.0			0.0			0.0			0.0
			0.0			0.0			0.0			0.0
	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	2,445.4	0.0	2,445.4	2,372.3	0.0	2,372.3	2,026.6	0.0	2,026.6	1,861.0	0.0	1,861.0

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The following line is to be used to show your estimate of FY 98 and FY 99 Program Funded ICASS costs.
 Enter dollars in thousands - same format as above.

	FY 98 Est.	FY 99 Est.
ICASS - Program Funded	43.5	37.0

ANNEX 1

TABLES OF INDICATORS NOT SELECTED FOR MAIN REPORT

USAID/Poland's Geographic Stratified Sampling Methodology

In order to ensure that the views of all target groups were solicited and representative of the entire population of that group, USAID/Poland used a sophisticated, stratified sampling methodology for five nationwide customer surveys. Results of these surveys (i.e. financial institutions, gminas, SMEs, NGOs, and households) are included within several of USAID/Poland's targets and indicators tables.

The sampling methodology, designed by Polish experts in November 1996, represents a 10 X 9 matrix, including ten macro-regions and nine categories of urban and rural places. The ten macro-regions are:

1. Warsaw
2. Lublin
3. Krakow
4. Katowice
5. Wroclaw
6. Lodz
7. Poznan
8. Szczecin
9. Gdansk
10. Biaystok

The nine categories of urban and rural places are described in detail below:

1. **Warsaw capital city** - Warsaw has been separated from other cities because of its size and administrative role, as well as by the differing structure of local government. [Inhabited by 0.04% of the population]
2. **Cities between 300,000 and 1,000,000 citizens** (Lodz, Krakow, Wroclaw, Poznan, Gdansk, Szczecin, Bydgoszcz, Katowice, Lublin) - These cities play an important role as regional centers, providing a whole range of services including access to university education. They are also potential capitals for the new administrative regions of Poland. The size of cities in this group ranges from 353,000 (Lublin) to 826,000 (Lodz). [Inhabited by 0.035% of the population]
3. **Cities between 100,000 and 300,000 citizens (32 in total)** - Most of these cities are also regional centers. Their separation is also important because of the broader functions of local governments within cities of over 100,000 inhabitants (resulting from the "Big Cities Act"). This act gives these cities greater responsibility for secondary education, health services and road maintenance. Size of cities in this group ranges from 103,000 (Slupsk) to 278,000 (Bialystok). [Inhabited by 1.5% of the population]

4. **"Rejon" (County) towns** (234 in total) - Until 1975, the Polish administrative division was three-tiered, including "powiat" (counties). Powiat towns typically provided many functions for surrounding small regions covering the area of about 10 gminy (municipalities). Although the county system was officially liquidated, it survived within the broader organizational structure of many services. Since 1990, a discussion on the re-creation of the powiat level has been a hot issue in Polish academic and political life. Size of towns in this group ranges from 5,700 (Radziejow - Wloclawek voivodship) to 93,500 (Jelenia Gora), however 74% have a population of 15,000 to 50,000 inhabitants. [Inhabited by 9.0% of the population]

5. **Towns - satellites to the largest agglomerations** (42 in total) - Suburbs to the largest cities (over 300,000 citizens) should be separated from other towns because of the different functions they play in the settlement pattern as well as differences in the financial situation of these local governments; local government revenues per capita are usually among the highest in these towns. The size of towns in this group ranges from 3,600 (Podkowa Lesna near Warszawa) to 98,500 (Jaworzno near Katowice). [Inhabited by 1.7% of the population]

6. **Other towns** (76 in total) - Size of towns in this group ranges from 1,300 (Krynica Morska - Elblag voivodship) to 51,400 (Skarzysko-Kamienna - Kielce voivodship), although 83% are less than 20,000. [Inhabited by 3.0% of the population]

7. **Mixed (urban-rural) local governments** (39 in total)- Satellite communities to the largest agglomerations. Size of local governments in this group ranges from 6,400 (Zakroczym, Warsaw voivodship - town 3,500, rural villages 2,900) to 43,600 (Wieliczka near Krakow, town - 17,700, rural villages - 25,900). [Inhabited by 1.4% of the population]

8. **Other mixed (urban-rural) local governments** (431 in total) - Size of local governments in this group ranges from 1,800 (Nowe Warpno - Szczecin voivodship; town - 1,500, rural villages - 300) to 43,000 (Andrychow - Bielsko Biala voivodship; town 22,900, rural villages - 20,100), although 72% range from 5,000 and 15,000. [Inhabited by 17.0% of the population]

9. **Rural** (1628 in total)- Governed by rural local governments. [Inhabited by 65.0% of the population]

OBJECTIVE: Strategic Objective 1.3.		Country/Organization: Poland/USAID	
APPROVED: 5/96			
RESULT NAME SO 1.3-1 Private sector development is stimulated at the firm level.			
INDICATOR: 1. GDP from private sector.			
UNIT OF MEASURE: Annual % of GDP	Year	Planned	Actual
	1990(B)		31%
SOURCE: Govt. Center for Strategic Studies	1994		56%
	1995		58%
	1996	60%	60%
	1997	62%	
INDICATOR DESCRIPTION: Standard economic definition of real GDP.			
COMMENTS Private sector contribution to total value added in the economy. Data for 1995-96 provided by the Government Center for Strategic Studies. 1996 data represents an estimated figure. Other 1996 estimates of private sector contribution to GDP in Central Europe (according to Central European Economic Review) include the following: Slovakia - 60%, Romania - 40%, Hungary - 60% and Slovenia - 40%	1998	65%	
	1999	68%	

OBJECTIVE: Strategic Objective 1.3.		Country/Organization: Poland/USAID	
APPROVED: 5/96			
RESULT NAME SO 1.3 - 2 Private sector development is stimulated at the firm level.			
INDICATOR: 2. GDP growth rate.			
UNIT OF MEASURE: % of annual change	Year	Planned	Actual
	1990(B)		-11.6%
SOURCE: Central Statistical Office	1994		5%
	1995		7%
	1996	6%	6%
	1997	5.5%	
INDICATOR DESCRIPTION: Standard economic definition of real GDP.	1998	5.5%	
COMMENTS	1999	5.5%	

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OBJECTIVE: Strategic Objective 1.3.			
APPROVED: 5/96		Country/Organization: Poland/USAID	
RESULT NAME SO 1.3 - 3 Private sector development is stimulated at the firm level.			
INDICATOR: 3. Private sector share of employment.			
UNIT OF MEASURE: % of total labor force employed	Year	Planned	Actual
	1990(B)		46%
SOURCE: Govt. Center for Strategic Studies	1994		61%
	1995		62.4%
	1996	64%	64%
	1997	65%	
INDICATOR DESCRIPTION: Share of national employment provided by private firms (those with over 51% shares in private hands).	1998	66%	
COMMENTS The figure includes total employment (including agriculture-related employment) at the end of the year.	1999	68%	

OBJECTIVE: Strategic Objective 1.3.		Country/Organization: Poland/USAID	
APPROVED: 5/96			
RESULT NAME SO 1.3 - 4 Private sector development is stimulated at the firm level.			
INDICATOR: 4. Labor force employed in private SMEs.			
UNIT OF MEASURE: % of labor force employed by categories (a-c)	Year	Planned	Actual
	1995(B)		a) 18.5% b) 14.4% c) 8.6%
SOURCE: Development Alternatives Inc Central Statistical Office SME Foundation	1996		
	1997		
	1998		
	1999		
INDICATOR DESCRIPTION: SMEs that qualify meet a standard definition appropriate to Poland, provided by the Foundation in Support of SMEs, for firms with 0-250 workers subdivided into three categories: a) micro (0-5 employees), b) small (6-50 employees), and c) medium size (51-250 employees).			
COMMENTS This number represents the % of total number of working labor force (excluding the agriculture sector). Sole proprietor employment is included within category (a). Therefore, data in (a) represents enterprises with 0 to 5 employees. 100% = 10,896,184 at the end of calendar year 1995. Data for 1996 will be available in fall 1997.	2000	a) 19% b) 18% c) 10%	

OBJECTIVE: Strategic Objective 1.3.		Country/Organization: Poland/USAID	
APPROVED: 5/96			
RESULT NAME SO 1.3 - 5 Private sector development is stimulated at the firm level.			
INDICATOR: 5. Registered small- and medium- sized enterprises (SMEs).			
UNIT OF MEASURE: Cumulative # of SMEs by categories (a-c)	Year	Planned	Actual
	1995(B)		a) 1,907,815 b) 112,402 c) 9,888
SOURCE: Central Statistical Office	1996		
	1997		
	1998		
	1999		
INDICATOR DESCRIPTION: SMEs that qualify meet a standard definition appropriate to Poland, provided by the Foundation in Support of SMEs, for firms with 0-250 workers subdivided into three categories: a) micro (0-5 employees), b) small (6-50 employees), and c) medium size (51-250 employees).			
COMMENTS Sole proprietor employment is included within category (a). Therefore, data in (a) represents enterprises with 0 to 5 employees. USAID/Poland targets have been set based on the expectation that most growth will be in the 6-50 employees size of SME firms (i.e., "b" category).	2000	a) 2,100,000 b) 200,000 c) 23,500	

OBJECTIVE: Strategic Objective 1.3.			
APPROVED: 5/96		Country/Organization: Poland/USAID	
RESULT NAME IR 1 Policies, laws and regulations are conducive to broad-based competition and private sector growth and efficiently administered.			
INDICATOR: 1. Legislation enacted with broad and positive impact on SMEs.			
UNIT OF MEASURE: No. of laws/amendments passed out of the total 14 targeted.	Year	Planned	Actual
	1990(B)		0
	1996	6	6
	1997	8	
	1998	10	
	1999	12	
SOURCE: Bechtel Corporation Development Alternatives Inc Intl Development Law Institute Poland-American Studies Center IRS PADCO			
INDICATOR DESCRIPTION: Laws and amendments enacted by Parliament that have had broad impact on SMEs.			
COMMENTS 6 Laws & regulations passed until 1997: Anti-trust law, Collateral Law, Condominium Law, Rental Reform Law, SME Policy 1995-97 and Tax-related legislation (PIT, CIT, VAT Laws). The additional 8 Laws/regulations targeted for FY 97-FY 00 are: Banking Law, Energy Law, Industrial Law, Labor Code, Public Procurement Law, SME Policy 1998-2000, Surety and Guarantee Law, and Tax system regulations on the functioning of the tax system. [Please see attached complete list of laws]			
2000	14		

IR 1 - (legislation enacted - the 14 laws)

The narrative clarifies the SME-related impact of the 14 selected laws and regulations that are being addressed by USAID-funded implementors in the following target table. The six with check marks have already been completed against the target of 14.

✓Anti-trust law

Long-term assistance to the anti-monopoly office, assisting in the implementation of policy and review of certain key issues (eg. consumer protection, merger regulations) in order to ensure equitable economic development in a transition economy.

✓Collateral Law

Given that one of the basic problems facing SMEs in Poland is almost non-existent access to affordable financing, passage of this law and its implementation starting in 1998 will have fundamental impact on the development of the entire sector.

✓Condominium Law

The legislation has set a new standard for a mixed ownership concept between municipalities and private owners of individual condominiums, boosting inter alia the property management and construction housing markets.

✓Rental Reform Law

This has served to allow for the rationalization of rental policy and sets the ground for the proper and economic management of existing buildings, of importance also to builders and property managers.

✓SME Policy 1995-97

This is the basic government policy document regarding the SME sector; its passage has allowed the SME Department at the Ministry of Industry and Trade (now the Ministry of the Economy) force policy change by other government authorities.

✓Tax-related legislation (PIT, CIT, VAT Laws)

USAID-funded implementors review existing tax legislation on an annual basis, and through Polish business associations and the government counterparts lobby for changes that will prevent legislative discrimination against SMEs.

Banking Law

USAID-funded implementor is to support Polish government counterpart revise legislation to ease existing restrictions in the banking law and allow for para-banking organizations to provide capital to SMEs

Energy Law

Following passage of the law, the intervention aims to highlight benefits for the SME sector - especially the choice for the end-user in choosing the supplier, and stimulating local initiatives in such areas as the development of renewable energy sources, demand-side management and energy efficiency investments.

Industrial Law

USAID-funded implementor is assisting in drafting of a new law that would replace / complement existing law on economic activity regulating the basics of doing business in Poland. Its planned definition of "SME" is would ensure less indiscriminating treatment of the sector.

Labor Code

Intervention aims to amend new code to stop requirements imposed on all businesses becoming an excessive burden on SMEs, thus hindering creation of jobs.

Public Procurement Law

Intervention aims at amending recently introduced legislation to allow for equal access to government contracts by SMEs.

SME Policy 1998-2000

This follow-up government policy document regarding the SME sector is already under consideration by the Ministry of the Economy; it will form the basis of government actions on the sector.

Surety and Guarantee Law

Legislation allowing state guarantees to be granted both to allow for businesses to gain credit, as well as through surety arrangements, insurance and performance bonds, thus supporting energy and infrastructure projects.

Tax system regulations

Pilot work under way through an IAA with the US Treasury aims at making tax collection more efficient and equitable, thus reducing one of the principal barriers to the SME sector - competition from unregistered and untaxed businesses.

OBJECTIVE: Strategic Objective 1.3.			
APPROVED: 5/96		Country/Organization: Poland/USAID	
RESULT NAME IR 2 Improved profitability of small and medium-sized enterprises			
INDICATOR: 1. SMEs demonstrate increased profitability.			
UNIT OF MEASURE: % of firms surveyed nationwide showing increase in one or more of the variables in the indicator description below.	Year	Planned	Actual
	1996(B)		a) 39% b) 8.8% c) 27.6% d) 21.8%
	1997		
	1998		
	1999		
SOURCE: National Survey of SMEs	2000	a) 55% b) 15% c) 45% d) 30%	
	INDICATOR DESCRIPTION: Factors that serve as proxy measures for or contribute to profitability of SMEs are defined as: a) real value of sales; b) real value of exports; c) employment; d) labor productivity.		
COMMENTS % SMEs surveyed nationwide by OBOP in Feb. 1997.			

ATTACHMENT to S.O. 1.3

IR 2: Improved profitability of small and medium-sized enterprises.

Indicator: SMEs demonstrated increased profitability.

Comparative data: Gender specific information re: SME owners in national survey.

proxies	A. Total sample of SMEs surveyed		B. SMEs with 1 - 15 employees	
	men	women	men (N=32)	women (N=10)
% of firms with an increase in real sales	43 %	69.2 %	37.5 %	70.0 %
% of firms with an increase in real value of exports	10.5 %	0 %	12.5 %	0 %
% of firms with an increase in employment	32.6 %	38.5 %	43.8 %	40.0 %
% of firms with an increase in productivity	22.1 %	30.8 %	18.8 %	20.0 %

Note: This table shows SMEs within the survey that are owned by private individuals, representing 58.2% of the total sample. Data for this indicator have been further broken down into two categories: A. "Total sample of privately-owned SMEs," and B. "Privately-owned SMEs with 1-15 employees." Data are presented in both ways, as most women within this sample owned firms with 15 or less employees. Due to their minimal size, data from samples in column 2, 3 and 4 only document the situation within the actual sample of SMEs surveyed, and therefore cannot be used to draw general conclusions.

A higher percentage of women-owned firms in this sample vs. same-size firms that were male-owned, demonstrated increase in real value of sales. Women-owned firms in the sample did not demonstrate any increase in exports. Training for women business owners in export marketing will be added to the BSO program.

