

PDTAV 771

## **FINAL REPORT**

on the activities carried out under AID Cooperative  
Agreement  
no: 180-0019-A-00-5219  
with the Foundation in Support of Local Democracy

### ***Increasing Professionalism and Transparency in Local Governments in Poland***

# Table of Contents

1. Executive Summary	3
2. Goals, Objectives, Tasks, Indicators	5
3. Implementation and Outputs	7
3.1. Best Practice Competition and Dissemination of Success Stories	
3.2. Publication of FSLD Information Bulletin	
3.3. Internet Activities	
3.4. New Training Modules for Large Cities	
3.5. Developing Consulting in Public Procurement	
3.6. Establishing Personnel Consulting for Local Governments	
3.7. Institutional Capacity Building	
4. Products of the Program	28
5. Conclusions	31

## **1. EXECUTIVE SUMMARY**

The Foundation in Support of Local Democracy (FSLD), in recognition of emerging local government training and assistance needs, implemented the Program „Increasing Professionalism and Transparency in Local Government in Poland” between 1 October 1995 and 31 December 1997. USAID provided a grant of 650,000 USD for its implementation, while the FSLD shared costs of implementation in the amount of 130,000 USD.

The main goal of the program was to increase the professionalism of local governments in Poland, through developing new training and consulting products addressed to local governments, as well as through establishing systems and procedures of dissemination of municipal success stories and other information.

The program was the fourth in a series sponsored by USAID and the activities therein were based on the expertise gained in the implementation of the former grants. Most of the products developed under the program complemented the products developed earlier and were congruent with them.

The implementation of the program led to the development of two advanced training packages in Strategic Planning and Management and Financial Management, accompanied by manuals for city managers under the same titles. The FSLD was assisted in these tasks by Rutgers, the State University of New Jersey.

The FSLD was also able to develop self-sustainable consulting services in two areas of local government activity: public procurement and human resource management. These areas had been tackled by the FSLD before and training packages on these subjects already existed. The task of the current program was to further develop FSLD expertise in order for it to be able to provide consulting tailored to the individual needs of particular municipalities.

The FSLD also established new information and dissemination channels, particularly for the publication of municipal success stories and best practices. The FSLD managed to run two rounds of a highly successful Best Practice Competition, edit two publications of municipal success stories and develop the FSLD Information Bulletin, which since December 1996 has been reaching all Polish municipalities.

Looking for new information and dissemination channels for local governments, the FSLD developed a large-scale feasibility study of the use of the Internet in

campaign of the Internet through a nationwide Best Home Page Competition for Polish municipalities and cities.

The program was also aimed at improving the efficiency and self-sustainability of the Foundation itself, as the most popular training organization for local governments. Thanks to AID assistance, it was possible to introduce modern staff management practices in the FSLD Head Office and reorganize its structure to better respond to the changing expectations of the clients and the phasing out of exterior funding of assistance activities.

The FSLD has also looked into ways of improving its self-sustainability, particularly through more effective management of its publishing activities.

This report contains information about the specific goals and tasks of the program, how they were implemented, what methodology was applied and what outputs resulted from the implementation of the program.

Section 4 provides a list of the key material products of the program. While useful primarily to local governments, many of the products are also likely to be of interest and use for other organizations supporting local governments in Poland.

Further information about the implementation details of the program can be found in the „Technical Reports” Attachment to this report. It is made up of the mandatory quarterly technical reports presented to USAID during the implementation of the program. Any additional information is available from:

Wojtek Kowalski  
AID Program Director  
Foundation in Support of Local Democracy  
ul. Krzywickiego 9  
02-078 Warszawa  
POLAND

tel: +4822 25 25 57; 25 28 08  
fax: +4822 25 14 16  
e-mail: kowal%frdl@ikp.atm.com.pl

## 2. GOALS, OBJECTIVES, TASKS

The Program was principally designed to answer emerging local government needs in terms of training and consulting and information. It was born in mind throughout the design and implementation stages of the program that the US AID assistance served principally to help develop local capacity to provide a series of high value added services and that these services must be later delivered on a self-sustainable basis. Hence, the development of most of the products was preceded by a thorough feasibility study and business plan to ensure self-sufficiency can be achieved in considerably short period of time.

The following is the framework of goals, objectives and tasks, within which the program was implemented:

### **General Goal:**

*To increase the professionalism of local government activities throughout Poland and ensure greater public participation in public life*

### Specific Objectives and Tasks:

#### OBJECTIVE 1

**Improve local government services and increase public participation in governance at local level**

- Task 1: Establish an annual Best Practice Competition for local governments of up to 20,000 inhabitants
- Task 2: Organize a system of dissemination of municipal success stories on annual basis
- Task 3: Develop and publish *FSLD Information Bulletin* providing information on local government issues and the offer of the FSLD on a monthly basis
- Task 4: Develop a feasibility study of the application of Internet and WWW in the work of municipal offices and activities of local communities

#### OBJECTIVE 2

**Meet emerging training and development needs of local governments in Poland**

- Task 1: Assess training needs of local governments of large Polish cities and define topics of two training modules to be developed

- Task 2: Develop two training packages, including training materials to address the training needs recognized
- Task 3: Develop a business plan for the development of consulting services in public procurement in at least five FSLD regional centers
- Task 4: Organize training of consultants in public procurement
- Task 5: Improve marketing of consulting services in public procurement throughout the network

### OBJECTIVE 3

**Create a system of support of human resource management in local government for the purpose of introducing professional civil service system**

- Task 1: Develop a business plan of the organization of consulting points in HRD in at least five FSLD regional centers
- Task 2: Train consultants in HRDM
- Task 3: Provide pilot services in selected municipalities
- Task 4: Organize a marketing and promotional campaign of the final products

### OBJECTIVE 4

(objective added to the program following amendment #3 to the Cooperative Agreement of September 1997)

**Improving self-sustainability and management practice within the FSLD**

- Task 1: Introduce a rational HRDM system in the FSLD Head Office
- Task 2: Introduce a uniform accounting system in the FSLD network
- Task 3: Develop a business plan for the development and achievement of self-sustainability of the FSLD Publishers

### **3. IMPLEMENTATION AND OUTPUTS**

#### **3.1. Best Practice Competition and Dissemination of Success Stories**

Although most Polish local governments are still in need of restructuring and adapting new approaches to the management of their tasks and property, there are a number of municipalities in which these processes are well underway and where interesting and effective practices have been developed which can be copied throughout the country. This was the rationale behind the organization of a Best Practice Competition, whose objective was to select and disseminate the best practices in the management of municipal tasks.

