

**PILOT LOCAL GOVERNMENT
PARTNERSHIP PROGRAM**

**SUMMARY DOCUMENT OF
ACTIVITIES IN EACH OF THE
PARTNER CITIES**

Prepared for

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**SUMMARY OF ACTIVITIES CONDUCTED IN BIELSKO-BIALA, POLAND
UNDER THE PILOT LOCAL GOVERNMENT PARTNERSHIP PROGRAM**

I. NAME OF THE PARTNER GMINA

The Municipality of the City of Bielsko-Biala
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tel. (033) 123 396; fax (033) 215 09

II. TYPE OF ASSISTANCE PROVIDED

Bielsko-Biala is a city that received comprehensive consulting assistance under the Program in several interrelated areas. Some activities financed by USAID started even before the actual beginning of the Pilot Program. The activities that took place, or were completed during the Program included:

- Comprehensive set of activities related to housing, covering the establishment of the Agency for Support of Housing Initiatives (AWIM), development of a housing policy for the city of Bielsko-Biala, preparation of the Zakład Gospodarki Mieszkaniowej (Housing Management Enterprise) for privatization, assistance in the establishment and operation of the Social Housing Association (TBS), the development of the strategy and initiation of the process of revitalization of the Bielsko-Biala Old Town. The activities related to housing were supported mainly by PADCO and CHF (*Cooperative Housing Foundation*) consultants.
- Preparation of restructuring of two municipal enterprises, i.e. Zakład Oczyszczania Miasta (ZOM - City Cleaning Enterprise) and Miejskie Zakłady Komunikacyjne (MZK - City Transportation Enterprise) with the target of enhancing the delivery of services provided by the enterprises to their citizens. The key role was played by RTI (*Research Triangle Institute*) and ABT consultants, and in particular Cathy Revels and Alan Edmond. The analysis covered a detailed examination of the standing of both companies as budgetary units, the market served by them, and various options for their restructuring.
- Preparation for financing the housing program through external funding. Initially the attention was focused on the possibility for issuing municipal bonds, later however the issue of bonds combined with borrowing, and finally during the Program, a commercial bank credit was obtained. The consulting assistance included the analysis of the city budget with the use of a Gmina Financial Analysis Model (GFAM) and training the City Office employees how to use it, analyze profitability of various options for obtaining outside financing, preparation of documentation necessary to receive offers from banks interested in providing credit, training interested banks, participation in the process of selection of the most favorable offer, and finally consulting in negotiating ultimate credit terms. Consulting was provided by RTI consultants under the leadership of Chris Kaczmarek. At the same time, a housing program including tasks to be financed with the obtained credit, covering 12 specific projects was developed. The program was prepared predominantly by PADCO consultants: Jan Czarniecki, Marek Majchrzak and Krzysztof Skalski, in cooperation with RTI.

III. METHODS APPLIED

The methods applied in the provision of consulting assistance to Bielsko-Biala were quite diversified and included:

- Polish and American consultants working both individually, and in mixed teams. In Bielsko-Biala. The most active were the consultants from CHF, PADCO and RTI.
- On-going working cooperation of the consultants with the representatives of the City and other key persons. Their cooperation was most intensive during the activities related to the loan preparation, ZOM and MZK analyses and the preparation for the Old Town revitalization.
- Organization of workshops for local partners related to finding solutions in specific areas of enterprise restructuring and financing. The first workshop was organized in late January 1997 for selected representatives of ZOM and MZK and pertained to the strategy of their restructuring. Another, very successful workshop was conducted for representatives of banks interested in offering a credit to the City for the implementation of the housing program.

- Task force teams handling specific areas. Teams of this type were organized in order to monitor the process of ZOM and MZK restructuring and to work out a strategy for the Old Town revitalization.
- Organization of conferences - for example, the conference held on the development of housing strategies organized by PADCO in Bielsko-Biala in May 1997.



IV. RESULTS OF THE TECHNICAL ASSISTANCE

Owing to the Program activities carried out in Bielsko-Biala a number of measurable results have been achieved:

- The Old Town revitalization plan was developed in a detailed manner and initiated.
- Preparatory works for privatization of the Zakład Gospodarki Mieszkaniowej (Housing Management Enterprise) were carried out.
- A detailed housing investment plan for 1997 - 2000 was prepared; it included 12 projects, out of which 7 were developed in a detailed manner.
- A PLN 30 million commercial credit was obtained by the City from the PKO BP Bank, on very favorable terms.
- Miejskie Zakłady Komunikacyjne (MZK - City Transportation Enterprise) and Zakład Oczyszczania Miasta (ZOM - City Cleaning Enterprise) were prepared comprehensively for privatization - further action requires the decision of the City Council.

V. TOOLS OBTAINED

Owing to the activities in Bielsko-Biala it was possible to utilize several tools, that can be effectively applied by other cities. They include:

- Standard business plan for the Social Housing Association (TBS)
- A manual on how to renovate a condominium building
- A manual on the revitalization of the Old Town
- General methodology for the assessment of a municipal enterprise¹
- Methodology of financial assessment of a municipal enterprise
- A model contract between the municipality and a municipal enterprise
- Examples of scope of authorities of municipal employees who are to supervise the operation of a municipal enterprise

- Examples of action plans related to the legal aspect of the restructuring of a municipal enterprise
- Model legal documents that facilitate the restructuring of a budgetary unit into a Commercial Code company: company charters, regulations of the Board of Supervisors and the General Meeting of Shareholders
- A model strategy of information activities in relation to the employees, customers and other partners involved in the restructuring of an enterprise

VI. KEY CONTACTS IN BIELSKO-BIALA

Jerzy Krawczyk, Bielsko-Biala Deputy Mayor, Plac Ratuszowy 1, 43-300 Bielsko-Biala, tel. (033) 123-010, (033) 123-209

Dariusz Kraus, Assistant to Deputy Mayor Krawczyk, Plac Ratuszowy 1, 43-300 Bielsko-Biala, tel. (033) 124-444, fax: (033) 215-09

Jan Gerlach, Head of Economic Policy Department, Plac Ratuszowy 1, 43-300 Bielsko-Biala, tel. (033) 122-27, fax (033) 215-09

¹ I am using the term "municipal enterprise" in a very broad sense, as a term that is rather close in meaning to the English "*municipal service enterprise*"; so what is meant here are the entities (irrespective of their legal form) that perform certain tasks for the municipality and its residents, which retain in some kind dependence on the municipality (either contractual or proprietorial).