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OBJECTIVE: Strategic Objective 1.3.			
APPROVED: 5/96		Country/Organization: Poland/USAID	
RESULT NAME IR 2.1 -1 Sustainable indigenous organizations provide technical assistance and training to enterprises.			
INDICATOR: 1. Indigenous training institutions are sustainable.			
UNIT OF MEASURE: Cumulative number of sustainable management training institutions that meet definition.	Year	Planned	Actual
	1990(B)		0
	1996		4
	1997	4	
	1998	5	
SOURCE: American University Gdansk University Dept of Economics Central Connecticut State University Found. in Support of Economic Development University of Maryland University of Minnesota / SGH University of Minnesota / ART Entrepreneurship Institute Small Business Institute University of Illinois	1999	10	
	INDICATOR DESCRIPTION: Management training institutions that earn sufficient fees for long-term survival.		
COMMENTS FY 96 data obtained from the SO team's assessment of the status of USAID/Poland-assisted institutions. This evaluation, performed in the Spring of 1997, was based upon financial, programmatic and institutional information derived from business plans. The FY 98 target of 6 in the Graduation Plan was deemed "overly optimistic" after USAID/Poland's evaluation of training institutions, and consequently dropped to 5 institutions. The FY 99 target increased to 10 because two new programs started in FY 96.			

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OBJECTIVE: Strategic Objective 1.3.			
APPROVED: 5/96		Country/Organization: Poland/USAID	
RESULT NAME IR 2.1 -2 Sustainable indigenous organizations provide technical assistance and training to enterprises			
INDICATOR: 2. Client and members fees support indigenous training and business organizations.			
UNIT OF MEASURE: a) Cumulative number of memberships in business organizations. b) Number of paid business consultations and training courses.	Year	Planned	Actual
	1996(B)		a) 2750 b) 894
	1997		
	1998		
	1999		
SOURCE: AEPS Technoserve Crimson Capital Cooperative Housing Foundation Center for International Private Enterprises Development Alternatives Inc Foundation for Energy Efficiency Foundation in Support of Local Democracy National Agency for Energy	2000	a) 5000 b) 1600	
	INDICATOR DESCRIPTION: Customers/members pay for services provided by indigenous training and support organizations.		
COMMENTS a) Memberships within 17 organizations in total, including: Polish-American Enterprise Clubs, Business Center Club, Craft Assoc., Warsaw Craft Assoc. and the Polish Federation of Independent Entrepreneurs. b) Consultations and training courses offered by 19 organizations. Regarding business consultations, the National Agency for the Conservation of Energy (NAPE), Foundation for the Efficient Use of Energy (FEWE) and BSO Sandomierz reported 50 paid consultations in 1996. The SO team reported another 144 paid consultations provided by three other BSOs. Regarding training, institutions counted include: World Environment Center, ABA/Ceeli, LOL (Olsztyn and Krakow), OIC-Poland, CHF as well as 10 USAID/Poland-assisted business training institutions within the universities (in most cases, tuition fees cover at least 50% of their operating costs) Approximately 700 individuals participated in courses offered by these institutions.			

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OBJECTIVE: Strategic Objective 1.3.			
APPROVED: 5/96		Country/Organization: Poland/USAID	
RESULT NAME IR 2.2 -1 Improved planning, management, marketing and production capacity of enterprises.			
INDICATOR: 1. Enterprises that use business plans, new management, marketing, and production techniques.			
UNIT OF MEASURE: Part 1. % SMEs using these new techniques, according to a national sample survey by USAID/Poland data collection contractor; Part 2. Number (and %) of firms that meet definition out of all USAID/Poland-assisted private firms	Year	Planned	Actual
	1996(B)		see attached
	1997		
	1998		
	1999		
SOURCE: American University AEPS Technoserve CARESBAC - Polska Citizens Democracy Corps Intl Executive Service Corps Land O Lakes National Survey of SMEs VOCA/Grain Storage & Mktg. VOCA/SMART	2000	see attached	
	INDICATOR DESCRIPTION: Private sector SMEs that use modern business practices		
COMMENTS The following business practices have been selected for this indicator: a) Business Plan; b) Strategic alliances; c) Customer polls; d) Marketing plan; e) Advertising; f) Market research; g) New technologies acquired last year. Targets have been set for FY 00 only in order to reflect a 4-year trend. Part I. SMEs surveyed nationwide At least one of the above practices is used by 88.5% of the SMEs surveyed nationally. Part II. USAID/Poland-assisted SMEs (FY 96) a. 81% (478/573); b. 29% (50/170); c. 46% (95/205); d. 67% (137/205); e. 66% (134/205); f. 38% (85/225); g. 53% (304/573) Shares in Part II are computed as follows: NUMERATOR - # of SMEs using the practice DENOMINATOR - total # of SMEs in portfolios of implementors that reported on the practice			

ATTACHMENT A to S.O. 1.3

IR 2.2 - 1: Improved planning, management and production capability of enterprises.

Indicator: Enterprises that use business plan, management, marketing and production capacity of enterprises.

FY 96 ACTUAL DATA:

Part 1 (% of SMEs surveyed nationwide)

- a) 38 %
- b) 24 %
- c) 36 %
- d) 21 %
- e) 59
- f) 4 %
- g) 48 %

Part 2 (% & number of USAID/Poland-assisted SMEs)

- a) 81 % (478/573)
- b) 29 % (50/170)
- c) 46 % (95/205)
- d) 67 % (137/205)
- e) 66 % (134/205)
- f) 38 % (85/225)
- g) 53 % (304/573)

FY 00 TARGETS (PLANNED DATA):

Part 1 (% of SMEs surveyed nationwide)

- a) 45 %
- b) 30 %
- c) 40 %
- d) 30 %
- e) 65 %
- f) 10 %
- g) 55 %

Part 2 (% of USAID/Poland-assisted SMEs)

- a) 85 %
- b) 35 %
- c) 50 %
- d) 75 %
- e) 75 %
- f) 45 %
- g) 60 %

ATTACHMENT B to S.O. 1.3

IR 2.2 - 1: Improved planning, management and production capability of enterprises.

Indicator: Enterprises that use business plan, management, marketing and production capacity of enterprises.

Comparative data: Gender specific information re: SME owners in national survey.

Management techniques:	A. Total sample of SMEs surveyed		B. SMEs with 1 - 15 employees	
	men	women	men (N=32)	women (N=10)
Business Plan	40.7 %	15.4 %	24.4 %	10.0 %
Strategic Alliances	26.7 %	30.8 %	28.1 %	40.0 %
Customer Polls	39.5 %	53.8 %	43.8 %	60.0 %
Marketing Plan	23.3 %	15.4 %	9.4 %	20.0 %
Advertising	65.1 %	61.5 %	53.1 %	60.0 %
Market Research	29.1 %	15.4 %	21.9 %	20.0 %
New technologies acquired last year	50.0 %	30.8 %	46.9 %	20.0 %

Note: This table shows SMEs within the survey that are owned by private individuals, representing 58.2% of the total sample. Data for this indicator have been further broken down into two categories: A. "Total sample of privately-owned SMEs," and B. "Privately-owned SMEs with 1-15 employees." Data are presented in both ways, as most women within this sample owned firms with 15 or less employees. Due to their minimal size, data from samples in column 2, 3 and 4 only document the situation within the actual sample of SMEs surveyed, and therefore cannot be used to draw general conclusions.

Women-owned firms in this sample are making relatively less use of business plans and new technologies, but relatively greater use of strategic alliances, customer polls, marketing plans and advertising than firms of the same size (category B) owned by men. This helps identify priorities for BSO services for women-owned SMEs that will be assisted by ACIDI.

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OBJECTIVE: Strategic Objective 1.3.			
APPROVED: 5/96		Country/Organization: Poland/USAID	
RESULT NAME IR 2.3 - 1 Improved long term provision of energy services supports a market economy.			
INDICATOR: 1. Legal and regulatory framework (Energy Law and Energy Regulatory Agency) established			
UNIT OF MEASURE: Both actions (a-b) completed (Yes/No).	Year	Planned	Actual
	1996(B)	a) N b) N	a) N b) N
	1997	a) Y b) N	
	1998	a) Y b) Y	
SOURCE: Bechtel Corporation			
INDICATOR DESCRIPTION: a) Energy Law passed by Parliament, and b) Energy Regulatory Agency established by the GOP.			
COMMENTS The Energy Law awaits signature by President			

OBJECTIVE: Strategic Objective 1.3.

APPROVED: 5/96

Country/Organization: Poland/USAID

RESULT NAME

IR 2.3 - 2 Improved long-term provision of energy services supports a market economy.

INDICATOR:

2. Polish energy prices are covering costs and profits

UNIT OF MEASURE:

Regulatory body implements the process. (Yes/No)

SOURCE:

Bechtel Corporation

INDICATOR DESCRIPTION:

Electric rate-making process in place that requires recovery of at least 50% of costs and reasonable profit levels by energy companies.

COMMENTS

Price levels are only casually related to costs now.

The Graduation Plan target called for prices that recover all costs and reasonable profit by FY 00. This is now considered unrealistic, in view of time required for passage of the Energy Law, so the target has been reduced to prices that recover at least 50% of costs and reasonable profit levels.

Year	Planned	Actual
1996(B)	N	N
1997	N	
1998	N	
1999	N	
2000	Y	

OBJECTIVE: Strategic Objective 1.4.		Country/Organization: Poland/USAID	
APPROVED: 5/96			
RESULT NAME SO 1.4 - 1 A competitive, market-oriented private financial sector is developed.			
INDICATOR: 1. Real growth in bank lending to the private sector.			
UNIT OF MEASURE: % change in zlotys (PLN), deflated by change in consumer price index.	Year	Planned	Actual
	1993(B)		5.8%
SOURCE: IMF, Int'l Financial Statistics	1996		27.5%
	1997	20%	
	1998	20%	
INDICATOR DESCRIPTION: Size of claims on private sector by deposit money banks.	1999	15%	
COMMENTS The figure for total banking sector claims (i.e. commercial banks and monetary authorities) on private sector is as follows: 1992 - 13,125,000,000 PLN 1993 - 19,043,000,000 PLN 1994 - 25,185,000,000 PLN 1995 - 36,719,000,000 PLN Sep. 1996 - 49,815,000,000 PLN Real growth in lending to the private sector increased by 5.8% in 1993, fell by 0.8% in 1994, and increased by 15% in 1995 and by 27.5% in 1996. Experts believe that this growth rate peaked in calendar year 1996. Although total volume will continue to increase, lower rates of growth are expected over time.	2000	15%	

OBJECTIVE: Strategic Objective 1.4.			
APPROVED: 5/96		Country/Organization: Poland/USAID	
RESULT NAME SO 1.4 - 2 A competitive, market-oriented private financial sector is developed			
INDICATOR: 2. Stock Exchange Markets Capitalization as % of GDP.			
UNIT OF MEASURE: % of GDP.	Year	Planned	Actual
	1994(B)		4%
SOURCE: Financial Services Ltd.	1996	8%	7.9%
	1997	12%	
	1998	16%	
	1999	18%	
INDICATOR DESCRIPTION: Market value of securities listed on stock exchange (including OTC market) divided by nominal GDP.	2000	20%	
COMMENTS Estimate on Dec. 31, 1996. In 1996, GDP increased 6% in comparison to 1995. This amount of capitalization as % of GDP in Poland (7.9%) means that the position of the Warsaw Stock Exchange and OTC in the Polish economy is still weak. In most developed capital markets, the average capitalization as % of GDP amounts to 40%.			

OBJECTIVE: Strategic Objective 1.4.			
APPROVED: 5/96		Country/Organization: Poland/USAID	
RESULT NAME SO 1.4 - 3 A competitive, market-oriented private financial sector is developed.			
INDICATOR: 3. Private banks' assets as % of total banks' assets.			
UNIT OF MEASURE: % of bank assets.	Year	Planned	Actual
	1995(B)	15%	
SOURCE: Gazeta Bankowa	1995		15%
	1996	20%	> 25%
	1997	25%	
INDICATOR DESCRIPTION: Privately owned banks' assets divided by total bank assets, in zlotys.	1998	40%	
COMMENTS Assets of privately owned banks as a percent of total assets for the top 81 banks are at least 25%. When ownership of a bank was not clear, it was assumed to be state-owned, thus increasing the denominator and conservatively estimating this measure.	1999	45%	
	2000	50%	

OBJECTIVE: Strategic Objective 1.4.			
APPROVED: 5/96		Country/Organization: Poland/USAID	
RESULT NAME SO 1.4 - 4 A competitive, market-oriented private financial sector is developed.			
INDICATOR: 4. Value of personal bank deposits as % of GDP.			
UNIT OF MEASURE: Annual %.	Year	Planned	Actual
	1994(B)		9.8%
SOURCE: Central Statistical Office NBP Information Bulletin	1995		13.2%
	1996		14.4%
	1997		
	1998		
INDICATOR DESCRIPTION: Value of personal zlotys deposits divided by GDP	1999		
COMMENTS Data on GDP taken from Dec. 31, 1996 estimates.	2000	15%	

OBJECTIVE: Strategic Objective 1.4.		Country/Organization: Poland/USAID	
APPROVED: 5/96			
RESULT NAME SO 1.4 - 5 A competitive, market-oriented private financial sector is developed.			
INDICATOR: 5. Financial services choices in geographic areas.			
UNIT OF MEASURE: # of financial services available per geographic category.	Year	Planned	Actual
	1996(B)		see attached table 1., table 2.
	1997		
	1998		
	1999		
SOURCE: Financial Institutions Survey	2000	TBD	
	INDICATOR DESCRIPTION: Number of financial services available in representative geographic categories from the stratified national survey. Results are presented in a matrix of number of financial services by geographic area and type of rural or urban place.		
COMMENTS Survey sample consisted of 200 financial institutions (commercial banks, cooperative banks, and credit unions). The largest selection of services and products are available within Warsaw and the largest cities. Numbers of services and products are more limited in smaller cities and rural areas. It is a complex matter to project what will be feasible targets for FY 00 in the range of rural and urban places surveyed. A decision on FY 00 targets will be made in FY 97.			

SO 1.4

IR 1.4 - 5

Financial services and products choices in various geographic areas.

Table 1.
Matrix of types of financial services and products.

Financial services/ products	
A.	Long term savings account
B.	Personal account/ Check accounts
C.	Account for enterprises
D.	Mortgage loan
E.	Construction loan
F.	Discount loan
G.	Collateral loan
H.	Overdraft loan
I.	Foreign currency loan
J.	Loan for buying stocks and bonds
K.	Consumer goods loan or Loan through installment plan
L.	Investment loan
M.	Travelers cheques
N.	Credit card
O.	Debit card
P.	Automatic teller machine
Q.	Guarantee of export contracts
R.	Guarantee of exchange rate risk
S.	Bank guarantee
T.	Brokerage services on capital markets
U.	Issuance of commercial bonds
V.	Saving bonds
W.	Distribution of securities issued by State Treasury
X.	Investment portfolio management
Y.	Organization of municipal bond issue
Z.	Guarantee issue of securities
AA.	Foreign settlement (credit, collection...)
AB.	Leasing
AC.	Advice on managing cash flow

Table 2.

Number of financial services and products available per geographic categories.