The FSLD, experienced in organizing other competitions for municipalities and their organizations, carried out research to define the particular areas of activity and types of municipalities to which the Competition would be of greatest benefit. It was decided that the target group of the Competition should be small and medium-size municipalities, primarily rural (of no more than 20,000 inhabitants), which encounter the largest number of difficulties in management due to limited human and financial resources. These municipalities constitute some 82% of all Polish gminas.

On the basis of the Local Government Act and its Amendments, the FSLD grouped all municipal tasks into six principal areas in which the municipalities were invited to present their success stories. Those included:

- Community services
- Environmental protection
- Culture and education
- Planning and land management
- Social and health care
- Public order

The following procedure was adapted for the implementation of the competition:

1. Select Competition Committee to include: representatives of national level local government associations (Union of Polish Townships, Association of Rural Municipalities) representatives of FSLD and other organizations supporting local government, representatives of the media (particularly „Wspólnota”).
2. Dispatch of letters inviting to nomination, to all Polish local government association and Local Government Assemblies

3. Place advertisements of the Competition in „Wspólnota” and „Rzeczpospolita”
4. Collect initial applications and invite participants to an information seminar
5. Organize a seminar for participants, explaining the objectives, rationale and procedure of the Competition
6. Collect project descriptions from applicants
7. Organize a Committee meeting to select ten best success stories
8. Inform participants about the results of the selection
9. Organize ten study trips to the finalist municipalities to become familiar with the details of the success stories
10. Organize coverage of the study trips in the media („Wspólnota”)
11. Hold a final meeting of the Competition Committee to select three best success stories and award the municipalities with the title „Municipality as No Other”
12. Hold an awards conference for all participants of the Competition
13. Implement the awards (study trips and media releases)
14. Prepare and publish Competition Publication including the descriptions of all success stories presented for the Competition, with particular emphasis on those selected for the final stage
15. Disseminate the publication to all Polish municipalities of up to 20,000 inhabitants

The following were the criteria of evaluation of the success stories:

- more effective management in municipality (30%)
- increased quality of services for the local community (30%)
- increased public participation and transparency (20%)
- better use of local resources (natural, human, financial) (10%)
- innovativeness and possibility of introducing in other municipalities (10%)

In the 1996 round of the Competition 78 success stories were submitted from 51 municipalities. The following were the winners:

Morawica - for a model organization of cultural activities, integrating the local community around local culture and tradition

Wąbrzeźno - for a model organization of the schooling system and shaping education practices according to the town development needs

Pobiedziska - for a model organization of waste collection, including a successful referendum on the introduction of the „refuse tax”

The awards included:

- selected books from the FSLD Publishers offer
- promotional presentation of the municipality in the „Wspólnota” weekly
- study trip to the UK (2 weeks) for two representatives of each of the winning municipalities

The 1997 round of the Competition did not vary considerably from the first round. Changes were introduced primarily to the scope of topics, which was reduced to three areas of strategic importance in 1997:

- community services and environmental protection
- social and health care
- culture and municipal schooling

The procedural change involved selecting 4 finalists in the first category and three in the second and the third. Also one winner was to be announced for each category. This change ensured that the projects were assessed within similar comparable thematic groups and that none of the categories was omitted at the final stage. Additionally, a new award was introduced which was the recommendation for membership in the Local Success Club.

In 1997 57 success stories from 47 municipalities were submitted. Although smaller in number, the projects referred more clearly to the themes and objectives of the Competition. The following municipalities were awarded the title „Municipality as No Other” in 1997:

- Pruszcz Pomorski - for the organization of a rehabilitation center and a community care center for the elderly (health and social care)
- Tarnogród - for the organization of the first gas network outside the state monopoly (community services and environmental protection)
- Żegocina - for the organization of adult education in areas of strategic importance for the local development

### **Outputs:**

- attract media attention to the problems of small and medium-size municipalities  
(media attention increased considerably between the first and the second round of the competition),
- focus small municipalities on modern effective practices and need for innovative approaches to municipal management, (in two years the

competition has become one of the flagships of the FSLD for which it is recognized by Polish municipalities)

- inform other municipalities on good practices and inspire them to adapt innovative approaches (the winning municipalities, whose achievements were described in the press and book publications received numerous contacts and queries from other municipalities willing to implement their ideas and practices)

- promote outstanding municipalities throughout Poland to attract investment and interest in those municipalities (most of the municipalities on winning the competition were awarded additional funding from their voivodes and various assistance funds, e.g. Morawica received 1,000,000 PLN for further modernization of municipal roads from the Voivode)

- providing outstanding municipalities with the opportunity to gain new experiences in Western Europe and implement them in Poland (study trips were followed by follow up meetings during which the interns committed themselves to implement at least one of the practices observed in the study trip)

Further details of implementation, including dates, figures and facts, can be found in the Technical Reports supplement to this report.

### **3.2. FSLD Information Bulletin**

During the eight years of its activity, the FSLD did not involve to any serious extent in informational services to municipalities. Attempts were made in the past to establish an information Bulletin, but they mostly ended up in editing one issue. The main objectives of adopting a more professional approach to the information aspect of the FSLD activity were:

- to provide ongoing promotion of new products of the Foundation in all Polish municipalities

- to create a forum of exchange of experiences between Polish municipalities,

- to provide useful information concerning local government activity

- to promote the FSLD as a whole through presenting the achievements of its regional centers on a national scale

- to improve internal communication and informational processes within the FSLD through the joint effort of editing an Information Bulletin.