**SUMMARY OF ACTIVITIES CONDUCTED IN GLIWICE, POLAND
UNDER THE PILOT LOCAL GOVERNMENT PARTNERSHIP PROGRAM**

I. NAME OF THE PARTNER GMINA

The Municipality of the City of Gliwice
Address: Urząd Miejski w Gliwicach, ul. Zwycięstwa 21, 44-100 Gliwice
tel. (0 32) 314666; fax (0 32) 312725

II. TYPE OF ASSISTANCE PROVIDED

The consulting assistance provided to Gliwice included three areas: economic development, public communication and municipal finance.

A. Economic development

In the area of economic development the following work was carried out:

- A scan of the economic environment of the city and the region was first undertaken. The scan was prepared using existing documents and materials, and included a description of various institutions, including key players in the area of economic development. The document covers the following issues: economic conditions, including socio-economic trends (population size, incomes, employment, unemployment, economic development resources (i.e. institutions providing services or supporting businesses, schools and training services, R&D facilities, special zones, entrepreneurship, taxation, law and local regulations, municipal property management, transportation and communications infrastructure).
- Technological Park Development: Activities aimed at establishing a Technological Park consisted of gathering key partners interested in the venture, creating a joint vision of the Park, and then developing the action plan to implement the vision. An important element of these activities was the preparation of materials on advanced technologies, including many American sources on the subject.
- Entrepreneurship Incubator: Consultants provided assistance to initiate and operate an entrepreneurship incubator. The consulting assistance consisted of a joint analysis of existing procedures and documents and development of new proposals for development of such an incubator.



B. Public communication

A public communication strategy for the city was developed, and an implementation plan was prepared. The assistance consisted of analyzing the current situation and then determining the strategy which should be employed by Gliwice to enhance communication activities. An important element of the intervention was a workshop, at which time strategies were assessed and alternative methods to analyze communication procedures was developed.

C. Municipal finance

A comprehensive financial analysis of the city was conducted, with the aim of defining opportunities for generating funds for investments and determining the creditworthiness of the city. The work included documenting the analysis and consulting directly with financial officials within the city.

III. METHODS APPLIED

The following methods were employed during the Program.

- The economic scan was developed by Pat Dusenbury. Her report was preceded by a series of visits and meeting with the key players in economic development in Gliwice
- The workshop on the Technological Park was prepared by Pat Dusenbury, Hanna Ruszczyk of CDC and Maciej Gajewski of Uniconsult, and facilitated by Krzysztof Chmura. A significant role in the preparation of the workshop was played by Wojciech Napierala, Deputy Director of the Gliwice Economic Development Agency. The preparation included discussions with persons interested in the Technological Park, collection of data from both the U.S. and Poland on technology parks and a detailed analysis of the strengths and weaknesses of technology park ventures.
- Following the first workshop, another workshop on advanced technologies was conducted and a revised version of Gliwice's technology park action plan was developed.
- Activities related to the incubator were conducted by Dariusz Skwira, an employee of the Foundation for Social and Economic Initiatives (Fundacja Inicjatyw Społeczno-Ekonomicznych). They mainly consisted of analyzing the on-going operation of the incubator, assessing current documents and preparing model documents to be used in the future.
- The public communication strategy was developed by two American consultants: Becky Gadell and Bill Guerrant. In order to develop the strategy, the consultants conducted an analysis of the current situation. An important element was a one-day workshop for key City representatives, which was facilitated by Krzysztof Chmura.
- The financial analysis was carried out by the Research Triangle Institute: Chris Kaczmarek and Wojtek Deska. The analysis included extensive data collection and cooperation with the city's financial managers. The completed analysis was present to the City Executive Board.

IV. RESULTS OF THE PROGRAM ACTIVITIES

In the area of economic development the Program lead to the decision by the city to initiate establishing the Technological Park in several stages:(1) first as an advanced technology incubator, (2) next as a technology transfer center and (3) and finally by developing cooperative agreements between key partners: the Silesian Technical University and the city leading toward the development of an advanced technology park.

Given the Partner LGPP, consulting to the city could continue with the technology park development. A number of outstanding legal, financial and technological issues remain which will need to be addressed in the larger Partner Program.

Advisory services related to the business incubator helped the entrepreneurship incubator to operate more efficiently and effectively. These skills could be transferred to other partner gminas in Poland.

The result of designing and implementing the communication strategy was making the key players in the city aware of the importance of public communication as a crucial element of any activities of the city. Communications between city officials and their citizens will improve significantly due the development of this communications program. This communications strategy can be used as a model for many other gminas throughout Poland.

The result of the assistance in the area of municipal finance was determining the city's existing financial condition and also defining the city's capacity to obtain investment funds or the future.



V. TOOLS OBTAINED

The basic financial tool applied in Gliwice was the Gmina Financial Analysis Model (GFAM).

A methodology for developing a communications strategy was also developed which could be used by other gminas. A communications video was produced for Gliwice which could be shared with other gminas who were interested in developing such a strategy.

A methodology for proceeding with the establishment of a technological park, or even more broadly, activities for advanced technologies was developed for Gliwice.

A methodology for conducting facilitated workshops, both on public communications and the technological park, was developed.