	Warsaw 1	Over 300th. 2	100-300 Th. 3	County towns 4	Towns in aggl. 5	Other towns 6	Mixed in aggl. 7	Other mixed 8	Rural 9
Warsaw-01	29	-----	20	20	8	18	20	8	14
Lublin -02	-----	29	-----	25	8	18	-----	5	10
Krakow -03	-----	29	25	18	-----	17	18	8	8
Katowice -04	-----	29	20	19	16	16	17	16	8
Wroclaw-05	-----	29	23	29	-----	16	8	8	13
Lodz - 06	-----	29	27	20	-----	17	7	15	6
Poznan - 07	-----	29	20	26	11	18	25	8	7
Szczecin -08	-----	29	29	12	-----	17	17	17	9
Gdansk -09	-----	29	22	19	16	16	7	16	7
Bialystok -10	-----	29	29	23	-----	16	-----	7	9

OBJECTIVE: Strategic Objective 1.4.			
APPROVED: 5/96		Country/Organization: Poland/USAID	
RESULT NAME SO 1.4 - 6 A competitive, market-oriented private financial sector is developed.			
INDICATOR: 6. Use of financial services by households, businesses and municipalities in various geographic areas.			
UNIT OF MEASURE: % of respondents from each group (a-c) using each of the financial services by geographic category.	Year	Planned	Actual
	1996(B)		see attached tables
	1997		
	1998		
	1999		
SOURCE: National Survey of Gminas National Survey of Households National Survey of SMEs	2000	TBD	
	INDICATOR DESCRIPTION: a) % of households; b) % of businesses; c) % of gminas using each type of financial service by geographic category, as defined through the stratified national survey. Results are displayed in matrices.		
	COMMENTS The household sample consisted of 1000 households. The business sample consisted of 200 businesses. The gmina sample consisted of 200 gminas. The lack of market penetration for financial services is clearly shown in the survey results showing that, on an average, only 25% of households have a bank account and only 42% of businesses have an account and an overdraft facility. It is a complex matter to project what will be feasible targets for FY 00 in the range of rural and urban places surveyed. A decision on FY 00 targets will be made in FY 97.		

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S.O. 1.4

IR 1.4 - 6

Use of financial services by households, businesses and gminas in various geographic categories.

Table 1. Use of financial services by households, businesses and gminas.

FINANCIAL SERVICE/PRODUCTS	HOUSEHOLDS		BUSINESS		GMINAS	
	Yes (%)	No (%)	Yes (%)	No (%)	Yes (%)	No (%)
A Long term savings account	18.3	81.7				
B Personal account	24.5	75.5	42.4	57.6		
C Check accounts	13.0	87.0				
D Mortgage loan	3.9	96.1	4.1	95.9		
E Construction loan			1.2	98.8		
F Discount loan			4.1	95.9		
G Collateral loan			2.4	97.7		
H Overdraft loan			42.4	57.7		
I Foreign currency loan			7.6	92.4		
J Loan for buying stocks and bonds	2.1	97.9	1.8	98.2		
K Consumer goods loan or Loan through installment plan	21.4	78.6				
L Investment loan			17.1	82.6		
M Participant units in the Mutual Funds	3.6	96.4				
N Credit card	2.0	98.0	5.3	94.7		
O Debit card	2.1	97.9	4.7	95.3		
P Automatic teller machine			1.8	98.2		
Q Guarantee of export contracts			22.9	97.1		
R Guarantee of exchange rate risk			1.2	98.8		
S Bank guarantee			11.2	88.8	19.4	80.6
T Investment portfolio management			0.6	99.4	2.1	97.9
U Organization of municipal bond issue					2.1	97.9
V Guarantee issue of securities			0.6	99.4	1.3	98.7
W Purchase with postpone payment			22.4	77.6		
X Foreign settlement (credit, collection...)			9.4	90.6		
Y Leasing			20.6	82.4	0.8	99.2
Z Warehouse receipt			0.6	99.4		

Table 2.
Use of financial services by households in various geographic categories.

FINANCIAL SERVICE/PRODUCTS <i>USED BY HOUSEHOLDS</i>	REGION (% of "yes" answers)								
	Warsaw	Towns over 300 th.	Towns 100- 300 ths.	County towns	Towns in aggl.	Other towns	Mixed in aggl.	Other mixed	Rural
	A Long term savings account	40.7	25	28.6	15.4	9.7	30	7.1	33.3"
B Personal account	37	34	29.9	29.4	29	30	28.6	37	13.5
C Check accounts	18.5	14	16.9	18.2	16.1	10	14.3	14.8	7.5
D Mortgage loan	0	2	1.9	5.3	0	3.3	7.1	3.7	5.2
E Construction loan									
F Discount loan									
G Collateral loan									
H Overdraft loan									
I Foreign currency loan									
J Loan for buying stocks and bonds	3.7	1	5.8	1.8	3.2	0	7.1	0	0.8
K Consumer goods loan or Loan through installment plan	18.5	17	26	20.6	16.1	16.7	35.7	40.7	20.1
L Investment loan									
M Participant units in the Mutual Funds	11.1	6	5.2	4.1	0	3.3	0	0	2.1
N Credit card	3.7	2	3.9	2.4	3.2	0	7.1	3.7	0.8
O Debit card	3.7	3	5.2	0.6	3.2	0	0	0	1
P Automatic teller machine									
Q Guarantee of export contracts									
R Guarantee of exchange rate risk									
S Bank guarantee									
T Investment portfolio management									
U Organization of municipal bond issue									
V Guarantee issue of securities									
W Purchase with postpone payment									
X Foreign settlement (credit, collection...)									
Y Leasing									
Z Warehouse receipt									
AA Life- insurance, pension plans	22.2	11	16.9	11.3	22.6	10	21.4	11.1	9.3

Table 3. Use of financial services by businesses in various geographic categories.

FINANCIAL SERVICE/PRODUCTS <i>USED BY BUSINESSES</i>	REGION (% of "yes" answers)								
	Warsaw	Towns over 300 th.	Towns 100- 300 ths.	County towns	Towns in aggl.	Other towns	Mixed in aggl.	Other mixed	Rural
	A Long term savings account								
B Personal account									
C Check accounts	38.9	46.4	45	39.4	44.4	33.3	50	40	41.7
D Mortgage loan	0	3.6	0	9.1	0	16.7	25	0	4.2
E Construction loan	0	3.6	0	3	0	0	0	0	0
F Discount loan	5.6	3.6	5	3	0	16.7	0	0	4.2
G Collateral loan	5.6	0	0	6.1	0	0	0	20	0
H Overdraft loan	27.8	32.1	47.5	60.6	22.2	50	50	20	45.8
I Foreign currency loan	16.7	7.1	7.5	3	11.1	16.7	0	0	8.3
J Loan for buying stocks and bonds	11.1	0	0	3	0	0	0	0	0
K Consumer goods loan or loan through installment plan									
L Investment loan	11.1	21.4	12.5	21.2	0	16.7	0	20	29.2
M Participant units in the Mutual Funds									
N Credit card	5.6	10.7	2.5	9.1	0	16.7	0	0	0
O Debit card	5.6	10.7	2.5	6.1	0	16.7	0	0	0
P Automatic teller machine	5.6	0	2.5	3	0	0	0	0	0
Q Guarantee of export contracts	0	0	5	6.1	0	16.7	0	0	0
R Guarantee of exchange rate risk	5.6	0	0	0	11.1	0	0	0	0
S Bank guarantee	5.6	17.9	7.5	24.2	11.1	0	0	0	4.2
T Investment portfolio management	0	0	0	0	11.1	0	0	0	0
U Organization of municipal bond issue									
V Guarantee issue of securities	0	0	0	0	0	0	0	0	0
W Purchase with postpone payment	27.8	25	22.5	30.3	25	33.3	25	0	8.3
X Foreign settlement (credit, collection...)	16.7	14.3	5	15.2	12.5	0	0	0	4.2
Y Leasing	27.8	14.3	12.5	36.4	33.3	33.3	50	0	4.2
Z Warehouse receipt	0	0	0	0	0	0	0	0	0
AA Life- insurance, pension plans	22.2	7.1	10	9.1	33.3	0	0	0	0

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Table 4. Use of financial services by gminas in various geographic categories.

FINANCIAL SERVICE/PRODUCTS <i>USED BY GMINAS</i>	REGION (% of "yes" answers)								
	Warsaw	Towns over 300 th.	Towns 100- 300 ths.	County towns	Towns in aggl.	Other towns	Mixed in aggl.	Other mixed	Rural
	A Long term savings account								
B Personal account									
C Check accounts									
D Mortgage loan									
E Construction loan									
F Discount loan									
G Collateral loan									
H Overdraft loan									
I Foreign currency loan									
J Loan for buying stocks and bonds									
K Consumer goods loan or Loan through installment plan									
L Investment loan									
M Participant units in the Mutual Funds									
N Credit card									
O Debit card									
P Automatic teller machine									
Q Guarantee of export contracts									
R Guarantee of exchange rate risk									
S Bank guarantee		16.7	45.5	32.4	30	33.3	25	13	11.2
T Investment portfolio management		0	9.1	2.7	0	6.7	0	0	2
U Organization of municipal bond issue		0	50	18.2	0	0	0	0	0
V Guarantee issue of securities		0	33.3	9.1	0	0	0	0	0
W Purchase with postpone payment									
X Foreign settlement (credit, collection...)									
Y Leasing		0	0	9.1	0	0	0	2.2	0
Z Warehouse receipt									
AA Life- insurance, pension plans									

OBJECTIVE: Strategic Objective 1.4.			
APPROVED: 5/96		Country/Organization: Poland/USAID	
RESULT NAME IR A Increased confidence in the financial sector.			
INDICATOR: 1. Supervision, self-regulation and guarantee mechanisms in place for: a) banks, b) securities industry, c) private pensions and d) commodity trading.			
UNIT OF MEASURE: Yes/No	Year	Planned	Actual
	1996(B)	a) N b) N c) N d) N	a) Y b) Y c) N d) N
	1997	a) Y b) Y c) N d) N	
	1998	c) N d) N	
	1999	c) N d) N	
SOURCE: Barents Group Price Waterhouse VOCA/Grain Storage & Mktg.			
INDICATOR DESCRIPTION: Whether or not these mechanisms are in place: a) banks; b) securities industry; c) private pensions; d) commodity trading.	2000	c) Y d) Y	
COMMENTS a) The Central Bank supervises banks. b) CeTO SA is the owner and operator of an OTC market for Poland. CeTO activities are supervised by the Polish Securities Commission. Some self-regulatory functions are done by CeTO, others by a separate organization, the Brokerage House Chamber. There is a guarantee fund for securities trading administered by the National Depository for Securities. c) Private pension funds exist in the classic sense of long term savings used only for retirement. Survivorship or disability pensions do not exist in Poland. Private pension plans are not regulated as pension funds. Products sold by insurance companies are regulated by insurance regulator, PUNO. Products offered by trust fund companies are regulated by the Securities Commission. To the extent that an insurance guarantee fund exists, pension-type products sold by insurers have some guarantee. No guarantees exist for private pension funds as such. d) Draft law has been prepared for Polish Securities Commission to supervise commodity markets & futures trading.			

OBJECTIVE: Strategic Objective 1.4.			
APPROVED: 5/96		Country/Organization: Poland/USAID	
RESULT NAME IR A.1 - 2 Improved supervision of the financial sector.			
INDICATOR: 2. Quality and Coverage of supervision of financial markets.			
UNIT OF MEASURE: Establishment of the 4 regulations (a -b3) noted below (Yes/No).	Year	Planned	Actual
	1995(B)		a) N b1) N b2) N b3) N
	1996	a) Y b1) N b2) N b3) N	a) Y b1) N b2) N b3) N
	1997	b1) Y b2) Y b3) N	
	1998	b3) Y	
SOURCE: PADCO Price Waterhouse VOCA/Grain Storage & Mktg.			
INDICATOR DESCRIPTION: a) Disclosure requirements for municipal bonds; b) Regulation and supervisory institution over: b1) private pension funds, b2) uniform warehouse receipts; b3) commodity exchanges.			
COMMENTS a) The purchase offer (public subscription) will contain data which, according to type of issuer and bond, enables the buyer to evaluate the financial standing of the issuer. The issuer is obliged to provide information on: purpose of bonds issuance; size of issue; nominal value and issue price; terms of redemption, terms of payment of interest; amount and form of potential security; data enabling buyers to understand the results of the project to be financed, and a report on the implementation of the gmina's budget for the previous year, along with the opinion of the regional accounting chamber. b2) PISIPAR has been established to act as a warehouse licenser and inspection unit under the USAID/Poland pilot project. However, there is no formal legal framework authorizing a licensed warehouse system.			

OBJECTIVE: Strategic Objective 1.4.			
APPROVED: 5/96		Country/Organization: Poland/USAID	
RESULT NAME IR A.2 - 1 Decreased risk to financial market participants.			
INDICATOR: 1. Quality and coverage of credit information.			
UNIT OF MEASURE: a) Credit rating agency established, b) # of ratings issued; c) % of households; d) % businesses.	Year	Planned	Actual
	1995(B)		a) N b) 0
	1996	a) N b) 0	a) Y b) 0 c)see note d)see note
	1997	a) Y b) 3	
	1998	b) 15	
SOURCE: Central European Rating Agency	1999	b) 35	
	INDICATOR DESCRIPTION: a) Consumer and business credit rating agency established. b) Number of ratings issued c) Credit information available on households d) Credit information available on businesses		
COMMENTS a/b) A Polish credit rating agency, CERA, was established at the end of 1996. Its professional staff are undergoing training in rating methodology and credit analysis. Some issuers have approached the agency to undertake ratings, but CERA has not yet been engaged to prepare a rating. c/d) Originally, it was anticipated that USAID/Poland would improve the policy climate for the development of business and consumer credit bureaus. Dunn & Bradstreet and TRW, prominent U.S. providers, are now active in this market making USAID/Poland assistance unnecessary. Accordingly, these targets will be eliminated.			

OBJECTIVE: Strategic Objective 1.4.			
APPROVED: 5/96		Country/Organization: Poland/USAID	
RESULT NAME IR A.2 - 2 Decreased risk to financial market participants.			
INDICATOR: 2. Surety and collateral for lending (from S.O. 1.3).			
UNIT OF MEASURE: a) Collateral Law enacted (yes/no); b) Central registry of movables and immovables established (yes/no).	Year	Planned	Actual
	1995(B)		a) N b) N
	1996	a) N b) N	a) Y b) N
	1997	a) Y b) N	
	1998	b) Y	
SOURCE: Intl Development Law Institute Poland-American Studies Center			
INDICATOR DESCRIPTION: a) Collateral law allows borrowers to pledge property and allows lenders to be assured of their claims on that property if the borrower defaults; b) Central registry of movables and immovables established.			
COMMENTS a) The Collateral Law was passed in December 1996. It will go into effect Jan. 1998. b) There is a registry of immovables that is not centralized. It needs to be modernized (in terms of computers) and some laws need to be changed. As for a registry of movables, there will be a centralized pledge registry (a registry of secured interests on movable property) by 1998.			

OBJECTIVE: Strategic Objective 1.4			
APPROVED: 5/96		Country/Organization: Poland/USAID	
RESULT NAME IR A.3 - 1 Effective self-regulation by financial intermediaries.			
INDICATOR: 1. Coverage of financial markets by self-regulatory organizations (SROs).			
UNIT OF MEASURE: OTC Self-regulatory organization established (yes/no)	Year	Planned	Actual
	1995(B)		N
SOURCE: Barents Group Financial Services Ltd.	1996	Y	Y
INDICATOR DESCRIPTION: Self-regulatory organization created for the Over-the-Counter (OTC) market.			
COMMENTS CeTO SA is the owner and operator of an OTC market for Poland. Owners of CeTO are 43 brokerage houses. CeTO activities are supervised by the Polish Securities Commission. Some self-regulatory functions are done by CeTO (e.g. market surveillance), others by a separate organization, the Brokerage House Chamber (e.g., Rules of Fair Practice). There is a guarantee fund for securities trading administered by the National Depository for Securities.			