In 1995, the FSLD purchased the title „Magazyn Samorządowy” which had been published for some twelve months before by the Foundation in Support of Local

useful means of achieving the aforementioned objectives, due to its small scale and little interest of local government officials in purchasing it.

The FSLD decided to develop and edit a monthly Information Bulletin which would reach all Polish municipalities and local government organizations in Poland. The Bulletin would be a vehicle of promotion of the achievements of the FSLD, advertising upcoming events (training, conferences), promoting ongoing consulting and technical assistance services and providing useful information to local government circles.

---

The first issue of the Bulletin appeared in December 1996 and since then it has been published monthly (except the summer holidays period) and dispatched to all Polish municipalities. The Bulletin is edited by the Head of the Information Department at the FSLD Head Office in cooperation with authors and coordinators from all FSLD regional centers. The layout of the Bulletin (originally 8 A4 pages - in June 1997 increased to 12 A4 gloss pages) included articles on relevant local government issues, information about recent and upcoming events in all regional centers, descriptions of municipal success stories (mainly from the Municipality as No Other Competition), contacts to all FSLD centers (including map), training offers of all regional centers and a lead article.

The original budget projection for the publication of FSLD Bulletin was for the publication and dispatch of 6 issues. Lowered production costs enabled the FSLD to publish and dispatch 9 issues of the Bulletin.

The FSLD has received numerous letters from readers with positive feedback about the Bulletin. Most readers welcomed the Bulletin with considerable enthusiasm mainly because it clarified the activities of the FSLD centers and gave the potential recipients of FSLD services the opportunity to make timely bookings for different events organized by the FSLD. However a random telephone and interview survey carried out in September - November 1997 showed that many municipalities did not read the Bulletin either because they did not find it interesting or because the Bulletin was held up by the Chief Executive to whom it was addressed in all cases.

The Bulletin has not as yet achieved self-sustainability. Its publication is currently sponsored by the EU Phare program implemented by the FSLD until mid-1998. Several roads to achieving financial independence of the Bulletin were considered, including: sale of advertising space, introducing small subscription fees for the readers or offering dispatch services to potential clients (the Bulletin

## **Outputs:**

- establishing a new title on the local government information market (including ISSN number)
- providing wider information and promotion of FSLD services in municipalities (resulting in better access of beneficiaries to these services)
- providing promotion of good local government practices
- developing better contacts and information flow within the FSLD network

### **3.3. Internet Feasibility Study**

As part of its information services, the FSLD also decided to seek the application of modern technology to facilitate contacts with municipalities. The Internet, although very popular in Poland, is still a considerably costly means of communication, especially in small municipalities, away from larger cities where Internet providers are located.

The FSLD decided to carry out a feasibility study of the application of the Internet in local government everyday practice and communication. The main questions asked in the study were:

- number of municipalities using the Internet
- level of interest in using the Internet in other municipalities
- types of information expected from the Internet by local governments
- chief applications of the Internet (promotion, information, investment)
- difficulties and barriers for the development of the Internet for local governments in Poland
- activities which should be undertaken to increase the availability of the Internet and its attractiveness for local governments

The Feasibility Study and its methodology took different forms at various stages of development. In July 1996, the FSLD Executive Board decided to take over an independent Internet provider (Internet for Schools - IdS) with servers in 11 cities in Poland. The provider's activity, originally aimed at secondary schools throughout the country, was reoriented to include local governments and their organizations. By 1998, IdS developed its network to 23 servers throughout Poland.

The FSLD, in cooperation with IdS developed the feasibility study on the following levels:

- traditional questionnaires and interviews with representatives of municipalities, supported by press information about the Internet and the Feasibility Study itself;
- electronic questionnaires for municipalities placed on the newly developed FSLD Home Page
- organizing a Competition for The Best WWW Municipal Page

The following steps were undertaken on each of these levels:

#### 1. Traditional research:

- press information placed in the FSLD Information Bulletin about the Internet and the Feasibility Study being developed
- placing inserted questionnaires connected with the Internet in three consecutive issues of the FSLD Bulletin
- collection of questionnaires, processing and analysis
- telephone follow-up interviews with representatives of the municipalities which responded to the questionnaires

#### 2. Electronic form

- developing the FSLD Home Page offering information on FSLD activities, reports and exchange of experiences interactive page ([frdl.org.pl](http://frdl.org.pl))
- introducing electronic questionnaire for municipalities using Internet and visiting the FSLD Home Page
- collection of responses to the questionnaire; analysis

#### 3. Competition

- developing guidelines of the competition, to include two categories:
  - existing Home Pages of Polish Municipalities
  - projects of municipal Home Pages
- announcing the competition in the media and the FSLD Bulletin
- developing application form, including questionnaire connected with municipal information policy and use of the Internet
- collection of applications
- appointing competition committee
- selection of best projects and existing pages according to the following criteria:
  - effective in meeting the objectives of the municipal information policy
  - innovative and attractive form
  - interactive and transparent

The following municipalities were selected as winners in the „Project” category:

Sierpc  
 Kędzierzyn Koźle  
 Kunice

Tychy

The following existing municipal Home Pages were selected as winners:

Tarnów

Trzebinia

Skarżysko-Kamienna

Polanica

Chojnów

All winners received the following awards (according to individual needs):

- one year free subscription to the Internet, including two e-mail accounts
- modem
- placing project Home Page on the Internet (including purchase of the Internet domain)
- training for one representative of each municipality on the creation of Internet pages

The Internet component of the Program concluded in a final report on the feasibility study, indicating chief trends in Polish municipalities with respect to the Internet, its barriers and directions of development.