VI. KEY CONTACTS IN GLIWICE

Zygmunt Frankiewicz	Mayor of the City of Gliwice, tel. (0 32) 314666
Piotr Popiel	Head of the City Promotion Department (until recently Assistant to the Mayor) tel. (0 32) 2304900
Wojciech Napierała	Deputy Director of the Gliwice Economic Development Agency
Krzysztof Semik	Mayor's Spokesman

SUMMARY OF ACTIVITIES CONDUCTED IN KUTNO, POLAND
UNDER THE PILOT LOCAL GOVERNMENT PARTNERSHIP PROGRAM

1. NAME OF PARTNER GMINA

The Municipality of Kutno

II. TYPE OF ASSISTANCE PROVIDED

The City of Kutno received a variety of technical assistance through the Pilot LGPP. The majority of the technical assistance focused on the development of the Industrial Section of the City of Kutno which in the remainder of this document is referred to as the Kutno Agro Industrial Park (KPAP). This project was selected by Kutno as the cornerstone of the agreement between USAID and the City of Kutno. The KPAP is the logical focus for economic development activities for the Kutno region. In addition to the work related to the development of the KPAP, technical assistance was provided in cooperative housing development and a financial tool was introduced to the Municipality.

The technical assistance consisted of the following:

A. Assistance related to the KPAP:

1. In the Autumn of 1996, Blaine Liner, Director of the State Policy Center of the Urban Institute, advised on the development of an overall economic development strategy to reflect the community's needs and assets.
2. In the Autumn of 1996, Mr. Richard Mook, an agriculture economist from the US Department of Agriculture, reviewed the efforts which had taken place to develop the then named Food Distribution Center Project. He provided many suggestions on how to proceed with the project.

Due to the work conducted by Mr. Liner and Mr. Mook, the main project for economic development in Kutno changed its focus away from strictly agriculture in nature to include the possibility of other endeavors on the site as well. This led to the formulation of the KPAP. The Kutno Agro-Industrial Park consists of approximately 230 ha. of land, owned primarily by the city, that is available to investors for business development.

3. In March 1997, a Strategic Planning workshop was conducted by Kathy Alison, Senior Management Consultant from Training Resources Group (TRG), with technical assistance from Blaine Liner. The purpose of this three day workshop was to develop an action plan for the development and implementation of the KPAP. The end results included, in addition to the action plan:
 - A list of criteria for and roles and responsibilities of the project operator
 - Next steps in the development of the business and promotion plan for the Park



- Plans for a public participation program that would increase public awareness and participation of the general public in the development of the park
- 4. In June 1997, a Communications Strategy workshop was conducted by Kathy Alison in order to brainstorm ideas on potential target audiences and messages to be disseminated in Kutno itself. The participants of the workshop were managers of the City Hall and of the municipal companies.
- 5. In July - August 1997, a Communications Planning Session was organized by Kathy Alison. The purpose was to develop detailed KPAP communication plans for 5 audiences (General Public, Press, Local Business, City Hall and City Council, and Potential Outside Investors).
- 6. From May - October 1997, Grzegosz Buczek from the Cracow Real Estate Institute (CREI) advised the KPAP Task Force on the development of the Land Use Plan. He advised the City Architect on the physical development of the land, drawing of the maps and the accompanying policy paper. Discussion focused also on any land which still needs to be acquired, phasing of the land, development of an infrastructure network, and also any changes which will need to be introduced to the Master land Use Plan.
- 7. From May - October 1997, American Systems of Marketing (ASM) located in Kutno, developed the Marketing Strategy for the KPAP.
- 8. In October 1997, a Citizens Democracy Corps Volunteer with a background in finances and industrial parks in the States will assist the City develop a business plan for the KPAP.

B. Assistance in cooperative housing development:

The Cooperative Housing Foundation (CHF) assisted in the establishment of a non governmental organization in Kutno called the Agency to Support Housing Initiatives (AWIM) in late 1996. Wojciech Wojtysiak and Slawek Getka have been managing the activities from the CHF. The CHF has provided technical assistance to enhance local institutional and human capacity in the private sector housing development, management and maintenance arena. CHF has provided structured monthly training and practical on the job training. This has allowed the AWIM to begin the process to become a self sustainable, financially independent entity which will provide housing production and advice to home builders if requested.

C. Introduction of financial tools:

Chris Kaczmarek, an Infrastructure Finance Advisor from the Research Triangle Institute, assisted the municipality in developing and applying a Gmina financial analysis model. He assisted in the preparation of a loan application for a loan for the sewage treatment plant. He also analyzed the possibility to apply for a new loan for 1 million dollars. The project was completed in 1996. In the Summer of 1997, Mr. Kaczmarek returned to Kutno to reassess the

budget of the City to assess the Municipality's capabilities to apply for a large loan or to issue a municipal bond.

III. METHODS APPLIED

A variety of methods were employed to implement the technical assistance in Kutno. American consultants were utilized in the areas of economic development, agriculture, action plan development and also communication strategy development and implementation. Blaine Liner, Director of the State Policy Center of the Urban Institute, and Richard Mook, an agriculture economist from the US Department of Agriculture provided their expertise in direct contact with the officials of the City of Kutno. Kathy Alison, Senior Management Consultant from Training Resources Group (TRG), provided one to one technical assistance to the officials of the City Hall. She also organized 3 workshops (strategic planning and development of an action plan, communication strategy development and implementation).

An American Volunteer consultant from Citizens Democracy Corps will be utilized in October to develop a business plan for the KPAP. He will work directly with the Task Force for the KPAP.

A combination of American and Polish consultants were utilized in the areas of cooperative housing development and in the introduction of the Gmina Financial Analysis Model. The Cooperative Housing Foundation (CHF) provided direct technical assistance as well as structured monthly training events. RTI provided direct technical assistance and training to the City Officials in the implementation of the methodology so that they could utilize the model by themselves in the future.



Polish consultants were utilized in two primary areas:

- Grzegorz Buczek from the Cracow Real Estate Institute (CREI) advised the KPAP Task Force on the development of the Land Use Plan.
- American Systems of Marketing (ASM) developed the Marketing Strategy for the KPAP.

IV. RESULTS OF TECHNICAL ASSISTANCE

■ **Land Use Strategy.** Creation of a realistic and sound land use plan for the KPAP, this format can be shown to other gminas if they are interested in the implementation of a large real estate project.