OBJECTIVE: Strategic Objective 1.4.		Country/Organization: Poland/USAID	
APPROVED: 5/96			
RESULT NAME IR A.3 -2 Effective self-regulation by financial intermediaries.			
INDICATOR: 2. Financial intermediaries insured.			
UNIT OF MEASURE: Establishment of the below-mentioned organizations (a-b)	Year	Planned	Actual
	1995(B)		a) N b) N
	1996	a) N b) N	a) Y b) N
SOURCE: Barents Group	1997	a) N b) N	
	1998	a) N b) Y	
INDICATOR DESCRIPTION: a) Individual deposit insurance established for all banks. b) Brokerage houses guarantee fund established.	1999	a) N	
COMMENTS a) Poland instituted a deposit insurance system, the "Banking Guarantee Fund," in 1995. It insures depositors up to a maximum amount of 3,000 ECU. Three state-owned banks benefit from a 100% guarantee from the state with no maximum: BGZ (the Bank for Food Economy); PKO BP (the State Savings Bank), and PEKAO SA (the old State foreign exchange bank). These are scheduled to join the Banking Guarantee Fund. Until this happens, this target cannot be considered as having been met. b) CeTO and the National Depository for Securities have agreed that OTC trading will use the same Guarantee Fund as the Warsaw Stock Exchange. The National Depository manages a Guarantee Fund for participant liability. The Fund's main responsibility is to ensure the safety of exchange trading by guaranteeing its participants' mutual solvency. Currently, new Securities Law is under review in Parliament. Under it, a brokerage houses guarantee fund will be created by the Brokerage Houses Chamber.	2000	a) Y	

OBJECTIVE: Strategic Objective 1.4.		Country/Organization: Poland/USAID	
APPROVED: 5/96			
RESULT NAME IR B Improved efficiency of financial markets			
INDICATOR: 1. Private banking and capital market institutions compete as evidenced by reduced transaction costs.			
UNIT OF MEASURE: Range of difference between borrowing and savings rate measured in %	Year	Planned	Actual
	1996(B)	6-15%	4.1% - 13.3%
	1997		
	1998		
	1999	3-4%	
SOURCE: NBP Information Bulletin			
INDICATOR DESCRIPTION: The range of interest rate charged to borrowers minus range of interest rate paid to 3 month depositors by commercial banks.			
COMMENTS High margins show both the effect of high demand for lending and a lack of competition and continued inefficiency in the banking sector.			

OBJECTIVE: Strategic Objective 1.4.			
APPROVED: 5/96		Country/Organization: Poland/USAID	
RESULT NAME IR B.1 - 1 Increased competition in financial markets.			
INDICATOR: 1. Privatized, independent banks.			
UNIT OF MEASURE: a) cumulative number of banks privatized b) Continuous functioning of an independent cooperative banking system. (yes/no)	Year	Planned	Actual
	1994(B)		a) 2 b) Y
SOURCE: Ministry of Finance United States Treasury	1996	a) 5 b) Y	a) 4 b) Y
	1997	b) Y	
	1998	b) Y	
	1999	b) Y	
INDICATOR DESCRIPTION: a) Number of privatized state banks b) Independent membership-governed cooperative banking system is still functioning.	2000	b) Y	
COMMENTS a) Of the 9 state-owned major commercial banks, 4 (Bank Slaski, Bank Wielkopolski, BPH & Bank Gdanski) were privatized by year end 1996. In February 1997, a remaining state portion of Bank Gdanski's stocks were sold to Bank Inicjatyw Gospodarczych. Separate from the status of these 9 commercial banks, in 1996 an adviser (HSBC) for privatization of Bank Handlowy, the so-called "trade-bank", was chosen and the government accepted the basis for the privatization of Bank Handlowy. Its privatization will count toward release of funds from the multilateral Bank Privatization Fund. b) The structure of cooperative banks are divided into three-levels: a state-owned APEX bank, BGZ, 9 regional banks, and local cooperative banks associated with these 9 regional banks. But, at the same time, two independent regional cooperative banks (BUG, GBP-Z) and their affiliated local cooperative banks continue to exist and are not part of the BGZ system.			

OBJECTIVE: Strategic Objective 1.4.			
APPROVED: 5/96		Country/Organization: Poland/USAID	
RESULT NAME IR B.2 -1 Improved capability of financial market institutions.			
INDICATOR: 1. Banks using credit analysis, corporate finance & investment techniques to raise finance for enterprise and home owners.			
UNIT OF MEASURE: a) # of full service banks; b) cumulative # of indigenous bank training institutions.	Year	Planned	Actual
	1995(B)		a) 0 b) 9
SOURCE: Barents Group Crimson Capital PADCO World Council of Credit Unions	1996	a) 0 b) 2	a) 2 b) 7
INDICATOR DESCRIPTION: a) Banks offer a full range of corporate finance and investment banking services; b) Polish bank training institutions offer courses in one or more of the following: credit analysis, corporate finance, mortgage and retail banking.			
COMMENTS a) 2 banks, (Bank Rozwoju Eksportu & Powszechny Bank Gospodarczy) participating in the FSRC project achieved sufficient level and diversity of corporate finance and investment banking skills to "graduate" by the end of 1996. Nearly 100 Polish bankers increased their skills through participation, and this will impact future development of investment banking capacity in Poland. However, the FSRC project was discontinued in March 1997. Accordingly, future year targets have been eliminated. b) USAID/Poland assisted in the development of 5 training institutes (Warsaw Institute of Banking, Warsaw School of Banking, 2 regional cooperative bank training centers, & a credit union training center). 4 remain in operation. The WSB has experienced problems following the death of a senior partner and is not fully operational. 3 other institutes provide banker training: Poznan Higher School of Banking, Gdansk Academy of Banking, and Int'l School of Banking and Financing in Katowice. Course offerings cover the full range in the indicator description.			

OBJECTIVE: Strategic Objective 1.4.			
APPROVED: 5/96		Country/Organization: Poland/USAID	
RESULT NAME IR B.3 - 1 Effective data communications, clearance, payments and settlement systems.			
INDICATOR: 1. Time required for posting stock orders, clearance, settlement and making interbank transfers and payments.			
UNIT OF MEASURE: Time required for a) interbank transfers (in days); b) settlement and payment of stock orders (in days); c) placement of bids and offer for OTC in real time (Yes/No)	Year	Planned	Actual
	1995(B)		a) 5 b) no limits c) N/A
	1996	a) 4 b) 3 c) N	a) 1-3 b) 3 c) Y
	1997	a) 2-3 c) Y	
	1998	a) 2	
SOURCE: Barents Group First Washington Associates			
INDICATOR DESCRIPTION: Electronic communications links for capital markets increase the rapidity of market transactions, interbank transfers and payments.	1999	a) 1	
COMMENTS a) Electronic transfers generally take one day. Paper transactions generally take 1-3 days bank-to-bank, but can be much as 14 calendar days customer-to-customer. b) All securities trading in Poland is cleared and settled on a "T+3" basis (i.e. three days after trading). This is the worldwide standard. c) Brokers can post bids and offers over the trading system "real time" at any time during the trading day. These may be viewed instantly by brokers who purchase a special teletext decoder. Otherwise, they can dial into the system to update their display of bids and offers.			

OBJECTIVE: Strategic Objective 1.4			
APPROVED: 5/96		Country/Organization: Poland/USAID	
RESULT NAME IR C Increased availability of standard services and products			
INDICATOR: 1 Financial products available throughout Poland including: a) home mortgages, b) construction finance, c) warehouse receipts, d) private pension plans and e) municipal bonds.			
UNIT OF MEASURE: Yes/No	Year	Planned	Actual
	1996(B)	a) N b) N c) N d) N e) N	a) Y b) Y c) N d) N e) Y
	1997	a) Y b) Y c) N d) N e) Y	
	1998	c) N d) N	
	1999	c) N d) N	
SOURCE: Financial Institution Survey Financial Services Ltd.	2000	c) Y d) Y	
	INDICATOR DESCRIPTION: Whether or not these products are available.		
COMMENTS The financial survey was based on a sample of 200 financial institutions (including commercial banks, cooperative banks, and credit unions) a) & b) In most of regions of Poland both home mortgages and construction finance are offered by banks. c) A pilot program for licensed warehouse receipts began in 1996. Some 27 grain elevators throughout Poland have been accepted into the program through early 1997. d) The reform prepared in the Office of Government Plenipotentiary for Social Security Reform is called "Security through Diversity". In May 1997, discussion over the pension reform project will begin in the Polish Parliament e) Banks are more interested in the structuring of municipal bonds than gminas are interested in issuing them.			

OBJECTIVE: Strategic Objective 1.4.			
APPROVED: 5/96		Country/Organization: Poland/USAID	
RESULT NAME			
IR C.1 - 1 New financial instruments developed and marketed broadly.			
INDICATOR:			
1. Diversity and volume of financial products.			
UNIT OF MEASURE: a) Licensed grain warehousing established (yes/no), b) Cumulative number of approved mortgage loans; c) # of municipalities issuing bonds annually, d) # of commodity futures listings; e) % of adult population covered by private pension plans (if voluntary); f) % of adult population covered by private pension plans (if mandatory).	Year	Planned	Actual
	1995(B)		a) N b) 4800 c) 0 d) 0 e) 0 f) 0
SOURCE: National Survey of Households PADCO Price Waterhouse VOCA/Grain Storage & Mktg.	1996	a) N b) 4,000 c) 0 d) 0 e) 0 f) 0	a) N b) 25,000 c) 12 d) 0 e) 0 f) 0
	1997	a) Y d) TBD e) 0 f) 0	
	1998	d) TBD e) 2% f) 15%	
	1999	c) 25 d) TBD e) 10% f) 40%	
INDICATOR DESCRIPTION: a) Licensed grain warehousing system; b) Mortgage lending; c) Municipal bonds; d) Commodity futures; e) Private pension plans (if voluntary); f) Private pension plans (if mandatory).	2000	c) 50 d) TBD e) 20% f) 80%	
COMMENTS a) Since 1996, some 27 grain elevators have been accepted into USAID/Poland's licensing warehouse program. b) The original FY 00 target has already been exceeded. This 5-fold increase in the number of mortgage and construction loans can be attributed to: 1) increased availability of LT funds through the USAID/Poland's-assisted Mortgage Fund; 2) greater market understanding/acceptance of the Dual Index Mortgage making mortgages affordable in high inflation economies; and 3) PKO BP's cessation of subsidized lending for mortgages, which provided market opportunities for other banks. Additionally, USAID/Poland advisors worked with banks and developers to educate them about mortgage lending c) 12 gminas issued or are issuing bonds: Gdynia, Ostrow, Lodz, Gorzow Wlkp., Krakow, Miesziszko, Lublin, Gdansk, Tarnobrzeg, Zamosc, Walbrzych and Warszawa. Another 12 are expected before the end of 1997. e/f) Assuming a classic definition of pension plan, no one was covered in FY 96. Using a liberal definition, USAID/Poland estimates that 1-2% of the adult pop. holds insurance or investment products marketed as pension funds.			

OBJECTIVE: Strategic Objective 2.3.			
APPROVED: 5/96		Country/Organization: Poland/USAID	
RESULT NAME SO 2.3 - 1 Local government is effective, responsive and accountable			
INDICATOR: 1. Citizens who think that local government is responsive to their needs.			
UNIT OF MEASURE: % of sample.	Year	Planned	Actual
	1994(B)		49%
SOURCE: National Survey of Households	1995		49%
	1996	49%	55%
	1997		
	1998	55%	
INDICATOR DESCRIPTION: Definition: Adults (>16 years) queried in national survey of a random representative sample of population.			
COMMENTS The 1996 survey was performed for a stratified sample by OBOP with USAID/Poland funding in February 1997. The FY 98 target has already been met. Therefore, USAID/Poland has set a more ambitious target for FY 00. This figure was calculated by averaging % of "yes" responses from two questions posed to households: 1) "Do you believe that your local government is realizing the needs of its citizens?" and 2) Taking into account the conditions in which it operates, do you think that your local government meets the needs of its citizens?" (Data collected from 1000 households in Feb 1997 OBOP nationwide survey.) Data for FY 95 are obtained from survey "Activity of Public Institutions" administered by CBOS without USAID/Poland funding. For FY 97, USAID/Poland may combine this indicator question with the following (SO 2.3-2) which measures the degree to which "local govt effectively and prudently manages resources/provides services." It is believed that this combination may result in lower percentages.	1999		
	2000	65%	

OBJECTIVE: Strategic Objective 2.3.			
APPROVED: 5/96		Country/Organization: Poland/USAID	
RESULT NAME SO 2.3 - 2 Local government is effective, responsive and accountable			
INDICATOR: 2. Citizens who think that local government effectively and prudently managing resources/providing services.			
UNIT OF MEASURE: % of sample	Year	Planned	Actual
	1995(B)		39%
	1996	42%	43%
	1997		
	1998	50%	
SOURCE: National Survey of Households	1999	55%	
	INDICATOR DESCRIPTION: Definition: Adults (>16 years) queried in national survey of a random representative sample of population.		
COMMENTS FY 96 data is obtained from a survey performed on a stratified sample administered by OBOP with USAID/Poland funding (February 1997). Data for FY 95 are obtained from CBOS survey "Activity of Public Institutions" administered by CBOS without USAID/Poland funding. For FY 97, USAID/Poland may combine this indicator question with the preceding one (SO 2.3-1) which measures the degree to which "local gov't is responsive to the needs of the community." It is believed that this combination may result in lower percentages.			

OBJECTIVE: Strategic Objective 2.3.			
APPROVED: 5/96		Country/Organization: Poland/USAID	
RESULT NAME SO 2.3 -3 Local government is effective, responsive and accountable			
INDICATOR: 3. Citizens expressing trust in local government.			
UNIT OF MEASURE: % of sample	Year	Planned	Actual
	1993(B)		50%
SOURCE: National Survey of Households	1995		58%
	1996	60%	52%
	1997	62%	
	1998	64%	
INDICATOR DESCRIPTION: Definition: Adults (>16 years) queried in national survey of a random representative sample of population.			
COMMENTS A comparative survey, "Activity of Public Institutions" was administered by CBOS in March 1996 without USAID/Poland funding (60% of respondents expressed trust in local government; statistical error +/- 3%). The FY 96 figure is calculated by averaging % of "yes" responses from two questions posed to households: 1) "Do you trust your gmina's mayor?" and 2) "Do you believe that your local government keeps its word?" Data collected from 1000 households in Feb 1997 nationwide OBOP survey (statistical error +/- 3.1%).	1999	66%	
	2000	68%	

OBJECTIVE: Strategic Objective 2.3.		Country/Organization: Poland/USAID	
APPROVED: 5/96			
RESULT NAME IR 1 - 1 Increased influence of local government on national and regional policies.			
INDICATOR: 1. Efficiency and/or equity improved in the major revenue transfer formulas.			
UNIT OF MEASURE: Number of revenue transfer formulas out of 6 existing which are changed.	Year	Planned	Actual
	1996(B)	0	1
	1997	0	
	1998	3	
SOURCE: Development Alternatives Inc.	1999	4	
INDICATOR DESCRIPTION: Six major formulas are being monitored: health, education, social welfare, equalization grant, bill of large cities, and transfer of income. These revenue transfer formulas are used to calculate the amount of government transfers to local governments.			
COMMENTS The one transfer formula changed in FY 96 is an amendment to the Bill of Large Cities. This has increased the predictability of the amount of resources each gmina will receive.			