#### **Outputs:**

- introducing a new form of communication of the FSLD offer to Polish municipalities and other recipients
- encouraging municipalities to use the Internet in their everyday work
- promoting good Internet pages (press follow up to the competition)
- developing a feasibility study, including information on the state of the use of Internet and directions for its further development including description of barriers and possible difficulties.

### **3.4. Developing Training Courses to Meet Emerging Needs of Local Governments of Large Cities**

The FSLD is primarily a training organization. Throughout its eight-year history it has trained more than 250,000 people in more than 100 different topics in the areas of law, planning, management, finance, public participation, civic society and many others. In most cases the FSLD concentrated primarily on answering training needs of smaller municipalities. It was decided that the FSLD training offer had to be broadened by training programs addressed specifically to officers and politicians of large cities.

The FSLD Center in Kraków has since 1996 been involved in a Project for Large

executives of Polish large cities aiming at discussion of common issues and elaboration of common indicators allowing comparative studies of efficiency of the various services provided by different Polish cities. The FSLD Program Team decided to use that knowledge and contacts in the preparation of training courses.

In October 1996, the FSLD carried out a nationwide assessment of training needs of large cities. The research was carried out through:

- interviews with mayors and top management of large Polish cities
- questionnaires filled out by top officers of large cities
- processing other information gained through the periodical meetings of mayors of large cities under the Large Cities Project
- creative session organized in the Kraków center of the FSLD.

The research dealt with two aspects of training needs and expectations:

- one was to establish the topics and scope of most urgently needed training packages to be developed
- the other was to define optimum training conditions for representatives of large cities.

The two-month research into the training needs concluded in a report (attached). The following topics were identified as top priorities for large cities:

- Strategic Planning and Management:

Large cities (majority) have had their strategic plans developed by exterior experts. In most cases they are multi-page elaborations, which unfortunately gather dust on the municipal office shelves, since no-one in the city office knows how to go about implementing the tasks set out in them. It was found that the primary reason for this state of affairs is the lack of adequate management tools and instruments which would help guide the local authorities in the implementation stage. Another important reason was that many of the Strategic Plans looked at were not „implementable” and not „user-friendly.” The basic goal of the training package in this area was thus identified as teaching local authorities how to reform Strategic Plans to make them more implementable, how to transform them into work plans and task-oriented documents. The goal of the training package was also to provide local authorities with the knowledge and skills necessary in the implementation stage, such as identifying indicators, monitoring, corrective action, evaluation, etc.

- Financial Management

Some large city local governments have implemented very innovative and successful financial management techniques and practices. Yet many still remain using old-fashioned, mostly ineffective techniques. In a number of

more like a chief accountant, exclusively making sure that all the figures and reconciliations are correct. Several types of skills were identified as candidates for components of the Financial management package. They included:

- Financial condition analysis
- Multi-year budgeting
- Capital Investment planning and budgeting
- Borrowing (municipal bonds, bank loans, etc.)

In terms of preferred conditions of training, the report's findings included:

- maximum two-day courses are preferred
- training should take place on Thursdays/Fridays/Saturdays, i.e. towards the end of the week
- interactive methodology should be used with special emphasis on skills rather than knowledge
- the price of training should not exceed 150 PLN.

Two teams of FSLD trainers were selected from applications from all regional centers. The criteria of selection included: training experience, knowledge and previous training in the team subject matter, type of contract with the FSLD. The following teams of trainers were selected:

#### Strategic Planning and Management:

- Grażyna Prawelska-Skrzypek (team leader)
- Dagmara Bieńkowska (Kraków)
- Sylwester Lechicki (Szczecin)
- Krzysztof Pałucha (Katowice)
- Krzysztof Początek (Opole)
- Izabella Suchanek (Kielce)
- Cezary Ulasiński (Kraków)
- Aldona Walkowska (Poznań)

#### Financial Management

- Marek Jefremienko (Warsaw)
- Edyta Bieniek-Białas (Kraków)
- Lechosław Grochowicz (Kraków)
- Halina Wolska (Warsaw)

The FSLD trainers were assisted in the preparation of the training packages by two US consultants, selected by Rutgers, the State University of New Jersey:

The teams of trainers met for a two-day preparatory workshop with the US consultants in Pogorzelska Warszawa (21-22 April 1997) to define the precise scope of work of each of the team members, exact topics to be dealt with, resources and to develop a work plan for each of the teams.

The second meeting of trainers took place in Kraków. Trainers met without the US consultants to discuss their progress and exchange the draft materials developed.

Five trainers were selected to take part in a one-week study trip to Birmingham, UK, as an example of a Western large city. The interns (from both teams) observed the works of the planning and treasurer's department. They also met financial management specialists at Birmingham University. The goal of the study trip was to acquire knowledge about modern planning and financial management tools and to collect useful materials for further development of the FSLD training packages.

The third meeting of trainers was held in Konstancin-Jeziorna in June 1997. Its objective was to present interns' experiences from the UK study trip, discuss the progress of works, exchange comments on the drafts developed and the approaches adopted.

The final version of the training packages was split into the following topics:

- Strategic Planning and Management:

- Place of strategic planning in the management of the city
- Introducing strategic planning
- Community scan and analysis of issues and opportunities
- Defining Operating Conditions
- Definition of Goals
- Definition of Projects
- Reporting on planning and management processes
- Implementation of strategic plan through the budget process:
  - work plans
  - delegation of responsibilities
  - performance reviews
  - corrective action
- Evaluation

- Financial Management:

1. Fiscal Condition Analysis

(definition, advantages, factors, indicators for Polish cities, the process, data collection, environmental indicators, creating a permanent data base)

## 2. Multi-year forecasting

(developing multi-year development strategy, considering revenue alternatives, forecasting models, revenue estimation, institutionalization of the forecasting process, revenue collection monitoring)

## 3. Capital Improvement Planning and Budgeting

(rationale and definitions, city organizational perspectives, project overview, capital inventory, project development, fiscal analysis, financing options, cost-benefit analysis, evaluation and ranking of projects, assembling a CIPB document, implementation and update)

Efforts were made to contact all Polish and US parties involved in similar projects for Polish municipalities. The FSLD and its trainers worked in close contacts with RTI and MDA, preparing various financial management electronic tools and spreadsheets to be implemented in the LGPP Program.

