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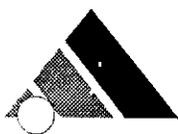
AGENCJA ROZWOJU KOMUNALNEGO

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Award No. 181-0034-A-00-6328

**FINAL REPORT**

Warsaw, June 1998

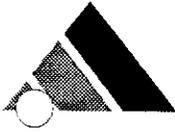


## I. Revision of activities

**Local Development Strategy** - The several chapters of the manual „METHODODOLOGY OF GMINA'S (MUNICIPALITY) ECONOMIC DEVELOPMENT PLANNING” has been elaborated. Works with the manual are synchronized with the consultant services rendered for the city of Zgierz, which is a pilot city in that project (plays a case study role). The second city which is play a case-study role is Ziębice (South-West of Poland). Ziębice is one of the pilot cities involved in the Local Government Partnership Program.

All of the documents and experience gathered during the described above advisory activity will be used for the strategic planning manual preparation. The main elements of the consultant services includes:

- Setting up the general framework and the scope of work for strategic planning process. The general concept and timeline is approved by the City Board,
- Elaborating the informational materials for the City Board, City Council, clerks and the society of Zgierz (reports, articles, flyers, MS Power Point presentation),
- Organizing the City Development Department in the City Hall of Zgierz,
- Scanning the environment and preparing the community profile report (Raport o stanie miasta Zgierza). The main structure of the report reflects the Agenda 21 concept of sustainable development planning.
- Preparing business and society attitude surveys,
- Organizing the Zgierz community and establishing the Strategic Development Commission (Konwent Rozwoju Miasta),
- Working with Strategic Development Commission: identifying critical issues, preparing mission statement, identifying strengths, weaknesses, opportunities and threats for the city, working with SDC sub-commissions, developing critical issue action plans, goals, objectives and strategies.
- Participating in preparation process of study of conditions of local physical development.



***Municipal Development Data Bases System***

This system will help increase and accelerate municipal infrastructure investments by local governments, and will enable various economic analysis and forecasts at municipal and regional levels. The MDDBS will consist of several databases listed in below, which will help strengthen financial capacity and self-governance of municipalities. The MDDBS database will serve as a basis for analysis in areas of municipal finances, infrastructure investments and their financing, communal economic development, and will ensure provisions for consulting and implementation firms services. The database will help the MDA to accelerate municipal infrastructure investments in Poland and to evaluate municipal credit rating.

The list of MDDBS data bases:

**DB1. municipal investment projects: determination of demand for such projects and a list of investments being implemented (locally and regionally), based on information available at the MDA and collected additionally**

**DB2. costs of investment projects, based on information included in DB1**

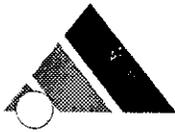
**DB3. municipal finances - analysis and directions for future development in areas of revenue and expenditures**

**DB4. analysis and prognosis of gminas budgets including capital investments and their financing, and evaluating municipal worthiness and credit rating.**

**DB5. data base on sources of financing municipal investment projects**

**DB6. data base on activities of consulting firms and of municipal projects implementation firms**

**DB7. data base on unit costs of construction and maintenance of municipal infrastructure investments**



**DB8.** *data base on prices and costs of service delivery* at gmina level - will be created by the DGPA/ USAID, with the co-operation of the MDA

**DB9.** *data base on assistance funds and programs for municipalities and institutions administering these funds.*

### **3.2.2. Data Base on Consulting Companies**

Data Base has been prepared by Market Enterprise Economy Foundation. It is divide into 8 main groups:

- A. Main base
- B. Responsible persons
- C. Experts
- D. Company's achievements
- E. Territorial area of operations
- F. Fields of operations
- G. Countries abroad with company's business connections
- H. Foreign languages

Special questionnaire has been prepared onto diskette in the PC format and send to the consulting companies. The responses will be sent to the MDA directly.

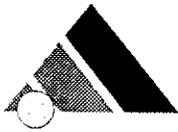
**Capital Investment Programmes** - The work of the CIP team was closely conducted together with PADCO experts.

Within the framework of created system of solutions for financing municipal projects the Municipal Developmant Agency in cooperation with USAID prepares a multi-year project implementation and gmina investment budget program .

The main implementation instrument in gminas is the CIP<sup>1</sup>. It is a multi-year schedule of physical improvements in the public sphere. Usually the schedule covers four to six years. The CIP defines suggested expenditures on systematic construction, maintenance , modernization and replacement of gmina technical infrastructure and instalations. By the

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<sup>1</sup> CIP. Robert A. Bowver book ...