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OBJECTIVE: Strategic Objective 2.3			
APPROVED: 5/96		Country/Organization: Poland/USAID	
RESULT NAME IR 1 - 2 Increased influence of local government on national and regional policies.			
INDICATOR: 2. Local models for delivery of infrastructure, housing, environmental and health services are adopted and influencing national policy change.			
UNIT OF MEASURE: Pronouncement of national and/or local policy change with respect to above categories.	Year	Planned	Actual
	1996(B)	a) N b) Y c) N d) N	a) N b) Y c) Y d) N
	1997	a) N d) N	
	1998	a) Y c) Y d) N	
	1999	d) Y	
SOURCE: Harvard/Jagiellonian Consortium for Health Local Government Partner Cities PADCO			
INDICATOR DESCRIPTION: a) Health sector regulations promote the use of contracting and cost-reimbursement mechanisms; b) Establishment of disclosure guidelines for municipal bonds for public trading; c) Regulation in place for funding non-profit housing development; d) Regulated rental housing rates closer to market value.			
COMMENTS A FY 98 target has already been achieved in FY 96. Regulations have already been passed for funding non-profit housing development.			

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OBJECTIVE: Strategic Objective 2.3.			
APPROVED: 5/96		Country/Organization: Poland/USAID	
RESULT NAME IR 1.1 - 1 Local government associations increase their capacity to lobby for policy reform and improve the quality of their lobbying efforts.			
INDICATOR: 1. Change in quality of information/analyses prepared by local government associations.			
UNIT OF MEASURE: Over 50% of Parliamentarians report improvement in the quality of documents (yes/no).	Year	Planned	Actual
	1996(B)	N	N
	1997	N	
	1998	Y	
SOURCE: Development Alternatives Inc. MP Survey from L.G. Sejm Commission			
INDICATOR DESCRIPTION: Definition: Official documents prepared by associations for public scrutiny The implementor undertakes annual surveys.			
COMMENTS The FY 96 implementor survey found: 1) An increase in the use of verbal briefings and technical papers as well as a perceived increase in their relevance. 2) However, most "lobbying" is still done verbally. 3) The definition of "quality" will be reviewed and refined before the next round of performance monitoring.			

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OBJECTIVE: Strategic Objective 2.3			
APPROVED: 5/96		Country/Organization: Poland/USAID	
RESULT NAME IR 1.1 - 2 Local government associations increase their capacity to lobby for policy reform and improve the quality of their lobbying efforts.			
INDICATOR: 2. Performance monitoring and feedback mechanisms established by associations that represent local governments and their professional employees.			
UNIT OF MEASURE: Number of local associations with such mechanisms in place.	Year	Planned	Actual
	1996(B)	0	1
	1997	1	
	1998	4	
SOURCE: Development Alternatives Inc.	1999	6	
INDICATOR DESCRIPTION: Definition: Clearly defined mechanisms for monitoring and evaluation are used so that members can rate the associations' performance and define needs for their services.			
COMMENTS One local government association is already using such a mechanism in FY 96.			

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OBJECTIVE: Strategic Objective 2.3			
APPROVED: 5/96		Country/Organization: Poland/USAID	
RESULT NAME IR 2 - 1 Participation in local government decision-making increased.			
INDICATOR: 1. Gminas which have their budget/strategic plans developed with participatory input from citizens, NGOs, and private businesses.			
UNIT OF MEASURE: a) % of gminas surveyed nationwide that meet definition and b) % of partner cities that meet definition.	Year	Planned	Actual
	1996(B)		a) 51.5% b) 42.9% (3/7)
	1997	b) 70% (5/7)	
	1998	a) 55% b) 75% (23/31)	
	1999	a) 60% b) 80% (34/43)	
SOURCE: National Survey of Gminas The Urban Institute	2000	a) 65% b) 83% (36/43)	
	INDICATOR DESCRIPTION: Definition: Gminas which have at least one of their major document (such as the budget or strategic plan) developed with the participation of citizens, SMEs and NGOs (e.g. public budget hearings based on the published draft budget, etc.).		
COMMENTS Figures on gminas that prepared their budget and/or strategic plan with the participation of at least two of the following parties: private business representatives, NGOs and/or citizens. a) FY 96 national figure represents data from Feb 1997 OBOP survey. When targets were set for the national level, USAID/Poland staff did not realize the extent to which gminas are already using public participation in strategy and/or budget preparation. Based on FY 96 survey baseline, USAID/Poland has set higher FY 97-FY 00 targets. (Old FY 97-FY 00 targets: 10%, 15%, 20%, 25%). b) Partner city information derived from the same OBOP questionnaire which was administered by Urban Institute to 7 pilot partner cities. Actual FY 96 performance in pilot partner cities was lower than the nationwide figure. This indicates that more attention should be paid to promoting the participatory development of strategic plans in partner cities in order to meet targets for FY 97-FY 00. (This conclusion was also noted in IR 3.1-1.)			

OBJECTIVE: Strategic Objective 2.3.			
APPROVED: 5/96		Country/Organization: Poland/USAID	
RESULT NAME IR 2 - 2 Participation in local government decision-making increased.			
INDICATOR: 2. Public policy-oriented NGOs cooperating with, or influencing local governments			
UNIT OF MEASURE: a) % of NGOs identified as public policy-oriented surveyed nationally, that are cooperating with or influencing local governments (on an annual basis) based on self-assessment. b) % of NGOs recognized as public policy-oriented from the partner cities, that meet definition	Year	Planned	Actual
	1996(B)		a) 36.8% b) see note
	1997	a) 42%	
	1998	a) 47%	
SOURCE: National Survey of Gminas National Survey of NGOs The Urban Institute	1999	a) 52% b) 60% (26/43)	
	INDICATOR DESCRIPTION: Definition: Survey of identified public policy NGOs. Cooperation defined in terms of level of co-financing, contractual agreements, or (for advocacy functions) - involvement in debates on local issues and in lobbying activities etc.		
COMMENTS a) FY 96 national data taken from OBOP survey administered Feb. 1997. b) This activity will not commence until FY 98, as partner cities were not selected until mid FY 97. Therefore, b) baseline data will be collected in FY 98. Criteria includes [NGOs that]: 1) cite projects in which their gmina participated and/or provided assistance; 2) contact/cooperate with gmina on key problems related to citizens; 3) have proposal(s) etc. involving local issues taken under consideration by the gmina; 4) promote their activities to the local government; 5) receive subsidies from their local government; 6) cooperate with the local government through contracts/co-financing etc.; 7) have a formal agreement with the gmina, and 8) cooperate with their gmina on other activities.			

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OBJECTIVE: Strategic Objective 2.3

APPROVED: 5/96

Country/Organization: Poland/USAID

RESULT NAME

IR 2.1 - 2 Increased involvement by citizens, NGOs and businesses in local civic process.

INDICATOR:

2. Self-sustaining indigenous training and service organizations capable of assisting NGOs to develop public policy-oriented initiatives at the local level.

UNIT OF MEASURE:

Number of organizations that meet definition.

<u>Year</u>	<u>Planned</u>	<u>Actual</u>
1996(B)		see comments
1997		
1998	7	

SOURCE:

Academy for Educational Development

INDICATOR DESCRIPTION:

Definition: Criteria for sustainability will be set by the SO Team. They will include: level of institutional and financial sustainability of organizations, number of clients served, level of customer satisfaction (scale measure), along with other elements of IR 2.1 - 1 criteria.

COMMENTS

Baseline data will be collected in FY 97.

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OBJECTIVE: Strategic Objective 2.3.		Country/Organization: Poland/USAID	
APPROVED: 5/96			
RESULT NAME IR 2.1 - 3 Increased involvement by citizens, NGOs and businesses in local civic process.			
INDICATOR: 3. Mechanism(s) established for disseminating best practices in NGO involvement in solving problems at the local level.			
UNIT OF MEASURE: % of gminas nationwide in contact with "best practice" models.	Year	Planned	Actual
	1996(B)		0%
	1997	0%	
	1998	20%	
SOURCE: Academy for Educational Development			
INDICATOR DESCRIPTION: Definition: NGO support organizations disseminate best practices in NGO involvement at the local level.			
COMMENTS Models will be documented by technical assistance NGOs (TA-NGOs) and disseminated to gminas by June 1998.			

OBJECTIVE: Strategic Objective 2.3		Country/Organization: Poland/USAID	
APPROVED: 5/96			
RESULT NAME IR 2.1 - 4 Increased involvement by citizens, NGOs and businesses in local civic process.			
INDICATOR: 4. Cities in which Community Activism models have been successfully replicated.			
UNIT OF MEASURE: # of cities that meet definition.	Year	Planned	Actual
	1995(B)		0
	1996	0	8
	1997	8	
SOURCE: German Marshall Dialog			
INDICATOR DESCRIPTION: Definition: Cities in which community activism models are replicated.			
COMMENTS Cities cited by Dialog include: Bialystok Kielce Opole Rzeszow Sopot Olecko Bedzin Walcz Data for FY 96 shows that target for FY 97 has already been met.			

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OBJECTIVE: Strategic Objective 2.3			
APPROVED: 5/96		Country/Organization: Poland/USAID	
RESULT NAME IR 2.2 - 1 Local governments create and expand mechanisms for citizens', NGOs' and businesses' input			
INDICATOR: 1. Gminas with demonstrated experience in solving local problems through participatory process.			
UNIT OF MEASURE: a) % of gminas surveyed nationwide that meet definition (according to self-assessment) b) number of partner cities that meet that definition	Year	Planned	Actual
	1996(B)		a) 55.7% b) 71.4% (5/7)
	1997		
	1998	a) 60% b) 75% (23/31)	
	1999	a) 65% b) 80% (34/43)	
SOURCE: National Survey of Gminas The Urban Institute	2000	a) 70% b) 83% (36/43)	
	INDICATOR DESCRIPTION: Definition: demonstrated experience (verified by examining case studies) in solving problems through a participatory process with citizens and NGOs.		
COMMENTS FY 96 nationwide data is from Feb. 1997 OBOP survey. Partner city data was collected by Urban Institute administering the OBOP questionnaire to 7 pilot partner cities in March 1997. 5 conditions were established to monitor the gminas' experience in solving local problems through a participatory process: 1) Citizens/NGOs participate in the preparation of the gmina's strategic development plan (OBOP - 33.3%, UI - 42.9%); 2) Citizens/NGOs participate in the preparation of the gmina's budget (OBOP - 72.2%, UI - 71.4%); 3) Gmina conducts research with help from NGOs to prioritize social needs of the community (OBOP - 38%, UI - 71.4%); 4) Participatory observation of NGOs allowed in local government meetings (OBOP - 31.2%, UI - 71.4%); and 5) Gminas actively encourage citizens and NGOs to participate (OBOP - 89.9%, UI - 85.7%). Gminas which met at least three of these conditions were counted as having met the definition.			

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OBJECTIVE: Strategic Objective 2.3			
APPROVED: 5/96		Country/Organization: Poland/USAID	
RESULT NAME IR 2.2 - 2 Local governments create and expand mechanisms for citizens', NGOs' and businesses' input			
INDICATOR: 2. Gminas with specific support mechanisms for NGOs' and citizens' initiatives.			
UNIT OF MEASURE: a) % of gminas surveyed nationwide that meet definition (by self-assessment); b) % of partner cities that meet this definition	Year	Planned	Actual
	1996(B)		a) 61.6% b) 85.7% (6/7)
	1997		
	1998	a) 65% b) 75% (23/31)	
	1999	a) 70% b) 80% (34/43)	
SOURCE: National Survey of Gminas The Urban Institute	2000	a) 75% b) 85% (37/43)	
	INDICATOR DESCRIPTION: Definition: Specific support mechanisms include: budget with line items that support citizen initiatives; or policies of providing facilities to NGOs or similar formalized commitments of resources.		
COMMENTS FY 96 nationwide response represents data gathered from Feb. 1997 OBOP survey. Partner city data was collected by Urban Institute administering the OBOP questionnaire to 7 pilot partner cities in March 1997. Data show % of nationwide and partner gminas that fulfilled at least two of the three criteria below. Three conditions were established to monitor gminas' efforts to employ support mechanisms for NGOs' and citizens' initiatives: 1) Parts of the gmina's budget have been earmarked to support the activities of NGOs or other local initiatives (nationwide-68.8%, pilot partner cities-85.7%); 2) Other means of support, i.e. office space, equipment, land, in-kind services to NGOs or other local initiatives (nationwide-76.8%, pilot partner cities-100%); 3) principles defined under which NGOs can apply for subsidies and/or receive financial support from their local government (nationwide-11%, pilot partner cities-28.6%). As new partner gminas are added in FY 98 & FY 99, the high % of FY 96 cannot be reached again until FY 00.			

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OBJECTIVE: Strategic Objective 2.3			
APPROVED: 5/96		Country/Organization: Poland/USAID	
RESULT NAME IR 3 - 2 Increased capacity to deliver services and manage local resources efficiently			
INDICATOR: 2. Gminas using public-private partnerships for service delivery (including housing and economic development).			
UNIT OF MEASURE: 1. % of gminas surveyed nationwide that meet criteria (a-b); 2. % of partner cities that meet criteria (a-b).	Year	Planned	Actual
	1996(B)		1a) TBD (see note) 1b) 35% 2a) 14.3% 2b) 14.3% (1/7)
	1997		
	1998	1a)45% 1b)40% 2a)40% (12/31) 2b)25% (8/31)	
	1999	1a) 55% 1b)50% 2a)50% (22/43) 2b)40% (17/43)	
SOURCE: National Survey of Gminas The Urban Institute	2000	1a) 65% 1b)60% 2a)75% (32/43) 2b)65% (28/43)	
	INDICATOR DESCRIPTION: Definition: Gminas that a) entered into any legal form of public-private partnerships (including with NGOs) in municipal service delivery and/or economic development; b) contracted out with the private sector and/or NGOs for services.		
COMMENTS FY 96 nationwide data collected in Feb. 1997 OBOP survey. Partner city data was collected by Urban Institute administering the OBOP questionnaire to 7 pilot partner cities in March 1997. 1a) survey data is still in the process of being analyzed. USAID/Poland staff expect results to exceed 35%. Targets for 1a) and 1b) were too low in view of baseline data collected for 1b), therefore targets for FY 98-FY 99 have been increased. Targets for FY 98-FY 00 partner cities 2a & 2b were reduced in April 1997 to respond to the inclusion of rural gminas within the selected group of partnership gminas Graduation Plan targets were - FY 97: 2a)60%, 2b)50%; FY 98: 2a)55%, 2b)50%; FY 99: 2a)84%, 2b)80%; and FY 00: 2a)100%, 2b)100%.			