The training packages (curricula and materials) were piloted in Kraków on 27 July - 1 August, 1997. 13 representatives of Polish municipalities (primarily large cities) participated in the Strategic Planning module, and 11 in the Financial Management module. The pilot workshops were followed by participant evaluation and meetings with the US consultants. The Financial Management module received very high evaluation from both the participants and trainers and US consultants. The Strategic Planning and Management module was found good, but the trainers and the US consultant found a number of aspects of the training which had to be improved. It was decided that an additional round of pilot workshops should be held in the autumn of 1997 after changes and improvements are introduced in the training curriculum and materials.

The second round of training workshops was held on October 21-25, 1997 with the participation of some 25 representatives of large cities. Both piloted workshops were successful.

Training materials and training curricula were edited. The training materials were later published as two books in a series addressed to city managers and will be used as training materials but also as manuals for purchase independently of the training module. Training materials and training curricula (facilitator's guides) were dispatched to all FSLD centers.

The training modules in question, which have entered into the FSLD training offer for large cities, were promoted among local governments throughout Poland. Although three FSLD centers planned to deliver the training modules in December 1997, the planned workshops had to be canceled due to insufficient number of participants (the cause was the proximity of Christmas holidays and end of the year activities).

**Outputs:**

- two new training packages, addressing the needs of Polish large cities, developed and disseminated throughout the FSLD network
- two manuals for city managers published
- two teams of trainers trained
- some 50 representatives of large cities trained in the pilot workshops
- financial models applied in one municipality (Warszawa-Ursynów).

**3.5. Developing Consulting Services in Public Procurement in at Least 5 Regional Centers**

The FSLD and its trainers have been involved in technical assistance in public procurement for Polish municipalities since the creation of the Act of Public Procurement. Under previous AID grants, the FSLD in close cooperation with the Office of Public Procurement trained some 25 trainers from all regional centers in public procurement and developed two-grade training series which continues to be delivered throughout the FSLD network.

As the needs of local government officers are becoming increasingly more individual in this field, and queries emerge in connection with very specific issues, consulting services had to be developed to tackle them.

The FSLD appointed a working team to develop:

- analysis of training and consulting in public procurement in all regional centers
- description and definition of the complete consulting service package in public procurement
- business plan of consulting in public procurement
- program of networking and exchange of experiences between FSLD trainers and experts in public procurement.
- marketing strategy for the services

The analysis of public procurement services (through interviews and questionnaires) showed the growing demand for consulting in this field in all

already offered (under a EU Phare grant), marketing strategies applied and the most commonly asked questions and topics of consulting services.

The team identified the consulting package in public procurement to include:

- selection and preparation of procurement procedure
- preparation of necessary documentation
- public hearing of bids
- analysis and evaluation of offers
- dealing with complaints and protests
- verification of contract documentation

The team developed a business plan of the establishment of consulting in public procurement in the whole FSLD network. Particular attention in the business plan was paid to organizing a sustainable system of networking and exchange of experiences between consultants in public procurement of different regional centers.

The Business Plan was presented to all FSLD Regional Centers Directors in a directors meeting in March 1997. Consultants and consulting coordinators were presented the program of activities on March 21, 1997 in a two-day session in Miedzeszyn n. Warsaw. The goal of the session was, apart from the discussion of the program, to define the subject areas which ought to be dealt with in the following meetings of the consultants in public procurement.

The following subject areas were defined as the most urgent, in which the consultants required additional training:

- Contracts in Public Procurement Procedures
- Home Preferences
- Protests and Complaints
- Pretty Purchases and the Practice of Procurement Procedures
- Selection of Adequate Procedures and Documentation

Lead Consultants were appointed for each of the themes and deadlines were defined for the development of the training of consultants modules and materials. The Lead Consultants (more knowledgeable in the specific topic areas than their peers) were encouraged to include other consultants in the preparation of the modules and inviting exterior experts to deliver lectures and workshops on specific topics.

Four training of consultants meetings were organized in May and June 1997 in Konstancin-Jeziorna. A group of 20 consultants participated in each of the training sessions. All events were highly evaluated by the participants as very

The June - October 1997 period was left for the pilot delivery of public procurement consulting services by the consultants. The research carried out in November 1997 pointed out that the share of public procurement consulting services in the overall activities of FSLD regional centers increased by 5% - 20%.

In November 1997, a group of exterior consultants was hired to analyze and develop the most adequate marketing and promotional techniques for consulting in public procurement. Their works concluded in a report (attached) and a training workshop for all regional center consulting coordinators and consultants in public procurement on the marketing techniques which should be used for consulting activities (materials attached).

Despite increased activity in the field of consulting in public procurement noted after the training of consultants meetings (named SYDECO), most regional centers of the FSLD are not willing to contribute financially to the sustainability of such a network of developing consultants' skills and knowledge. However, the projects main impact fell on the consultants themselves, who having seen the numerous advantages of networking, are willing to organize their own meetings and have been able to establish much closer cooperation and exchange.

**Outputs:**

- public procurement services offered by the FSLD categorized and analyzed
- uniform consulting strategy, including scope of work, conditions and pricing recommendations, developed and disseminated throughout the FSLD network
- needs on the public procurement market for local governments recognized
- marketing strategies of public procurement consulting defined
- four two-day training sessions (exchange of experiences) for consultants in public procurement organized (20 participants in each session)
- stronger links and exchange strategies established between public procurement consultants working for different FSLD regional centers.