■ **Business Plan Formulation.** Completed Business Plan which attracts businesses to invest and or allows the city to receive infrastructure financing from external sources. This methodology can be used by other gminas.

■ **Development of a Marketing Strategy.** Format used, types of issues addressed will be of relevance to other communities.

■ **Communication Strategy Development and Implementation.** Better relationships between the Municipality and the residents, businesses and surrounding municipalities. Increased communication flow. More effective management of projects. Involvement of citizens in the economic development process. Involvement of citizens in the economic development process is innovative and has not been frequently utilized in Poland. This type of interactive approach to managing is very new in Poland.

■ **Strengthening of the Kutno AWIM.** Sustainable, viable, association which long term will be providing housing to many segments of the population. This can be easily replicated in other gminas as a viable option for government sponsored initiatives.

V. TOOLS EMPLOYED

Gmina Financial Analysis Model

Development of an Action Plan

Communication Plan Development

CHF and the non governmental organization - Agency to Support Housing Initiatives (AWIM) Model

VI. KEY CONTACTS IN KUTNO

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**SUMMARY OF ACTIVITIES CONDUCTED IN THE
PUBLIC SERVICE CITY ZONE IN NOWY SACZ
UNDER THE PILOT LOCAL GOVERNMENT PARTNERSHIP PROGRAM**

I. NAME OF THE PARTNER GMINA

The Public Service City Zone in Nowy Sacz (PSCZ) - a combined union of 14 *Gminas* established in January 1997. The PSCZ has taken over, at the local level, part of the tasks and competencies of the national government in the domain of Secondary School Education, Health Care, the administration of roads, management of Welfare Houses and major part of administrative decision-making that used to remain within the domain of the Regional Administrative Office.

II. TYPE OF ASSISTANCE PROVIDED

Technical assistance was provided to the PSCZ in two areas: economic development and in technical training. Assistance was provided by the Pilot LGPP consultants and with the support of the Krakow Academy of Economics

Economic Development

A. Organization of the Workshop on Economic Development

A workshop was organized by the Pilot LGPP in order to start building a comprehensive strategy, (program for socio-economic development of the PSCZ) agreed upon by all the important institutions and economic organizations of the Zone and the region.

Participants in the workshop included: Zone Assembly Chairman, Zone Executive Board Chairman, Zone Director, members of the Zone Economic Development Commission, members of the Nowy Sacz Economic Development Department as well as representatives of the Voivodship Economic Development Department, Business Center, Chamber of Commerce, and other key local players in the field of economic development.

B. A Meeting of the Economic Development Task Force was Organized by the Pilot LGPP

This meeting was devoted to:

- Identifying the priorities of economic development of the Zone
- Determining the opportunities for cooperation in order to achieve these goals



- Defining the ways in which local elites and local inhabitants can win public support for these goals
- Setting a detailed schedule for further work on the program

Participants included: representatives of those institutions, mentioned above, that are to be directly involved in preparing the program.

- C. A Future Meeting of All the Participants of the Economic Development Workshop is to be Held in the Near Future

The goal of this meeting will be for the members of the economic development task force to present the results of its work to date; Documents to be presented include:

- A document containing a list of priorities regarding economic development of the Zone and gminas constituting it
- A document outlining possible forms of cooperation and the contribution of institutions involved in economic development
- A document containing a list of suggested practical measures that should be taken in order to win key local players and Zone inhabitants over to the idea of preparing an economic development program

- D. The Pilot LGPP Assisted in the Development of a Small and Medium Size Business Center in the PSCZ

The Pilot LGPP provided assistance in helping to finance and develop a local business support center for the PSCZ. The Center will assist new and existing small and medium sized businesses located in the PSCZ to design business strategies, undertake management training and enhance existing business functions for small and medium size businesses located in the PSCZ.

Training

- A. The Purpose of This Technical Assistance was to Help the PSCZ Prepare a Training Program and Develop Cross-Cutting Courses for Employees of the PSCZ in Nowy Sacz. Courses to be Included in the Training were on the Following Subjects:

- Legal Issues (Civil Law, Labor Law, Administrative Law)
- Strategic Budgeting
- Computer Training (Beginning and Advanced Microsoft Word, Beginning and Advanced Microsoft Excel, Beginning and Advanced Microsoft Access)
- Fund Raising Techniques
- Customer Relations

- B. Targeted Courses

- Health Care Administration (Strategic planning, Improving quality of health care services, Financial Management, Project Management)
- Land Use Planning
- Road Management (Improving road management, Drivers licenses and vehicle registration)
- Improving the Management of Post Elementary Education

III. RESULTS OF THE TECHNICAL ASSISTANCE

The technical assistance provided to the Nowy Sacz PSCZ will help the PSCZ: (1) develop a strategy and implementation plan for economic development (2) design technical training for zone employees.

The results to be achieved in the Nowy Sacz Zone within the framework of the LGPP project will contribute to a precise determination of the functioning and efficacy of the instruments, techniques and mechanisms to be implemented in other public service city zones as well that are being established throughout the country. Another considerable result of the technical assistance worked out in Nowy Sacz is their innovative and original character. The interest taken by local self-governments in the problems related to the development and implementation of the public service city zones corroborates the need for the program to be a success. The following results are among those achieved in the Nowy Sacz region within the framework of the LGPP program which will have the greatest practical significance for other zones:

Models

- A. Of efficacious support of self-government activities provided by foreign aid institutions and Polish institutions providing counseling and training,
- B. Of preparing a program for and assisting with the implementation of the socio-economic development for public service city zones
- C. Of training for public service city zones employees

Instruments

- A. A guide presenting practical ways of dealing with difficult problems and overcoming the barriers the Zone faced in the process of realizing its tasks (such a guide could become the second part of the book *PSCZ in Nowy Sacz. The Second Level of Local Government in Poland ?*, which has become very popular in the self-government community).