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OBJECTIVE: Strategic Objective 2.3.			
APPROVED: 5/96		Country/Organization: Poland/USAID	
RESULT NAME IR 3 - 3 Increased capacity to deliver services and manage local resources efficiently			
INDICATOR: 3. Gminas using elements of program/task budgeting and/or capital investment planning.			
UNIT OF MEASURE: 1. % of gminas surveyed nationwide that meet criteria a) and b), and 2. % of partner cities that meet criteria a) and b)	Year	Planned	Actual
	1996(B)		1a) 37.7% 1b) 2.1% 2a) 57% (4/7) 2b)85% (6/7)
	1997	1a) 38% 2a) 50% (4/7) 2b) 30% (2/7)	
	1998	1a) 40% 2a)50% (16/31) 2b)35% (11/31)	
	1999	1a) 45% 2a) 75% (32/43) 2b)50% (22/43)	
SOURCE: National Survey of Gminas The Urban Institute	2000	1a) 50% 2a) 83% (36/43) 2b)60% (26/43)	
	INDICATOR DESCRIPTION: Definition: Gminas with: a) budget documents which distinguish program/task costs; b) capital investment budget/plan adopted by Gmina Executive.		
COMMENTS FY 96 nationwide data collected in Feb. 1997 OBOP survey. Partner city data was collected by Urban Institute administering the OBOP questionnaire to 7 pilot partner cities in March 1997. Considering that very few gminas in Poland actually have a task-based budget, figure 1a) for FY 96 counts gminas that claim to use elements of program/task-based budgeting. This indicator monitors the steps towards the overall process of adopting this practice. Since FY 96 baseline data for 1a) is significantly higher than anticipated, FY 97-FY 99 targets have been increased. Original targets were-FY 97:1%, FY 98:2%; FY 99:5%; and FY 00:15%. Target data for 2a/b) remains the same despite high figures in FY 96, as the # of partner cities will dramatically increase in FY 97-FY 00, thereby significantly increasing the denominator. Future data for b) will only be measured for partner gminas, given the 6% margin of error in the nat'l survey sample, the low nat'l figure (2.1%) in the FY 96 baseline data, and low targets set for 1b) in the Graduation Plan-FY 97:1%; FY 98:2%; FY 99.4%; FY 00:12%			

OBJECTIVE: Strategic Objective 2.3.			
APPROVED: 5/96		Country/Organization: Poland/USAID	
RESULT NAME IR 3.1 - 1 Increased technical and managerial capacity			
INDICATOR: 1. Gminas where local resource allocation decisions are based on strategic plans.			
UNIT OF MEASURE: a) % of gminas surveyed nationwide that meet definition (self-assessment), b) % of partner cities that meet definition	Year	Planned	Actual
	1996(B)		a) 7.2% b) 28.6% (2/7)
	1997	b) 50% (4/7)	
	1998	a) 12% b) 30% (9/31)	
	1999	a) 17% b) 64% (27/43)	
SOURCE: National Survey of Gminas The Urban Institute	2000	a) 22% b) 66% (28/43)	
	INDICATOR DESCRIPTION: Definition: Gminas using strategic planning in allocation of resources and property (funds, land).		
COMMENTS FY 96 nationwide data collected in Feb. 1997 OBOP survey. Partner city data was collected by Urban Institute administering the OBOP questionnaire to 7 pilot partner cities in March 1997. Gminas which qualified for this indicator had a strategic plan and claimed that they had prepared their budgets using their analysis of information collected on the actual needs and priorities of the local community. More attention in FY 97 and FY 98 will be paid to promoting the use of strategic plans in partner cities in order to meet targets for FY 97-FY 00. Targets for Partner Cities in FY 98 decline to 30%, because the overall sample will increase in FY 98 versus FY 96 and include rural and/or poorer gminas.			

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OBJECTIVE: Strategic Objective 2.3			
APPROVED: 5/96		Country/Organization: Poland/USAID	
RESULT NAME IR 3.1 - 2 Increased technical and managerial capacity			
INDICATOR: 2. Gminas/cities with improved capacity to plan, finance, and manage infrastructure projects.			
UNIT OF MEASURE: a) % of gminas surveyed nationwide that meet definition; b) % of USAID/Poland-assisted gminas that meet definition	Year	Planned	Actual
	1996(B)		a) 0.4% b) 28.6% (2/7)
	1997	b) 50% (4/7)	
	1998	b) 16% (5/31)	
	1999	b) 15% (6/43)	
SOURCE: National Survey of Gminas The Urban Institute	2000	b) 20% (9/43)	
	INDICATOR DESCRIPTION: Definition: Improved capacity as evidenced by the fact that gminas have, or have prepared or implemented project plans that meet the MDA "project feasibility criteria," or other regionally/nationally approved criteria		
COMMENTS FY 96 nationwide data collected in Feb. 1997 OBOP survey. Partner city data was collected by Urban Institute administering the OBOP questionnaire to 7 pilot partner cities in March 1997. FY 96 baseline data resulted in a decision to continue measuring this indicator within partner gminas only, given the national low figure of 0.4% compared to the 6% margin of error in the national survey. Implementors are now adjusting the definition for MDA "project feasibility criteria" to better meet the needs of Polish gminas. Efforts are also underway to further promote and publicize this concept to gminas. Targets for FY 99-FY 00 have decreased significantly to accommodate the higher number of rural gminas participating in the partners program in the future. Rural gminas are less likely to be able to plan/finance infrastructure projects, thereby making the FY 96 baseline for 1b) impossible to sustain. Original partner city targets for 1b) were- FY 98:70%, FY 99:80%, FY 00:90%.			

OBJECTIVE: Strategic Objective 2.3.		Country/Organization: Poland/USAID	
APPROVED: 5/96			
RESULT NAME IR 3.1 - 3 Increased technical and managerial capacity			
INDICATOR: 3. Gminas in which the per unit cost of services is reduced.			
UNIT OF MEASURE: a) % gminas surveyed nationwide in which the per unit cost of at least 2 of the relevant services are reduced, and b) % of partner gminas in which the per unit costs of at least 2 of the relevant services are reduced.	Year	Planned	Actual
	1996(B)		a) 37.1% b) 42.9% (3/7)
	1997		
	1998	a) 40% b) 40% (12/31)	
	1999	a) 45% b) 60% (26/43)	
SOURCE: National Survey of Gminas The Urban Institute	2000	a) 50% b) 66% (28/43)	
	INDICATOR DESCRIPTION: Definition: Services include public transport, health, water provision, housing, sewage collection and solid waste.		
COMMENTS FY 96 nationwide data collected in Feb. 1997 OBOP survey. Partner city data was collected by Urban Institute administering the OBOP questionnaire to 7 pilot partner cities in March 1997. A proxy question was used in FY 96 to gather this information. The survey instrument will be slightly modified in order to gain more accurate information for FY 97- FY 00. Graduation Plan targets for both a) and b) in FY 98 have increased from 25% to 40%, but are unchanged in FY 99-FY 00. This is due to the increase in the number (denominator) of rural gminas in FY 98. Services measured include: health service, municipal housing construction, municipal housing management, solid waste disposal, sewage, gas utility, water provision, public transportation, heating, and street cleaning.			

OBJECTIVE: Strategic Objective 2.3.			
APPROVED: 5/96		Country/Organization: Poland/USAID	
RESULT NAME IR 3.2 - 1 Increased level of financial resources available for use.			
INDICATOR: 1. Gminas which have accelerated business investment.			
UNIT OF MEASURE: 1. % of gminas surveyed nationwide which have: a) noted a net increase in the cumulative number of SME firms on an annual basis, b) noted relative increase in number of building permits per year, and 2. % of partner cities which meet the above criteria (a-b)	Year	Planned	Actual
	1996(B)		1a)55.3% 1b)36.3% 2a)28.6% (2/7) 2b)57% (4/7)
	1997	1a) 56% 1b) 37%	
	1998	1a) 58% 1b) 40% 2a)33% (10/31) 2b)35% (11/31)	
	1999	1a) 60% 1b) 42% 2a)35% (15/43) 2b)40% (17/43)	
SOURCE: National Survey of Gminas The Urban Institute	2000	1a) 65% 1b) 45% 2a)40% (17/43) 2b)50% (22/43)	
	INDICATOR DESCRIPTION: Business investment increase measured by a) increase in cumulative number of SME firms; and b) increase in the number of building permits per year.		
COMMENTS FY 96 nationwide data collected in Feb. 1997 OBOP survey. Partner city data was collected by Urban Institute administering the OBOP questionnaire to 7 pilot partner cities in March 1997. The 7 pilot partner cities have not seen as much of an increase in their number of SMEs as the national survey sample gminas. This initial result indicates that this aspect of economic development should be assigned a priority in future partner cities assistance. Rural gminas will not have as many SMEs and building permits. For this reason, the Graduation Plan target of 50% for 2b) in FY 00 has reduced to 45%. However, the target for 2a) in FY 98 was not ambitious enough and it has been increased from the original target of 25%. Targets for FY 97 were dropped for 2a) and 2b) because new partner gminas were selected after mid-FY 97.			

OBJECTIVE: Strategic Objective 2.3			
APPROVED: 5/96		Country/Organization: Poland/USAID	
RESULT NAME IR 3.2 - 2 Increased level of financial resources available for use.			
INDICATOR: 2 Gminas in which housing and health subsidies are either more transparent and/or targeted to the truly needy.			
UNIT OF MEASURE: a) % of gminas surveyed nationwide which meet at least one of above criteria, and b) % of partner cities that meet at least one of the criteria.	Year	Planned	Actual
	1996(B)		a) 27.4% b) 14.2% (1/7)
	1997	a) N/A b) 14.2% (1/7)	
	1998	a) 30% b) 20% (6/31)	
	1999	a) 33% b) 30% (13/43)	
SOURCE: National Survey of Gminas The Urban Institute	2000	a) 36% b) 40% (17/43)	
	INDICATOR DESCRIPTION: Definition: housing and health subsidies are targeted to low income people.		
COMMENTS FY 96 nationwide data collected in Feb. 1997 OBOP survey. Partner city data was collected by Urban Institute administering the OBOP questionnaire to 7 pilot partner cities in March 1997. Data for FY 96 was collected to monitor the transparency of subsidies only. Data is not yet available on the targeting of subsidies, but will be collected for FY 97. Due to lower than anticipated results from FY 96, targets have declined. Original partner targets b) for FY 97-FY 00 were - FY 97: 30%, FY 98: 50%, FY 99: 48%, and FY 00: 56%.			

OBJECTIVE: Strategic Objective 2.3.			
APPROVED: 5/96		Country/Organization: Poland/USAID	
RESULT NAME IR 3.2 - 3 Increased level of financial resources available for use.			
INDICATOR: 3 Gminas in which services fees/tariffs are structured to promote cost recovery and market pricing.			
UNIT OF MEASURE: a) % of gminas surveyed nationwide which meet relevant criteria, and b) % of partner cities that meet relevant criteria.	Year	Planned	Actual
	1996(B)		a) 36.6% b) 85.7% (6/7)
	1997	b) 25% (2/7)	
	1998	a) 60% b) 40% (12/31)	
	1999	a) 65% b) 45% (19/43)	
SOURCE: National Survey of Gminas The Urban Institute	2000	a) 70% b) 50% (22/43)	
	INDICATOR DESCRIPTION: Definition: Fees for health services, provision of water, heating, sewage, garbage collection and public transport must demonstrate progress towards cost recovery. (Specific criteria to be further defined by SO Team).		
COMMENTS FY 96 nationwide data collected in Feb. 1997 OBOP survey. Partner city data was collected by Urban Institute administering the OBOP questionnaire to 7 pilot partner cities in March 1997. a) represents the weighted average of the performance of urban and rural gminas, 45.5% and 24.5%, respectively. Different criteria apply to urban vs. rural gminas because rural ones manage fewer services. For an urban gmina to meet this target, at least 3 of 6 services demonstrate cost recovery, while for a rural gmina at least 2 demonstrate cost recovery. b) represents partner cities in which costs of at least 3 services are covered by fees (which, in this case, is met by the same number of partner cities that have four services covered by fees). Lower targets for b)(with respect to FY 96 actual data) are still appropriate for the new batch of partners, many of which will be rural gminas. Original FY 97-FY 00 partner targets were - FY 97: 50%, FY 98: 50%, FY 99: 52%, and FY 00: 53%.			

OBJECTIVE: Strategic Objective 2.3.		Country/Organization: Poland/USAID	
APPROVED: 5/96			
RESULT NAME IR 3.2 - 4 Increased level of financial resources available for use.			
INDICATOR: 4. Gminas realizing cost savings from restructuring and/or private participation in delivery of municipal services			
UNIT OF MEASURE: a) % of gminas nationwide that meet relevant criterion; b) % of partner cities that meet relevant criterion	Year	Planned	Actual
	1996(B)		a) 50.6% b) 42.9% (3/7)
	1997		
	1998	a) 55% b) 35% (11/31)	
	1999	a) 60% b) 40% (17/43)	
SOURCE: National Survey of Gminas The Urban Institute	2000	a) 65% b) 50% (22/43)	
	INDICATOR DESCRIPTION: Definition: Results of restructuring and/or private participation in municipal services are measured by: a) % of nationwide sample of gminas that reduced costs in municipal services delivery, and b) % of partner cities that reduced costs in municipal services delivery.		
COMMENTS FY 96 nationwide data collected in Feb. 1997 OBOP survey. Partner city data was collected by Urban Institute administering the OBOP questionnaire to 7 pilot partner cities in March 1997. In both OBOP and partner city samples, gminas in which costs of at least one of six public services rose slower than inflation rate were counted. Targets for FY 97-FY 00 have been increased from the original estimate due to the high performance of pilot partner cities in FY 96. However, FY 98 - FY 99 targets are initially less than FY 96 actual figure for b) due to the inclusion of rural gminas in the next batch of partner cities. This difference is expected to disappear by FY 00. Original FY 97-FY 99 partner targets for b) were - FY 97: 30%, FY 98: 25%, FY 99: 32%			

OBJECTIVE: Strategic Objective 2.3.			
APPROVED: 5/96		Country/Organization: Poland/USAID	
RESULT NAME IR 4 - 1 Improved indigenous mechanisms for support to local government			
INDICATOR: 1. Successful replications of USAID/Poland and other donors' models with local government co-financing and the involvement of local consulting firms.			
UNIT OF MEASURE: Cumulative number of times that successful models have been replicated with the involvement of local consulting firms and local financing.	Year	Planned	Actual
	1996(B)		3
	1997	5	
	1998	50	
	1999	100	
SOURCE: Local Government Partner Cities The Urban Institute	2000	300	
	INDICATOR DESCRIPTION: Definition: Local consulting services (for-profit and NGO) are available and utilized by local governments to replicate best practice models with their own funding.		
COMMENTS FY 96 partner city data was collected by Urban Institute administering the OBOP questionnaire to 7 pilot partner cities in March 1997. As cited above, 3 out of these 7 cities have successfully replicated a model with the involvement of local consulting firms and local financing. In the future, the new implementor for the Local Government Partner Cities effort will be tasked with monitoring successful replications in both partner cities and other gminas influenced by them. Since the number of partner cities will be higher than originally planned, targets have been greatly increased. Original FY 98 - FY 00 targets were - FY 98: 15, FY 99: 20, and FY 00: 50.			

OBJECTIVE: Strategic Objective 2.3			
APPROVED: 5/96		Country/Organization: Poland/USAID	
RESULT NAME IR 4 -2 Improved indigenous mechanisms for support to local government			
INDICATOR: 2. Institutions of higher education offer degrees programs in urban/regional planning and city management.			
UNIT OF MEASURE: Cumulative number of degree programs that meet definition.	Year	Planned	Actual
	1996(B)		0
	1997	1	
	1998	2	
	1999	3	
SOURCE: Development Alternatives Inc.	2000	4	
	INDICATOR DESCRIPTION: Definition: Institutions of higher education establish degree programs in urban and regional planning and city management		
COMMENTS So far, there is no university or school in Poland that offers the kind of degree program in regional/urban planning or city management that is found in Western Europe and the U.S. Some universities offer courses on spatial economy (i.e. how to locate activities, protect the natural environment) but this is not as broad or comprehensive as the type of land use planning that is taught in U.S. city and regional planning degree programs. Technical universities also offer relevant courses, but they tend to be focused on specific issues from an engineering perspective. USAID/Poland staff anticipate that the first degree program towards meeting this target will be in place by the end of FY 97.			