**3.6. Developing Personnel Consulting in at Least 5 FSLD Regional Centers**

The FSLD has been, for considerable time, involved in the area of HRDM for local governments in Poland. Under previous AID grants, the FSLD developed a training package for local governments in this field, which was successfully delivered in several FSLD centers. Varied organizational structures of different municipal offices, as well as need for specific knowledge and tools experienced

in local governments, require more specialized and individually tailored services, such as only can be provided by consultants.

The FSLD appointed a team made up of its HRD trainers to define the scope and format of HRDM consulting activities. The team carried out initial research into the needs and expectations of Polish local governments in terms of HRDM assistance. The results showed that some 9% of Polish municipalities (mostly larger cities) were aware of the need of better organizing their personnel policies and would be willing to invite exterior consultants to help them in this task. The principal finding was that before consulting services in HRDM could be introduced and marketed, an awareness campaign had to take place, since for most local governments it was an unrealized need.

In June 1996, the HRD team participated in a four-day study trip to Coimbra, Portugal. Its objective was to observe the organization of personnel consulting for local governments in the Center of Self-Government Training and Studies (CEFA). The team returned with a number of useful materials and tools used by CEFA, as well as organizational ideas for personnel consulting services.

In August 1996, a team of experts was selected to assist the HRD trainers in the development of a Business Plan of developing personnel consultancy within the FSLD, and later in the implementation of the program. The Business Plan was approved by USAID in November 1996.

The project consisted of three stages:

#### 1. Awareness and promotional campaign

25 trainers from all FSLD regional centers were selected and participated in basic training series on HRDM in local government (24 hrs.) in Poznań in March 1997. The topics of training, apart from theoretical background of HRDM, included negotiations, public relations and communication - skills needed by trainees in the implementation phase. The trainees were then asked to organize at least six hours of promotional sessions in their respective regional centers and try to obtain orders for pilot services in HRDM in at least two municipalities.

This stage concluded in the submission of service orders gathered by the trainees and selection of 20 trainee consultants from 10 regional centers of the FSLD to participate in further stages of the project.

#### 2. Training of HRDM consultants

The selected trainee consultants participated in two three-day sessions of

of Poznań University (70 hrs). The topics of training included: theory of management, communication, types of organizations, management by objectives, periodic personnel evaluation, legal issues connected with HRDM, ethics in personnel evaluation, etc.

The last workshop concluded in a three-hour session with representatives of selected municipalities. Its objective was to offer the participants an opportunity to practice their new skills under the supervision of their trainers.

### 3. Pilot services in municipalities

Each of the trainee consultants was required to introduce pilot services in two municipalities in the region of the respective regional center. On completion of the first round of the pilot services, the trainers-experts paid supervisory visits to those municipalities to assess the works carried out by the trainee consultants and introduce corrective action where necessary.

An interim meeting was held after the first round of services in the municipalities (10) in August 1997, to report on the progress, results and provide further recommendations to trainee consultants. The meeting was followed by the second round of services.

The following is the list of municipalities participating in the pilot stage of the project:

- Bydgoszcz Center: Sępólno Krajeńskie, Trzemeszno
- Kraków Center: Lisia Góra, Tarnów
- Katowice Center: Chełm Śląski, Czeladź, Ruda Śląska
- Lublin Center: Lubartów, Rejowiec Fabryczny
- Opole Center: Prudnik, Tarnów Opolski
- Poznań Center: Kępno, Września, Czarnków
- Szczecin Center: Międzyzdroje, Chojna, Węgorzyno
- Wrocław Center: Sobótka, Dzierżoniów, Żarów

The complete services consisted of the following elements:

- assessment of the organizational climate (before delivery of the service)
- functional description of mutual dependencies structure and definition of organizational goals
- introduction of the system of task setting, performance reviews and career programming
- consultation of tasks allocated to staff members
- implementation of tasks set and agreed by the staff

- post-service analysis of organizational climate

Organizational climate analysis is optional in this type of service. It was decided, however, that the analysis ought to be carried out to monitor the climate of work during the introduction of the system. In many cases the organizational climate indicators are likely to decrease. In the pilot municipalities, however, that was not the case and small improvements were noted in some of the factors of the organizational climate. This proves that the services were delivered professionally.

The project concluded in a conference held in Warsaw Sheraton Hotel on November 21, 1997. The goal of the conference was to promote the new product among potential clients, of whom some 120 were present in the conference. Consulting certificates were awarded to all trainee consultants who had managed to successfully complete all tasks set out in the training and pilot implementation stages (17 trainee consultants from eight FSLD regional centers):

- Bydgoszcz: Tomasz Gąska, Aleksanda Poeplau
- Kraków: Paweł Marciniak, Agnieszka Tomasik
- Katowice: Ryszard Borys, Stanisław Gomółka
- Lublin: Anna Oleksiejczuk, Ewa Oleksiejczuk
- Opole: Zbigniew Bartkiewicz, Krzysztof Początek
- Poznań: Dobrosława Bartkowska-Nowak, Aldona Walkowska
- Szczecin: Janusz Radomski
- Wrocław: Andrzej Ferens, Renata Kościelniak, Iwona Macek, Sławomir Sobieszek.

To further the promotion of the services and the idea of staff management and planning in local governments a publication was developed, entitled: „Performance Evaluation of Municipal Officers.” The publication contains information about:

- the pilot phase of the project
- the contents and procedure of the service offered
- reports from pilot municipalities
- management by objectives
- reactive and proactive types of organizations
- ethical aspects of personnel assessment
- legal implications of personnel assessment

Additionally, a promotional leaflet was developed and edited, promoting the services. The leaflet was dispatched to all FSLD centers offering the services, for dissemination among potential clients.

The project was highly successful and enjoyed considerable interest from the local government counterparts. Its implementation was made more difficult by the flooding in July 1997 of many of the municipalities willing to participate in the pilot stage. This disaster is also likely to influence the sales of the newly developed product in the near future. So far, about four weeks after completion of the pilot stage, three municipalities have requested the service from three different FSLD centers.