Performance Measures

- A. Description of the Monitoring Process Developed in Pilot Zone: A monitoring system developed for the Zone in the course of the project on "Monitoring the Public Service City Zone in Nowy Sacz undertaken by Research Center for Public Economy and Administration and the Foundation of Economic and Social Initiatives.

IV. TOOLS OBTAINED

During the intervention the following tools were used which could be applied to other zones:

- A. A detailed outline for designing and facilitating a workshop agenda devoted to assessing various economic development strategies linked to the PSCZ
- B. A detailed course outline for training PSCZ employees in legal issues, financial issues, computer skills, strategic planning and customer relations
- C. A questionnaire for analyzing economic development issues and options within PSCZ gminas
- D. An economic development scan of the PSCZ environment

V. KEY CONTACTS IN THE NOWY SACZ PSCZ

M. Cycoń - President of the Assembly
 The Zone Office, Nowy Sacz, Jagiellońska 33, 33-330 Nowy Sacz
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Rudolf Borusiewicz - Chairman of the Board
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Jan Golonka- Vice-chairman of the Board
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**SUMMARY OF ACTIVITIES CONDUCTED
IN OSTRÓW WIELKOPOLSKI, POLAND
UNDER THE PILOT LOCAL GOVERNMENT PARTNERSHIP PROGRAM**

I. NAME OF THE PARTNER GMINA

Urban Municipality of Ostrów Wielkopolski
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II. TYPE OF ASSISTANCE PROVIDED

The consulting assistance provided to Ostrów Wielkopolski included the following areas: municipal finance, land management and housing management.

A. Municipal finance

The following technical assistance has been carried out in the area of finance:

■ **Long-term Investment Plan.** After the training of the municipal office staff, a procedure for development of a long-term investment plan was prepared and implemented. First, the criteria for selection of investment projects and their priorities were determined. In the final stage the plan defining investment priorities was developed.

■ **Municipal Enterprise Financial Model.** Analyses were undertaken and financial models of two municipal enterprises were prepared: Przedsiębiorstwo Wodno-Kanalizacyjne "Wodkan" (Water and Waste Water Company) and Miejski Zakład Komunikacyjny (MZK - City Transportation Company). The models allowed city officials to evaluate the way the companies are currently managed. The models also assessed the prospects for development, in particular their potential for borrowing. Defining those data was particularly needed to find to what extent infrastructure investments can be financed directly through the enterprise.

■ **Municipal Financial Model.** The municipal financial model was developed for the purpose of issuing municipal bonds and preparing data for the long-term investment plan. The analysis determined the manner of financing of municipal investments and at the same time was the basis for the second issue of municipal bonds.

■ **Task Based Budget.** Consulting assistance was also provided for undertaking task-based budgeting, though in this case the majority of work was carried out by the municipal officials themselves (with the assistance of U.S. consultants).

■ **Land Management.** Activities in the area of land management included the development of assumptions for the land strategy. An extensive data base was developed, which included, among other things, a map of land ownership and a map of land values. The local real estate market was also assessed as well as different tools that might be used for its development. The assumptions underlying the land strategy will be an important element of the proposed town planning study.

■ **Housing.** The activities in the area of housing included the development of assumptions for the housing strategy, which defined the methods for stimulating the housing market. A number of analyses was undertaken, in particular a description of the barriers to the development of this sector. These activities were based on the belief that a great majority of the housing solutions should be based on a well-functioning market. An analysis of the Zakład Gospodarki Mieszkaniowej (ZGM - Housing Management Enterprise), a municipal enterprise managing municipal property, was also prepared.

B. Housing

Agencja Wspierania Inicjatyw Mieszkaniowych (Agency for the Support of Housing Initiatives)

A separate activity included providing support for housing initiatives of the Ostrów residents. Advisory assistance pertained to the setting up of the Agency that would support such initiatives, from the establishment of small cooperatives to assistance in starting the investment. The assistance predominantly consisted of providing training and direct consulting to the Agency.

III. METHODS APPLIED

The following methods were used in Ostrow Wielkopolski during the intervention:

- The long-term investment plan was prepared under the supervision of Tom Spofford who initially trained the task force, then advised city officials on the subsequent stages of development. This was carried out during his visits to Ostrów and meetings with the task force.
- The analysis of municipal enterprises was developed by Cathy Revels and Marcin Szpak of DS Consultants, a Polish consulting firm. The employees of the enterprises participated actively in the analysis. The enterprise model was worked on during a number of meetings. The work was completed with a training course for the personnel of the enterprises.
- The financial analysis of the municipality was developed by Chris Kaczmarek and Wojtek Deska. The work was carried out through visits and meetings with the financial personnel of the city. The work was completed with a training course on the use of the developed financial model.
- The task based budget, already mentioned, was developed almost exclusively by city officials. Consulting on task based budgeting was provided by Tony Levitas.
- The land management strategy was developed by Jan Brzeski and Barbara Werchowicka of Krakowski Instytut Nieruchomości (Cracow Real Estate Institute). Here, a series of workshops were held, during which the implementation of individual stages of the development was discussed. Responsibilities and tasks were divided between the task force members and the consultants. The key meeting was a two-day workshop, where the results of the analysis were presented and used as the basis for defining the strategy.
- The housing strategy was developed by a team headed by Maris Mikelsons. During subsequent visits data was collected (both by the consultants and the members of the task force). After analyzing the data, strategic assumptions were developed that defined the barriers to the development of the housing market and the ways of reducing these barriers (at the time of writing of this summary, the assumptions were not yet determined).
- Assistance to AWIM was provided by the Cooperative Housing Foundation (CHF), which provided consulting to the AWIM on an as-needed basis.

IV. RESULTS OF THE TECHNICAL ASSISTANCE

The basic result of the assistance rendered to Ostrów is the development of a comprehensive model of municipal finance, where the financial tools, used separately elsewhere, are linked together and integrated. The city determined their investment priorities and the methods to implement them. The city was the first in Poland to issue a municipal bond. Having acquired more extensive knowledge through this bond offering, the decision to issue a second bond was then made.