ANNEX 2

MAPS OF ASSISTANCE

Poland Strategic Objective 1.3:

Private Sector Development is Stimulated at the Firm Level



1 cm = 43 km

* Cities and towns that are the sites of cumulative past and present private sector assistance

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**Poland Strategic Objective 1.3:
Business Support Organizations**



1 cm = 43 km

* Cities and towns that are sites of Business Support Organizations

Poland Strategic Objective 1.4:

Competitive, Market Oriented Private Financial Sector is Developed



1 cm = 43 km

* Cities and towns that are sites of cumulative past and present financial sector assistance

Poland Strategic Objective 2.3:

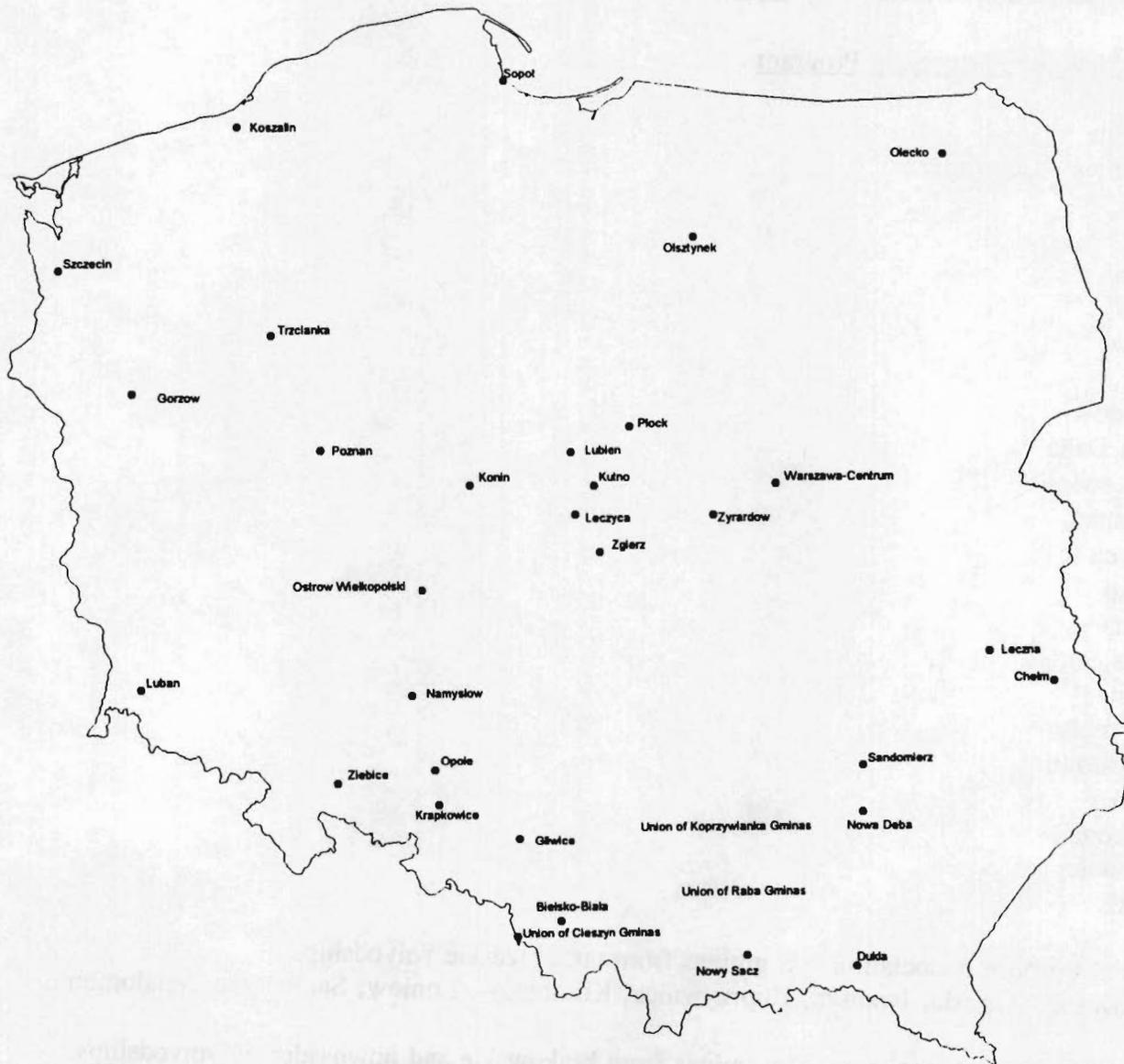
Local Government is Effective, Responsive, and Accountable



1cm = 43 km

* Localities that are sites of local government assistance

**Poland Strategic Objective 2.3:
Local Government Partnership Program
Candidates and Pilot Partners**



1 cm = 43 km

* Pilot partners and candidate gminas

List of partners for PILOT LGPP

Bielsko - Biala
Kutno
Ostrow Wielkopolski
Gliwice
Ziebice
Szczecin
Sandomierz
Nowy Sacz (Public Service City Zone)

Candidates for Partnership Program

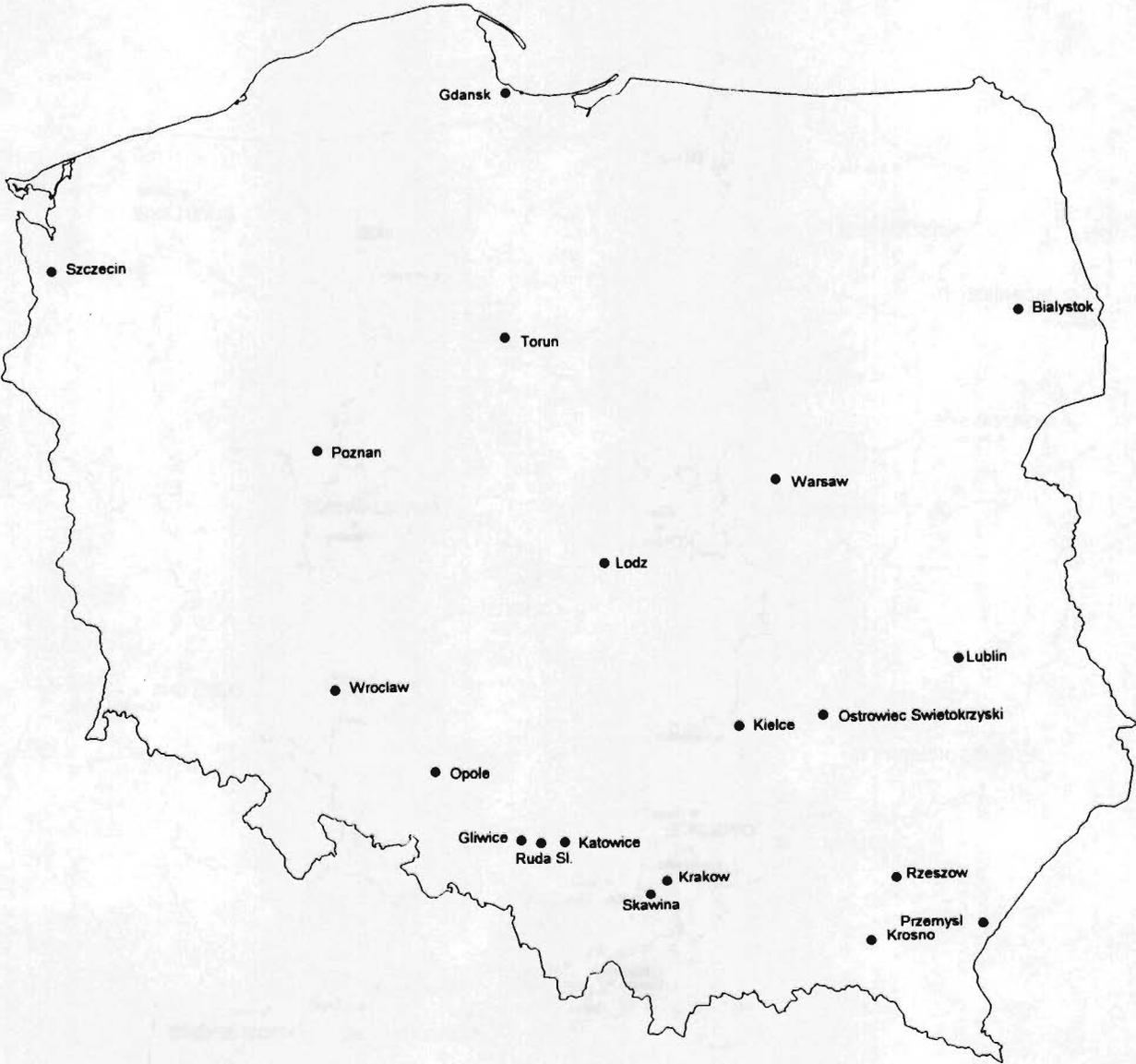
Poznan
Koszalin
Warszawa - Centrum
Opole
Plock
Chelm
Konin
Gorzow
Sopot
Zyrardow
Nowa Deba
Krapkowice
Trzcianka
Leczyca
Olecko
Leczna
Dukla
Luban
Olsztynek
Namyslow
Sosno
Przykona
Morawica
Zgierz

Special Purpose Association - 8 gminas from tarnobrzskie voivodship:
Backowice, Bogoria, Iwanska, Koprzywnica, Klimontow, Loniow, Samborzec, Sandomierz.

Special Purpose Association - 15 gminas from krakowskie and nowosadeckie voivodships:
Raba Wyzna, Rabka, Mszana Dolna, Miasto Mszana Dolna, Niedzwiedz, Lubien, Krakow,
Wieliczka, Dobczyce, Siepraw, Myslenice, Pcim, Wisniowa, Tokarnia, Tenczyn.

Public Service City Zone - 12 gminas from bielskie voivodship:
Cieszyn, Strumien, Ustron, Wisla, Skoczow, Brenna, Chybie, Debowiec, Goleszow, Hazlach,
Istebna, Jaworze.

Poland Special Initiatives 4.1



1 cm = 43 km

* Cities and towns where Special Initiatives are located

**Voivodships that receive E.U. Regional Development Assistance,
which have Gminas that receive USAID/Poland Local Government
Partnership Program Assistance**



1 cm = 43 km

GDANSKIE - Name of Voivodship

* Sopot - Name of Gmina

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ANNEX 3

FY 97-99 BUDGET BY PROJECT AND ACTIVITY

USAID / Poland Activities Data Base with Budget [\$000]

Proj. No	Project Name / Activity Name	FY 97 Budget (\$40,130)	FY 98 Budget (\$ 35,000)	FY 99 Budget (\$ 20,000)
A. Strengthening Democratic Institutions				
180-0019	Democratic Governance and Public Administration			
	SO 2.3			
	DAI - Public Administration - Local Government	1,825	975	0
	GMF-Dialog / Community Action	0	0	0
	FSLD/Local Government / Community Action	91	500	500
	FSN PSC	0	80	0
	SO 2.3 TOTAL	1,916	1,555	500
	180-0019 TOTAL	1,916	1,555	500
180-0020	Rule of Law			
	SO 1.3			
	ABA/CEELI - Commercial Law;	470	0	0
	SO 1.3 TOTAL	470	0	0
	SO 4.1			
	DOJ/CEELI - Criminal Justice	0	0	0
	SO 4.1 TOTAL	0	0	0
	180-0020 TOTAL	470	0	0
180-0021	Political and Social Process			
	SO 4.1			
	Political Party Building Program	150	0	0
	IAA with USIA (Educational Reform)	0	0	0
	FTUI - Support to Solidarity /BKN (follow-up)	200	0	0
	SO 4.1 TOTAL	350	0	0
	180-0021 TOTAL	350	0	0
180-0022	Independent Media			
	SO 4.1			
	Warsaw Journalism Center	250	0	0
	Media Exchanges	3	0	0
	SO 4.1 TOTAL	253	0	0
	180-0022 TOTAL	253	0	0

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USAID / Poland Activities Data Base with Budget [\$000]

Proj. No	Project Name / Activity Name	FY 97 Budget (\$40,130)	FY 98 Budget (\$ 35,000)	FY 99 Budget (\$ 20,000)
180-0032	Non Governmental Organization (NGO) Dev. Project			
	SO 2.3			
	Democracy Networks	655	0	0
	FSN PSC	90	0	90
	SO 2.3 TOTAL	745	0	90
	180-0032 TOTAL	745	0	90
B. Economic Restructuring				
180-0014	Privatization & Enterprise Restructuring			
	SO 1.3			
	US PSC (senior advisor)	82	0	0
	US PSC (advisor)	80	80	80
	SO 1.3 TOTAL	162	80	80
	SO 1.4			
	Poland - National Bank of Poland (Supervision)	1,700	1,500	1,500
	Bank System Development (Credit Rating)	450	250	0
	Poland - Financial Services Resource Center	165	0	0
	FSRC Project Close-Out	10	0	0
	OTC - Over The Counter Market	750	0	0
	Bank System Development (Payments)	400	250	0
	Warsaw Institute of Banking (Bank Training)	450	0	0
	US PSC (off shore)	250	300	0
	FSN PSC	50	50	0
	Private Pension Funds II	90	0	0
	Private Pension Funds III	948	1,950	850
	Pension Funds: Plenipotentiary's Salary	32	50	0
	Municipal Access to Capital Markets	500	0	0
	Financial Services to SMEs	0	1,500	250
	SO 1.4 TOTAL	5,795	5,850	2,600
	SO 4.1			
	East-East Dissemination	150	689	500
	SO 4.1 TOTAL	150	689	500
	180-0014 TOTAL	6,107	6,619	3,180

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USAID / Poland Activities Data Base with Budget [\$000]

Proj. No	Project Name / Activity Name	FY 97 Budget (\$40,130)	FY 98 Budget (\$ 35,000)	FY 99 Budget (\$ 20,000)
180-0023	Technical Assistance to Enterprises			
	SO 1.3			
	SME Development / PEDS III	920	0	0
	CDC - Technical Assistance to Enterprises	0	0	0
	SEAF - Small Enterprise Assist. Funds (CARESAC)	1,840	0	0
	FSLD - Polish American Enterprise Clubs	55	0	0
	American University - Building Skills for US-Polish Trade	0	0	0
	OIC-Poland	0	0	0
	IESC - International Executive Service Corps	0	0	0
	Center for International Private Enterprise	0	0	0
	MBA Enterprise Corps - Regional	0	0	0
	DAI - SME Regional Networking	0	0	0
	2 FSNs	120	80	40
	SME Assistance and Development	463	4,569	2,580
	WID SME Support II	200	0	0
	SO 1.3 TOTAL	3,598	4,649	2,620
	SO 1.4			
	WOCCU - Building the Polish Credit Union System	0	0	0
	SO 1.4 TOTAL	0	0	0
	SO 4.1			
	SPA - Small Project Assistance/Env. & English Teach.	100	100	100
	SO 4.1 TOTAL	100	100	100
	180-0023 TOTAL	3,698	4,749	2,720
180-0026	Competition Policy, Laws & Regulations			
	SO 1.3			
	ENI Regional - Collateral Law Project (IRIS)	0	0	0
	ENI Regional - Legal Reform Grant (IDL)	0	217	0
	SO 1.3 TOTAL	0	217	0
	180-0026 TOTAL	0	217	0

USAID / Poland Activities Data Base with Budget [\$000]

Proj. No	Project Name / Activity Name	FY 97 Budget (\$40,130)	FY 98 Budget (\$ 35,000)	FY 99 Budget (\$ 20,000)
180-0027	Business Services			
	SO 1.3			
	IAA with Treasury - Tax Administration	300	0	0
	SO 1.3 TOTAL	300	0	0
	SO 1.4			
	IAA with Treasury: Bank Sector Financial Reform	0	0	0
	FSVC Grant	800	700	300
	SO 1.4 TOTAL	800	700	300
	180-0027 TOTAL	1,100	700	300
180-0010	Enterprise Funds			
	SO 1.3			
	Polish-American Enterprise Fund	0	0	0
	SO 1.3 TOTAL	0	0	0
	180-0010 TOTAL	0	0	0
180-0002	Human Resources Program			
	SO 4.1			
	Georgetown University Scholarship Program	0	0	0
	USIA - English Language Training Program	180	0	0
	SO 4.1 TOTAL	180	0	0
	180-0002 TOTAL	180	0	0
180-0045	Participant Training			
	SO 4.1			
	USIA - Ron Brown Fellowship (former Muskie)	350	200	150
	SO 4.1 TOTAL	350	200	150
	SO 4.2			
	PIET - Participant Training Project for Europe	41	0	0
	Participant Training Processing	183	0	0
	SO 4.0 TOTAL	224	0	0
	180-0045 TOTAL	574	200	150