Projects<sup>2</sup> we usually understand large, rarely spent expenditures on such enterprises as construction of new municipal facilities or capital repairs done once a while or more extensive repairs of existing facilities or equipment. It forces defined functioning of organizational structures, puts in order and coordinates decision making regarding financial obligations in all departments and such activities as: planing, financing, controlling and contracting.

The CIP methodology allows to explain and tune assessments and forecasts regarding expenditures, revenues, costs, benefits, timing of implementation of particular projects. The CIP is a process in the framework of which the city officially approves allocation of money for municipal projects and it is decided by the city authorities.

The CIP presents financial cost of individual projects as well as of complex city or gmina capital investment program and relates these particular costs to all means (both internal and external), which the city can use for the accomplishment of the municipal projects. Beside that it serves as a document presenting gmina capital investments to important external units such as groups of citizens, other interested authorities or sources of loans - commercial banks and issue houses.

*Clearing House* - Some preliminary work has been before the commencement of USAID Grant. During revised period the activities of Clearing House has been focused on three major tasks as follows:

#### **I. Technical Assistance**

1. Wrocław - financial analysis of budget, design of the issue structure, preparation of tendering documents for restricted tendering, including RfP, bids evaluation based upon the comparison of proposed TIC (acomplished)
2. Ciechanów - financial analysis of budget, design of the issue structure, preparation of tendering documents for restricted tendering, including RfP, bids evaluation based upon the comparison of proposed TIC (acomplished)

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<sup>2</sup> The definition of the Project is discussed in detail in Appendix 1



3. Sosnowiec - financial analysis of budget, design of the issue structure, preparation of tendering documents for restricted tendering, including RfP, bids evaluation based upon the comparison of proposed TIC (in progress)
4. Kielce - financial analysis of budget, design of the issue structure, preparation of tendering documents for restricted tendering, including RfP, bids evaluation based upon the comparison of proposed TIC (in progress)

## II. Dissemination of the Good Practice

1. Regular publications in mass media ("Nowa Europa", "Wspólnota").
2. "State of the market" bulletin No 2- finished .

Result: accurate market information accessible to municipalities and financial institutions gratuitously

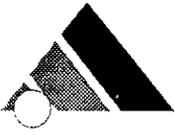
### *Local Government Partnership Programme -*

Seminars organised within LGPP programme

	Place	Title	Date
1.	Poznań	Local economy development	11 – 12.09.97
2.	Chełm	Local economy development	18 – 19.09.97
3.	Ustroń	Communication skills	22 – 23.09.97
4.	Kołobrzeg	Communication skills	29 – 30.09.97

The list of the LGPP participants

	GMINA	Additional information
1.	Poznań	
2.	Koszalin	
3.	Warszawa Centrum	
4.	Opole	
5.	Płock	
6.	Chełm	
7.	Konin	
8.	Gorzów Wlkp	



9.	Sopot	
10.	Zyrardów	
11.	Nowa Dęba	
12.	Krapkowice	
13.	Łęczyca	
14.	Olecko	
15.	Łęczna	
16.	Dukla	
17.	Lubań	
18.	Olsztynek	
19.	Namysłów	
20.	Sosno	
21.	Przykona	
22.	Morawica	
23.	Zgierz	
24.	Ekologiczny Związek Gmin Dorzecza Koprzywianki	
25.	Związek Gmin Dorzecza Górnej Raby i Krakowa	
26.	Związek Komunalny Ziemi Cieszyńskiej	

All gminas has been visited. The reports from the visits has been delivered to the USAID.



## **II. Contribution to target.**

The Minister of Finance finally decided to transfer 700 000 PLN to MDA bank account as the contribution of the State Budget of MDAs fotreign aid programmes implementation.

The transfer is divided into few lots. Till now we received the first lot around 350 000 PLN.

## **III. ISSUES**

Implementation of project financed from USAID directly or via Cooperation Fund is stricly connected with financing. According to the last agreed decisions MDA is obliged to improve accountancy system to achieve required level of services.

MDA acting as secretary of LGPP is under pressure from gminas concerning launching core part of the programme. As we understand the bidding process will be finalised in the nearest future which will allow to start with the programme on the begining of 1998 at least.

## **IV. PLANS FOR THE NEXT PERIOD**

MDA will concentrate on cooperation with LGPP programme using know-how elaborated during previous work financed from USAID to strenght support to gminas offered within programme. Accountancy system will be improved and operational.

The main aresa of MDA activity will be:

1. Local EconomyStrategy Development
2. Capital Investment Plans
3. Gmina Financial Model Analisys
4. Municipal Bonds
5. Municipal Development Data Bases
6. Municipal Library.