#### **Outputs:**

- a new service developed, tested and ready for delivery in Polish municipalities
- 17 FSLD consultants trained in HRDM for local government
- increased awareness among local governments of the need to introduce modern staff management techniques
- modern HRDM system introduced in 20 Polish municipalities successfully
- publication of a guide for local governments on modern staff management techniques
- services delivered on a full-cost-recovery basis in further three municipalities.

### **3.7. FSLD Institutional Capacity Building**

This module of the program was introduced by amendment to the Cooperative Agreement of September 1997. The FSLD, a large network organization training local government since its creation in 1990, has shown certain deficiencies in management practices, as well as achieving financial independence and self-sustainability. The goal of the capacity building project was to improve the managerial practices, especially in the Head Office in Warsaw and to search for ways of achieving further financial independence of its sponsors.

#### **Introducing HRDM system in the FSLD Head Office**

The FSLD Head Office's structure was primarily governed by the division into programmatic units by sponsor, rather than topic area or form of activity. This sponsor-oriented structure led to numerous management problems, inefficiency of

Additionally, the lack of identification with organizational mission was propelled by the fact that there were no criteria of staff evaluation or a motivational pay and/or other reward for outstanding work.

The FSLD selected a group of experts to assist it in the task of:

- defining a new organizational structure, better responding to the organizational mission and more suited to the new conditions of phasing out of assistance funds from other organizations and agencies
- defining functional job descriptions of the whole staff of the FSLD Head Office
- defining criteria of evaluation of the staff performance
- defining evaluation procedures
- defining ways and means of motivation.

The methodology adopted for these works consisted in plenary sessions of FSLD Head Office staff with the exterior experts. Three such meetings took place:

- November 1997 - definition of goals of the project and assessment of organizational needs
- December 8-9, 1997 - definition of organizational mission, analysis of current structure and looking for its deficiencies, definition of new organizational structure
- December 15-16, 1997 - definition of functional job descriptions for all categories of staff, definition of necessary qualifications and criteria of evaluation.

The works concluded in a report presented to FSLD Executive Board, which included definition of new organizational structure, new functional job descriptions for all members of staff, criteria of staff evaluation and procedure of periodic task setting and evaluation of staff.

The new organizational structure, doing away with sponsor oriented positions was introduced in the FSLD Head Office as of January 1, 1998.

### **Uniform Computer Accounting System for the FSLD Network**

The FSLD network, being one legal person, relied for the last few years on different accounting systems in different regional centers. This situation led to numerous inefficiencies in the transfer of accounting information and data. The joint funding from AID, The Batory Foundation and the EU Phare Program, permitted the purchase and installation of new software in all regional centers which is mutually compatible.

### **Business Plan for FSLD Publishers**

The FSLD has run its publishing section almost since its creation. Most of the publications, however, were sponsored by exterior means and in spite of good sales of some of the publications, the FSLD publishers was not self-sustainable. Changes on the position of Publishing Director have provided the opportunity to develop a new approach to publishing with a view to its self-sustainability and prospectively rentability.

A Business Plan was developed for the FSLD publishers, based on the following principles:

- the profile of the FSLD publications will be transformed, to embrace more potential readers and clients
- the FSLD Publishers proving policy will gradually change to achieve self-sustainability by the end of 1999 (about 10 - 15% per quarter)
- the dissemination system of the publications will be enlarged and improved through contacts with most popular Polish book spedition companies and agencies.

The Business Plan also contains the publications plan for 1998, developed in accordance with the new guidelines.

#### **Outputs:**

- organizational structure of the FSLD Head Office analyzed and transformed
- FSLD Head Office better prepared for tackling new tasks in new financial conditions
- uniform accounting system introduced in the whole FSLD network
- increasing efficiency of FSLD accounting system
- defining policies for the achievement of rentability of FSLD Publishers.

#### 4. PRODUCTS OF THE PROGRAM

Apart from the outputs and practical outcomes for the benefit of local governments in the whole of Poland, which were described in the previous sections, below is a list of all products available on completion of the program. Some of them are attached to this report, others are available for perusal at the FSLD Head Office. The products will undoubtedly be useful not only for local governments, but also for other organizations and assistance programs addressed to them.

1. *Gmina Jakich Mało (Municipality as No Other)*, W. Kowalski, B. Mościcki, R. Wróbel, A. Serbeńska, Warsaw 1996; descriptions of success stories of small Polish municipalities participating in the Best Practice Competition 1996 (Polish version only)
2. *Gmina Jakich Mało 1997 (Municipality as No Other)*, W. Kowalski, B. Mościcki, A. Serbeńska, Warsaw 1997; descriptions of success stories presented by small Polish municipalities for the second round of the Competition; additionally, the publication includes description of Competition procedure and analysis of data about small municipalities collected in two rounds of the Competition (Polish version only)
3. Project Descriptions of success stories; documentation of Best Practice Competition
4. Press releases describing success stories of finalist municipalities in *Wspólnota*; summer issues 1996 and 1997
5. *FSLD Information Bulletin*, issues 0 (Octoberber 1996) through 10 (November 1997), information about FSLD regional centers, chronicle of local government events, useful local government information (Polish version only)
6. [www.frdl.org.pl](http://www.frdl.org.pl) - Internet website, developed by the FSLD about the FSLD and local government issues
7. *Feasibility Study: Municipal Information Policy and the Benefits of Use of Internet Resources*, Warsaw 1997; a study of the current state of internetization of Polish municipalities and cities, current applications of the Internet in local government practice, expectations and directions of development of Internet services for municipalities in Poland (Polish