USAID / Poland Activities Data Base with Budget [\$000]

Proj. No	Project Name / Activity Name	FY 97 Budget (\$40,130)	FY 98 Budget (\$ 35,000)	FY 99 Budget (\$ 20,000)
180-0029	Management Training & Market Economics Education			
	SO 1.3			
	Management Training Large Grants - Univ. of Maryland	384	0	0
	Management Training Large Grants - Univ. of Minnesota	1,198	0	0
	Management Training - Univ. of Warsaw (unsol. proposal)	0	0	0
	SO 1.3 TOTAL	1,582	0	0
	180-0029 TOTAL	1,582	0	0
180-0024	Restructuring Agriculture and Agribusiness			
	SO 1.3			
	LOL - Polish Business Dev. / Trading Assoc.	0	0	0
	SO 1.3 TOTAL	0	0	0
	SO 1.4			
	Cooperative Banking	800	400	0
	VOCA - Commodity Exchange	500	0	0
	SO 1.4 TOTAL	1,300	400	0
	180-0024 TOTAL	1,300	400	0
180-0030	Regional Energy Efficiency			
	SO 1.3			
	Utility Consultancy agreement with Polish partners	0	0	0
	Industry Contracts - Restructuring/Legal Reform/IPP	500	800	0
	Industry Contracts - Energy Efficiency	300	500	0
	Utility Partnership Program	0	0	0
	SO 1.3 TOTAL	800	1,300	0
	SO 2.3			
	Energy Cities	533	0	0
	SO 2.3 TOTAL	533	0	0
	180-0030 TOTAL	1,333	1,300	0

USAID / Poland Activities Data Base with Budget [\$000]

Proj. No	Project Name / Activity Name	FY 97 Budget (\$40,130)	FY 98 Budget (\$ 35,000)	FY 99 Budget (\$ 20,000)
C. Improving the Quality of Life				
180-0002	Human Resources - Social Sector Restructuring			
	SO 2.3			
	Poland - Local Govt.-Health Service Mgt.	700	700	0
	SO 2.3 TOTAL	700	700	0
	180-0002 TOTAL	700	700	0
180-0033	Labor Market Transition			
	SO 4.1			
	* US DOL - Labor Market Transition	500	1,231	0
	PIER - Mine Safety (Silesia)	0	0	0
	SO 4.1 TOTAL	500	1,231	0
	180-0033 TOTAL	500	1,231	0
180-0034	Housing Sector Assistance			
	SO 1.3			
	Polish Association of Home Builders	165	0	0
	Creation and Development of Real Estate Institute	0	0	0
	Technical Assistance to Housing Developers	0	0	0
	Cooperative Housing in a Market Economy	663	976	0
	SO 1.3 TOTAL	828	976	0
	SO 1.4			
	Urban Institute: Housing Finance	1,670	1,000	0
	PADCO: Housing Finance Technical Assistance	10	0	0
	TCN PSC	300	0	0
	SO 1.4 TOTAL	1,980	1,000	0
	SO 2.3			
	FSN PSC	0	0	0
	PADCO: Municipal Development	0	0	0
	Urban Institute: Municipal Development / Partner Cities	2,400	0	0
	Cooperation Fund - Urban Management	500	0	0
	Municipal Development	590	500	250
	New Local Govt. Initiative	6,669	13,928	12,210

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USAID / Poland Activities Data Base with Budget [\$000]

Proj. No	Project Name / Activity Name	FY 97 Budget (\$40,130)	FY 98 Budget (\$ 35,000)	FY 99 Budget (\$ 20,000)
	TCN PSC	0	150	0
	Bielsko Biala and other Historic Study Tours	0	0	0
	Housing Support for Partner Cities	0	0	0
	Bielsko Biala Historic Revitalization	196	0	0
	Local Government Close-Out	0	0	250
	SO 2.3 TOTAL	10,355	14,578	12,710
	180-0034 TOTAL	13,163	16,554	12,710
180-0037	Partnerships in Health Care			
	SO 4.1			
	Joint Commission on Accreditation of Hospitals	0	0	0
	SO 4.1 TOTAL	0	0	0
	180-0037 TOTAL	0	0	0
180-0039	Improved Public Sector Environmental Services			
	SO 2.3			
	Env. Action Prog. Support Proj. Regional	649	0	0
	FSN PSC	61	55	0
	Local Env. Management Proj. Poland (LEM II)	360	290	0
	SO 2.3 TOTAL	1,070	345	0
	SO 4.1			
	EPA 1994 IAA: Silesia / EMTC and Karkow Air / Agriculture	0	0	0
	SO 4.1 TOTAL	0	0	0
	180-0039 TOTAL	1,070	345	0
180-0004	Environmental Initiatives			
	SO 1.3			
	World Env. Center	710	0	0
	SO 1.3 TOTAL	710	0	0

USAID / Poland Activities Data Base with Budget [\$000]

Proj. No	Project Name / Activity Name	FY 97 Budget (\$40,130)	FY 98 Budget (\$ 35,000)	FY 99 Budget (\$ 20,000)
	SO 2.3			
	HIID Env. Policy	0	0	0
	SO 2.3 TOTAL	0	0	0
	SO 4.1			
	Fossil Energy Skawina Poland	2,800	0	0
	SO 4.1 TOTAL	2,800	0	0
	180-0004 TOTAL	3,510	0	0
180-0041	Environmental Training			
	SO 2.3			
	Env. Training Project: Poland	640	0	0
	SO 2.3 TOTAL	640	0	0
	180-0041 TOTAL	640	0	0
D. MISCELLANEOUS				
180-0249	Audit, Evaluation, and Project Support			
	SO 1.3			
	CASE - Second Stage of Economic Transition	200	0	0
	Management Training - Gdansk University (uns. proposal).	0	0	0
	SO 1.3 TOTAL	200	0	0
	SO 2.3			
	PD&S (Design of New Local Govt. Initiative)/Evaluation	39	0	0
	SO 2.3 TOTAL	39	0	0
	SO 4.1			
	National Security Graduate Program	0	0	0
	SO 4.1 TOTAL	0	0	0

USAID / Poland Activities Data Base with Budget [\$000]

Proj. No	Project Name / Activity Name	FY 97 Budget (\$40,130)	FY 98 Budget (\$ 35,000)	FY 99 Budget (\$ 20,000)
	SO 4.2			
	PD&S (Data Collection Contract/Monitoring)	300	0	0
	Monitoring Support	0	80	0
	Embassy Medical Support for Implementers	0	0	0
	Financial Sustainability Planning	50	0	0
	SO 4.0 TOTAL	350	80	0
	180-0249 TOTAL	589	80	0
180-xxxx	Reserved or Withheld from OYB			
	SO 4.1			
	Democracy Commission Small Grants	350	350	350
	SO 4.1 TOTAL	350	350	350
	180-xxxx TOTAL	350	350	350
	TOTAL BUDGET	40,130	35,000	20,000

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ANNEX 4

**USAID/POLAND ACTIVITIES
THAT WILL COLLABORATE
WITH EU PHARE**

USAID/POLAND - ACTIVITIES THAT WILL COLLABORATE WITH EU PHARE

Activity	Implementor	USAID/Poland proj.officer	startdt	enddt	FY 96-99 Budget Total [\$000]	Locations	Means of Coordination
<p>Cooperative Banking USAID funds ACDI to: support the viability and independence of the existing nationwide network of membership-governed cooperative banks, a key source of credit for farmers, entrepreneurs and local governments in small towns and rural areas; to produce training materials and train the 300 cooperative banks that are already independent and trying to remain so by increasing their financial viability.</p>	<p>AGRICULTURAL COOP DEV INTL KNOW-HOW FUND WORLD BANK</p>	Mikolaj Lepkowski	08/01/91	09/99	1,600	Warsaw - based training, but banks are all over Poland	on agenda of general meeting of AID Rep and EU Coordinator plus EU Technical Officer (Pienkowski); semi-annual
<p>SME Development/PEDS III New Polish Foundation for Small and Medium Enterprise Promotion and Development (SME Foundation) was founded as a central information clearinghouse and lobby group to promote policy change at the national level in favor of SMEs.</p>	<p>COOPERS & LYBRAND /DEVELOPMENT ALTERNATIVES INT'L</p>	Pawel Krzeczunowicz	10/01/95	09/98	920	Warsaw	on agenda of semi-annual meeting between AID Rep and EU Coordinator plus EU and USAID technical persons
<p>SME Assistance and Development Assistance is provided to 30 business support organizations and 90 associated Polish consultants. The main aim of the project is to built the capacity of local organizations to provide training, business and marketing plans, and other support to SMEs.</p>	<p>AGRICULTURAL COOP. DEVELOP. INTL.</p>	Pawel Krzeczunowicz	10/01/96	09/30/00	6,820	Katowice, Wroclaw, Konin, Sandomierz, Plock, Kielce, Swidnica, Jaroslaw, Mielec, Zelow	on agenda of semi-annual meeting between AID Rep and EU Coordinator plus EU and USAID technical persons
<p>DAI - SME Regional Networking USAID's SME Networks and Business Information Centers activities, managed by DAI in Gdansk and Gliwice (two of the EU's 30 centers), share office space, rent costs, and databases with the EU. USAID's funding supports a bimonthly newsletter for entrepreneurs, and the development of new nationally-relevant databases on sources of: business assistance, business training, and SME-related studies and publications. The databases developed by USAID will be shared nationwide through the EU business centers network.</p>	<p>DEVELOPMENT ALTERNATIVES INTL.</p>	Pawel Krzeczunowicz	08/28/95	06/31/97	0	Warsaw Gliwice, Poznan, Gdansk, Lodz, Rzeszow	AID Rep and EU Coordinator plus EU and USAID technical persons - semi annual meeting
<p>Industry Contracts - Restructuring/Legal Reform/IPP Participation in the Energy Restructuring Group, a donor coordination group that supports the Ministry of Industry and Trade and the whole energy sector. Through Bechtel, USAID provides a long term resident U.S. advisor and two Polish experts; USAID provides technical assistance in power and lignite sector restructuring, privatization of electric distribution and generation plants, electric rate-setting and corporate planning.</p>	<p>BECHTEL CORPORATION</p>	Maryla Jakubowicz	07/01/95	09/99	2,200	Warsaw Poznan, Torun, Gliwice, Rybnik	USAID - M.Jakubowicz and Mr. Czapski - Energy Coordinator - will participate in semi-annual AID Rep and EU Coordinator meeting
<p>New Local Govt. Initiative Design and implementation of public-private initiatives for economic development and improved integrated service provision in 48 local government units that will be assisted by USAID.</p>	<p>NEW COMPETITIVE PROCUREMENT + URBAN INSTITUTE + PADCO + COOPERATIVE HOUSING FOUNDATION</p>	William Frej		03/31/01	32,017	Separate list of 59 gminas	Coordination will take place with Cooperation Fund

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USAID/POLAND - ACTIVITIES THAT WILL COLLABORATE WITH EU PHARE

<p>FSLD/Local Government/Community Action USAID program funds the Foundation in Support of Local Democracy, the major in-service training institution that serves local governments, with a nationwide network of 17 training centers. USAID funds the "Gmina Like No Other" Awards Program managed by the Polish NGO, Foundation in Support of Local Democracy (FSLD). FSLD panel competitively selects towns (gminas) of under 20,000 population for awards for completed and on-going innovations in service delivery, economic development, citizen participation.</p>	<p>FOUNDATION IN SUPPORT OF LOCAL DEMOCRACY</p>	<p>Tomasz Potkanski</p>	<p>09/28/95</p>	<p>09/30/00</p>	<p>1,413</p>	<p>Gdansk, Warsaw Szczecin, Olsztyn, Krakow, Bialystok, Poznan, Lodz, Wroclaw, Zielona Gora, Opole, Czestochowa, Kielce, Lublin, Katowice, Rzeszow</p>	<p>USAID Project Office will coordinate with EU Technical Officer (Bierkenmaier)</p>
<p>AED grants to NGOs Third cycle grants for NGO work with local governments parallels the EU's program of grants through Cooperation Fund to NGOs.</p>	<p>ACADEMY FOR EDUCATIONAL DEVELOPMENT</p>	<p>Nina Majer</p>	<p>01/95</p>	<p>07/98</p>	<p>1,320</p>	<p>Warsaw, Krakow Lublin, Gdansk, Katowice, Poznan, Nowy Sacz, Konin, Lomza, Wroclaw, Szczecin, Rzeszow, Opole, Bialystok, Bydgoszcz, Gliwce</p>	<p>Coordination will take place with Cooperation Fund itself. EU delegates this responsibility to the Cooperation Fund</p>
<p>Municipal Development Municipal Development Agency is a new local institution that will play a key clearinghouse role in providing information and technical assistance (including feasibility studies for infrastructure investments) to local governments nationwide. USAID provides in-house assistance to the MDA, trains its staff, and prepares model municipal loan application packages.</p>	<p>MUNICIPAL DEVELOPMENT AGENCY</p>	<p>Rebecca Black</p>	<p>08/30/96</p>	<p>09/30/00</p>	<p>1,606</p>	<p>Krakow Warsaw</p>	<p>on agenda of semi-annual meeting between AID Rep and EU Coordinator</p>
<p>EPA 1994 IAA Silesia / EMTC and Krakow Air /Agric. USAID IAA with EPA extends models for improved local government potable water protection services. October 1996 conference in Poland promoted the replication of USAID-funded pilot demonstrations that protect reservoirs from polluting agricultural run-off.</p>	<p>U.S. ENVIRONMENTAL PROTECTION AGENCY</p>	<p>Andrzej Pecikiewicz</p>	<p>06/01/91</p>	<p>09/99</p>	<p>0</p>	<p>Krakow, Ostroleka Lomza, Szczecin, Dobczyce, Bydgoszcz, Elblag, Koszalin, Torun</p>	<p>USAID Project Officer will coordinate with EU Technical Officer</p>
<p>Environmental Action Programme Support The projects deal with low emissions reduction, replacement and conversion of boilers, promotion of clean fuels, expansion of central heating networks, utilization of landfill gases, and conversion from traditional fuels to geothermal heating.</p>	<p>CHEMONICS INTERNATIONAL CONSULTING</p>	<p>Andrzej Pecikiewicz</p>	<p>03/01/95</p>	<p>03/30/98</p>	<p>1,449</p>	<p>Krakow, Tarnow Katowice</p>	<p>USAID Project Officer will coordinate with EU Technical Officer</p>
<p>Environmental Training Project This is a training project focused on management of environmental investments, pollution (low emissions) reduction, and environmental policies at the local level, public relations at municipal level, introduction of international environmental standards, etc.</p>	<p>UNIVERSITY OF MINNESOTA</p>	<p>Andrzej Pecikiewicz</p>	<p>02/01/92</p>	<p>09/30/98</p>	<p>1,440</p>	<p>Upper Silesia (Katowice Region), Lower Silesia (Krakow Region)</p>	<p>USAID Project Officer will coordinate with EU Technical Officer</p>