An interesting result of the application of the enterprise financial model was to obtain credit for the purchase of buses by MZK. The other company, Wodkan, used the financial model to justify its application for an increase of water prices (intended, among other things, to generate investment funds for the company).

Another interesting result is the application of the enterprise financial model to the water price system. The Consumer and Competition Protection Office has moderated its standpoint and agreed to include the costs of investments in the water costs.

The land strategy, as well as the housing strategy, are important elements in preparation for the development of a town planning study. Detailed analyses which have been carried out have created a valuable data base. On the other hand, the strategic assumptions developed in these areas will make it possible for the city authorities to take suitable steps to create effective and responsive housing and land policies in the future.

V. TOOLS OBTAINED

The basic tools used in the advisory activities were the Gmina Financial Analysis Model (GFAM), the long-term investment plan (developed earlier) and the municipal enterprise



financial model (developed also during work in Ostrów). A significant feature of this work is the comprehensive nature of the assistance and the interrelationship of individual models into a municipal strategic management approach. Ostrow represents the best case of strategic management among our pilot gminas.

The result of the land management and housing analysis is the development of a sound methodology, the establishment of a set of necessary data, and the development of a detailed strategy for each. An important result is also the "strategic" workshop methodology developed for city officials.

As for the AWIM, the result is the establishment of a small housing cooperative, which is now buying land for future investments.

VI. KEY CONTACTS IN OSTROW WIELKOPOLSKI

Mirosław Kruszyński, Mayor of Ostrów Wielkopolski, tel. 0 62 / 7264310
Stanisław Krakowski, Municipal Office Secretary, tel. 0 62 / 7264310
Radosław Torzyński, City Architect,
Henryk Walczak, Head of the Development Department.

**SUMMARY OF ACTIVITIES CONDUCTED IN SANDOMIERZ, POLAND
UNDER THE PILOT LOCAL GOVERNMENT PARTNERSHIP PROGRAM**

I. NAME OF PARTNER GMINA

Urban Municipality of Sandomierz
Address: Urzad Miejski w Sandomierzu, ul. Mickiewicza 34, 27-600 Sandomierz
tel. 015 / 8322228; fax 0 15 / 8322236.

II. TYPE OF ASSISTANCE PROVIDED

The consulting assistance provided to Sandomierz included two broadly understood areas of economic development: enhancement of the real estate market through the development of a land management strategy and tourism.

A. Enhancement of the real estate market

The work in this area included a detailed analysis of the state of land and property ownership and possibilities for land use investment. As a result of these analyses, strategic land management assumptions were developed and guidelines for the Executive Board on how to deal with investors were prepared.

B. Tourism

In the area of tourism the consulting assistance consisted mainly in designing and facilitating the tourism task force. Their role was to develop specific, individual elements of the tourism program. As part of the consulting assistance the successive steps aimed at developing the program were presented. After completion of each step by the task force, the strategic approach to tourism was discussed in detail with the task force.

During the initial work, a short and long-term vision of tourism for Sandomierz was developed. (Note: at the time of this writing the work on the tourism program is still in progress, and could be concluded with the partner program). Work at this stage has focused particularly on short-term activities - with the preparation for the next tourist season in view.

The experience gained during the work in Sandomierz has become one of the inputs for a manual on the creation of programs and support for tourism development intended for municipalities and non-governmental organizations. It has been based on the American manual "Home Town Discovery".

The manual has been translated into Polish and adapted to the Polish environment and will be very useful for use with other partner cities interested in tourism development.

III. METHODS APPLIED

In the implementation of the consulting assistance the following consultants and methods were used:

- The land management strategy was developed by Polish consultant, Barbara Sakowska-Knapp. Initially, the work consisted of gathering source materials with the help of the employees of relevant departments, and then analyzing that information. After the analysis, the land management strategy was developed.
- Assistance in the area of tourism was provided by the Mikolajskie Stowarzyszenie Inicjatyw Lokalnych operating under the DemNet Program. The work consisted of organizing workshop meetings of the task force, comprised of key representatives of tourist organizations and private companies. The leading role was played by the Sandomierskie Stowarzyszenie Kulturalne "Lapidarium" (Sandomierz Cultural Association "Lapidarium"). At the meetings of the team individual steps were presented, then the task of the team was to develop these elements of the program.
- The manual was also developed by the Mikolajskie Stowarzyszenie Inicjatyw Lokalnych with the substantive assistance of U.S. consultant, Paul Hoover.

IV. RESULTS OF THE TECHNICAL ASSISTANCE



In land management the result is the development of practical guidelines on land management policies and procedures for the Executive Board of Sandomierz. Any practical results cannot be expected at this stage, because strategy assumptions are being analyzed by the Executive Board.

A crucial element is putting these issues and the information concerning the subject in order, which - when updated - will undoubtedly be very useful in the preparation of the town planning study. The methodology of designing a land management strategy can be used as an example for other Polish cities of this size and type.

In the area of tourism, the first result was the organization of the task force, comprising representatives of almost all the organizations that play a significant role in tourism. Also important was the fact that the initiative was created outside the city hall structures and was largely based on non-governmental organizations.

It is still too early to expect any results regarding the implementation of this program. The methodology of working with NGOs to develop a tourism strategy can also serve as a model for cities of similar size and character.

V. TOOLS OBTAINED

The technical assistance provided to Sandomierz used fairly well known tools to gather and analyze information.

The basic method used for land management, was a classic method of gathering information, analyzing the data, and then developing conclusions from the data. The development of a data base on land management will be a particularly useful tool for other gminas to use in their quest for assessing land and property values and uses in their communities. Developers of land and property in Poland will be interested in the design and use of such an evaluative instrument.

In the case of tourism, the workshop method was applied, with the use of flipcharts and a facilitator. Various tourism strategies were developed using this method. The development of a tourism handbook will be very useful to other gminas in Poland interested in developing their tourism potential.