8. *Report on the Training Needs of Large Cities* (internal document), 1996-97, conclusions from research into the training needs and expectations of Polish large cities (Polish and English versions)
9. *Planowanie i Zarządzanie Strategiczne (Strategic Planning and Management)*; Guide for City Managers, Warsaw, 1997; originally training materials, further developed and edited into an independent publication, dealing with the issues of developing strategic plans, with special emphasis on the implementation process; Facilitator's Guide available for the delivery of the training module. (Polish versions only)
10. *Zarządzanie Finansami (Financial Management)*: Guide for City Managers, Warsaw, 1997; training materials developed and edited into an independent publication, dealing with the issues of financial condition analysis, multi-year forecasting and budgeting and capital improvement planning and budgeting; Facilitator's Guide available for the training package (Polish version only)
11. *Business Plan of a System of Continuous Development of Consultants in Public Procurement (SYDECO)*; including program of activities, analysis of the public procurement market, service marketing strategies, cost analysis (internal document - Polish and English versions)
12. *Marketing of Educational Services*, Warsaw 1997; a training package on strategies and techniques for educational and consulting services (Polish version only)
13. *Contracts in Public Procurement Procedures; Financial Guarantees*, ed. Paweł Granecki; training guide for consultants in public procurement (internal document - Polish version only)
14. *Home Preferences in Public Procurement Procedures*, ed. Franciszek Firmuga; training package for consultants in public procurement (internal document - Polish version only)
15. *Protests and Complaints in Public Procurement Procedures*; ed. Bożena Janicka; training package for consultants in public procurement (internal document - Polish version only)
16. *Selection of Procurement Procedure and Documentation*, ed. Jerzy Czaban; case study materials for consultants in public procurement

17. *Petty Purchases and the Practice of Public Procurement Law*, ed. Marzena Rutkowska; training materials for consultants in public procurement (internal document - Polish version only)
18. *Business Plan for Introducing Personnel Consulting for Polish Municipalities*, internal document including needs analysis of Polish local governments in terms of HRDM technical assistance and consulting, program of activities to answer these needs and cost analysis of the project (Polish and English versions)
19. *HRDM in Polish Municipalities*, ed. J. Paluchowski; two sets of initial and advanced training of consultants materials; introduce all aspects of personnel management in local governments; include description and questionnaires for all HRDM instruments offered to Polish municipalities (Polish version only)
20. *HRDM Resource Guide*, ed. J. Paluchowski; readings in HRDM theories and practice (training background materials - Polish version only)
21. *Ocena Pracowników w Urzędach Gmin (Performance Evaluation of Municipal Officers)*, ed. J. Paluchowski, Warsaw 1997; a guide to HRDM for senior municipal management.
22. *Report on FSLD HRDM Practices*, ed. A. Wielgosz; an internal report including analysis of current organizational structure and Functioning of the FSLD Head Office and recommendations for change (Polish version only)
23. *Business Plan for FSLD Publishers*, internal document including guidelines and recommendations for new approaches to FSLD Publishers (Polish version only)

## 5. CONCLUSIONS

„Increasing Professionalism and Transparency in Local Government in Poland” implemented by the FSLD, was oriented at building local capacity to assist local governments in performing their tasks to higher professional standards. This overall goal was met through the development of new training packages, introducing new consulting services and developing new dissemination channels.

The Best Practice Competition and its publications have served to select and disseminate good local government practices, especially those in small and medium size municipalities. The two rounds of the Competition have managed to attract local government’s interest in innovative municipal management techniques and inspired them to look for new solutions in different areas of their activity. The Competition publications are amongst the FSLD’s best-selling books and have resulted in numerous contacts of Polish municipalities with the successful gminas - winners of the competition.

The FSLD Bulletin, since 1996 reaching all Polish municipalities, has contributed to the awareness of local governments of their training needs, greater promotion of the FSLD on the local government market and better dissemination of municipal success stories. The Bulletin has not as yet achieved its self-sustainability, however, and efforts needs to be made in the near future to secure its publication after the assistance funds expire.

The Internet component of the program has helped in the general AID efforts to popularize this modern information technology among local governments and has served to gain most recent data on the actual use of the Internet and possible barriers to further development of its applicability in local government practice. The Best Home Page Competition, organized under the program was useful in setting models and standards for the development of municipal web pages in future.

The „Strategic Planning and Management” and „Financial Management” training modules were developed in response to profound needs of large cities documented in the initial assessment of training needs. Developed by selected top FSLD trainers in cooperation with US consultants, the modules offer useful solutions in both areas, tested in real local government environment (either in the US or in Poland). The quality of the end products (manuals and curricula) was confirmed by the two rounds of pilot workshops held in the summer and fall of 1997. Both modules are being marketed and will be delivered throughout the whole FSLD network.

While training activities in public procurement are currently on the decline, consulting in this area is growing in demand. The development of uniform consulting services throughout the FSLD network was a direct response to these growing expectations of recipients. The FSLD trainers in public procurement, in need of constant development and updating of their knowledge and skills were also provided with a useful exchange channel in the form of the SYDECO system.

Modern and professional management requires, among other things, adequate approaches to personnel management. The pilot project developed by the FSLD, creating consulting units in HRM in eight Polish cities has benefited 20 municipalities during its pilot phase. The services are currently provided on a market basis throughout Poland. The program served not only the development of local capacity to assist local governments in introducing adequate personnel policies but also contributed to laying down the foundations of the public services system for local government officers in this country.

The program was also essential in the development of new FSLD organizational structure, which is likely to better respond to the emerging new needs of the recipients as well as follow the road of achieving self-sustainability by the FSLD in the light of phasing out of assistance funding from outside.

The political transformations in Poland are creating new challenges to local governments and the public administration system in general. They are, by the same token, challenges faced by the FSLD. The introduction of three-tier self-government administration is a particularly important issue and activities in its support are already on the agenda of FSLD new activities. Also, the flooding of July 1997 of Southern Poland has exposed serious deficiencies in local government skills in organization of rescue operations and emergency management. These and other issues are themes of upcoming FSLD activities, some of which are included in funding proposals to USAID.