VI. KEY CONTACTS IN SANDOMIERZ

Waclaw Warzecha, Mayor of the City of Sandomierz, tel. 0 15 / 8322228;
Iza Przybys-Perla, Head of the Department of Promotion and Development

**SUMMARY OF ACTIVITIES CONDUCTED IN SZCZECIN, POLAND
UNDER THE PILOT LOCAL GOVERNMENT PARTNERSHIP PROGRAM**

I. NAME OF THE PARTNER GMINA

This report presents the technical assistance delivered to Szczecin under the Pilot Local Government Partnership Program (LGPP).

II. TYPE OF ASSISTANCE PROVIDED

The technical assistance was focused on two problem areas:

- **Housing.** In this technical area, the following work was undertaken:
 - Formulation of a housing strategy development
 - designing and implementing instruments for developing and managing housing resources (including the so called revitalization of selected residential quarters in the city center).
- **City finance and management.** In this technical area work included the following areas:
 - Preparation of procedures for a long-term capital investment plan
 - Analysis and assessment of the long-term financial capacity of the city budget

In these substantive areas, some specific technical assistance tasks have been implemented. They were defined in the action plan developed in the spring of this year for Szczecin. The tasks included:

- **Housing**
 - Technical assistance in the formulation of housing policy and strategy development
 - Technical assistance in establishing a TBS (Social Housing Association) and developing necessary operating documents (a business plan)
 - Technical assistance in developing tools that make municipal building management more effective
 - Technical assistance in the implementation the program of revitalization of selected quarters in the city center
 - Evaluation of housing demand, defining indicators useful in on-going assessment of the situation in the housing sector
- **City finance and management**
 - Assistance in development of long-term investment planning (Capital Investment Plan)
 - Assistance in the assessment of long-term financial capacity of the city (Gmina Financial Analysis Model)

III. METHODS APPLIED

Technical assistance was delivered using various methods. Most frequently the tasks were assigned to teams comprising Polish and foreign specialists, which on the one hand allowed for sharing experience between them, and on the other foreign experts were provided access to information on the local environment and its special features. In the case of Szczecin the teams attempted to get representatives of the city to actively participate in the process. This created an opportunity to transfer the know-how to them, which would then make it possible for them to use it for the city's needs after completion of the Pilot LGPP technical assistance. It seems that this goal has been largely achieved.

Among the methods applied in delivering the technical assistance the most important included:

- Joint work of specialists and city representatives (formulation of problems and discussing solutions) - all the working documents were presented to the cooperating city representatives - comments submitted about them were then discussed in order to supplement or introduce changes in the documentation (this form of cooperation was used especially in the development of procedures for long-term investment planning, TBS document development (business plans), the

formulation of housing policy and the program of revitalization of city quarters.

- Practical use of the tools by city representatives (under expert supervision) - this guaranteed that city representatives become thoroughly acquainted with the tools aiding decision-making (it was found particularly useful in building a model and assessing the financial capacity of the city) - in this case the cooperation of experts with city representatives took the form of workshops on specific problems; due to the fact that the budget analysis model had the form of a computer program, joint (workshop) modeling of assumptions and interpretation of results made it possible to understand the function and role of this tool in municipal management.
- During the provision of technical assistance, some conferences and problem-focused seminars were organized - this provided an opportunity for broader presentation and discussion of achieved results. What is worth emphasizing are the positive results of the conference on the revitalization of the city center quarters and the problem-focused seminar, where the results of the housing demand analysis as well as possible indicators for monitoring the situation on the housing market in the city were presented.
- Delegated city representatives took part in working visits abroad (e.g. the representatives of the revitalization team) and in training courses organized in Poland - for instance the series of training sessions for property managers (included in the task concerning development of tools for increasing effectiveness of managing municipal housing resources). The foreign visits and the participation in the training were evaluated favorably by the Polish participants.

IV. RESULTS OF THE TECHNICAL ASSISTANCE

It should be stressed that in the case of Szczecin the technical assistance brought about measurable results; the most important are:

- The formulation of the housing policy and strategy that sets guidelines for the development of the housing sector of the city, and the analysis of housing demand (the housing demand together with indicators for monitoring the housing sector will make it possible to modify the strategy in the future).
- Launching the TBS, including the development of a business plan - the process applied can be used by other TBSs already established or currently involved in the development stage in other cities. The tools for assessment and increasing the effectiveness of the management of municipal housing resources are also useful.
- Developing the concept of revitalization of city center quarters with the involvement of the existing TBS in the process - suggesting solutions that can be useful to other cities where the problem of changing the function (the intended purpose) of city center facilities.
- In the area of city finance and management the best results are the assessment of long-term financial capacity of the city (the analysis is helpful in providing an answer to the question of what is the acceptable level of external debt incurred by the city) and investment planning procedures. In the case of the two above-mentioned results, the fact of the transfer of the know-how to use these tools is important. It is up to the city specialists to determine their use in the future.

V. TOOLS OBTAINED

The following tools were used and/or developed in Szczecin

- The housing development policy and strategy can serve as a model (both the process and the contents) to build programs of development in cities similar to Szczecin demographic characteristics; the same refers to the program of revitalization of city center quarters with the TBS involvement (the preparatory process and its contents).



The process of building housing policy and strategy, the model and the contents of revitalization program

- At the stage of TBS establishment a business plan was developed for this organization - the specific form of this document (the arrangement and the contents of individual elements) can serve as a model of a relatively universal tool for TBSs operating in other cities.

Business Plan Model (form and contents)

- The works in Szczecin lead to the development of a set of investment planning procedures (Capital Investment Plan), it must be noted that these procedures were also worked out as the result of the technical assistance delivered to other cities. The procedures and their discussion were called in the form of a manual and can serve as excellent training material.

Planning process, sample procedures, training material

- The analysis of the city budget was conducted with the use of the *Gmina Financial Analysis Model*, which during the work in Szczecin was modified to existing conditions. The tool was (and still can be) used to analyze budgets of other cities. It is a universal tool that assesses the financial standing of the budget, conditions of external indebtedness (observed during the analysis as well as the planned one)

Models for the analysis of city finance (budget)

The above tools developed and used in practice in Szczecin can be found useful in the work carried out as the technical assistance delivered to other local governments. It is likely that they will not require any further adjustments, even considering a possibly different character to be found in other Polish cities.

VI. KEY CONTACTS IN SZCZECIN

List of contact persons (The City Office of Szczecin):

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(City Executive Board Member)
Urząd Miejski
Pl. Armii Krajowej 1, 70-456 Szczecin
tel. (091) 22 39 27, fax: (091) 23 08 06
e-mail: jszewcz@aixik.um.szczecin.pl

Zbigniew Becker
Zespół d/s Renowacji Historycznej Zbudowy
Miasta
(City Historical Renovation Team)
Urząd Miejski
Pl. Armii Krajowej 1, 70-456 Szczecin
tel. (091) 22 39 27, fax: (091) 23 08 06

In charge of the comprehensive supervision and coordination of activities and technical assistance

In charge of the implementation and coordination of works related to the program of Szczecin city center revitalization

**SUMMARY OF ACTIVITIES CONDUCTED IN ZIEBICE, POLAND
UNDER THE PILOT LOCAL GOVERNMENT PARTNERSHIP PROGRAM**

I. NAME OF PARTNER GMINA

The Town and Municipality of Ziebice
Urząd Miasta i Gminy, 57-200 Ziebice ul. Przemysłowa 10
tel. (074) 191-951 to 954; fax (074) 191-212

II. TYPE OF ASSISTANCE PROVIDED

Ziebice was the last partner city to sign a Partnership Agreement with the United States Agency for International Development (USAID). Consequently, the breadth of consulting activities under the Pilot Local Government Partnership Program (LGPP) was somewhat limited.

The areas in which assistance was provided and which were included in the Partnership Agreement between USAID and Ziebice were: housing, financial analysis of the town budget, and improved service delivery (with a special emphasis on water and waste management). Additionally, prior to the formal start of the Pilot LGPP, the Agency in Support of Housing Initiatives (AWIM) was established in Ziebice. The activities in the above-mentioned areas proceeded as follows:

- Like many other cities participating in the Pilot LGPP, the Gmina Financial Analysis Model (GFAM) was an important component of the assistance provided to Ziebice. The GFAM was applied and the analysis prepared and presented to the Mayor and selected local partners in May. After discussion and taking the comments into consideration, the final version of the analysis was presented at the Town Council meeting in June. In September, a number of finance specialists in the Town Office received in-depth training on the how to apply the GFAM and evaluate the results.
- Activities in the area of housing began with an analysis of the existing housing environment in Ziebice. After analyzing the available data, Mr. Jan Czarniecki and Mr. Marek Majrzak of PADCO prepared a detailed report on the housing environment in Ziebice and areas of potential assistance. Further activities were aimed at developing the framework for a comprehensive housing strategy for the city and rural town of Ziebice. Also, on the basis of the experience of Bielsko-Biala, the consultants prepared a program for revitalizing the Ziebice Old Town Square. Both documents have been completed and presented to the Mayor and Town Council.
- Activities related to the protection of the environment provided a certain continuity to earlier work carried out in Ziebice under the Program Lokalnego Zarządzania Ochrona Środowiska (*Local Environmental Management Project*). The activities under the Pilot LGPP were carried out by the Polish consulting firm, LEM. Those activities consisted of assessing the investment needs of the municipality and by all the entities active in the area of environment protection. Additionally LEM experts reviewed subsequent stages of the technical project of the landfill². The purpose of these activities was to develop an environmental master plan, with a special focus on water and waste management. The guidelines on the principles of master plan development are also intended to be used for this purpose.

III. METHODS APPLIED

The methods applied in the process of providing technical assistance to Ziebice included:

- The work of Polish and American consultants, carried out both individually and in mixed teams.
- On-going cooperation among the consultants, representatives of the Town Council and other key persons.

² The development of this project was financed by the Cooperation Fund, also out of the USAID resources.

- Workshops organized for local partners to work out solutions in specific areas of activities. One such workshop was conducted in Polanica Zdrój on 2-3 August. The primary purpose of the workshop was to present goals and effects of the Pilot LGPP in Ziebice to a larger group of partners. Town Council members, representatives of the Ziebice Town Office and other important local institutions, as well as the consultants involved in Ziebice participated in the workshop.

IV. RESULTS OF TECHNICAL ASSISTANCE

Activities in Ziebice have resulted in a number of significant achievements:

- The town budget analysis that was developed showed promising prospects for obtaining outside financing. The results of the analysis presented to the Town Council helped to alter the attitude of many members with regard to financing municipal investments with debt.
- Well-advanced activities related to the development of the Ziebice housing strategy.
- Well-advanced activities related to initiating and developing a plan to revitalize the Ziebice Old Town.
- A number of local partners obtained in-depth knowledge related to developing methodologies in the three technical areas in which consulting assistance was provided. Additionally the persons involved in the development and execution of the town budget obtained training in the use of the Gmina Financial Analysis Model (GFAM).

V. TOOLS OBTAINED

Owing to the activities in Ziebice it was possible to work out several tools, that can be effectively applied by other cities. They include:

- A concrete methodology for developing a housing strategy a gmina and outlying towns and developing a process and program to revitalize the Old Town.
- Improving the applicability and accuracy of the Gmina Financial Analysis Model as it pertains to smaller and more rural municipalities.
- The development of a set of guidelines concerning the methodology of an environmental master plan development.
- The development of a set of guidelines for assessing the role of a gmina to enhance the delivery of environmental services on a regional basis.

VI. KEY CONTACTS IN ZIEBICE

Ryszard Nowak, Mayor of the Town, 57-200 Ziebice ul. Przemyslowa 10, tel. (074) 191-951 to 954; fax: (074) 191-212

Artur Pelc, Director of the Municipal Service Enterprise, ul. Stawowa 2a, 57-200 Ziebice, tel. (074) 191-580.