

**PILOT LOCAL GOVERNMENT
PARTNERSHIP PROGRAM**

**ASSISTANCE PROVIDED TO THE
NOWY SĄCZ PUBLIC SERVICE CITY
ZONE
TO HELP SECURE FUNDING FOR
THE BUSINESS SUPPORT CENTER**

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Consultations with the USAID/Warsaw office and the Urban Institute Consortium (UIC) carried out during the first half of August 1997 demonstrated that the Pilot LGPP could significantly help the Nowy Sacz Public Service City Zone (PSCZ) economic development strategy by facilitating the formation of a business support center in Nowy Sacz. This development was possible as a result of an earlier offer from the Polish Ministry of Labor (MOL) to locate World Bank sponsored business support centers in Pilot LGPP cities. A series of teleconferences and meetings arranged between August 5 and 21 made it possible to select the Nowy Sacz PSCZ as the candidate most suitable for such funding. The authorities of the PSCZ accepted the offer to apply for the funds and a meeting held on August 25 in the USAID/Warsaw office made it possible to work out the steps required to submit the full application to the MOL before September 12, 1997. This date was established in order to make it possible to implement the Business Support Center before the end of the 1997 (the deadline for using World Bank funds).

The tasks given to me in order to assist the PSCZ in successfully applying for the World Bank TOR 10 grant were as follows:

- 1.1 Compile all information from the Ministry of Labor, including application forms and the Terms of Reference for the formation and funding of a Business Support Center.
- 1.2 Provide assistance to the PSCZ on development of the strategy required to negotiate with the MOL
- 1.3 Assist PSCZ officials work directly with the 14 gminas within the Zone to understand and support the formation of the Center
- 1.4 Assist PSCZ officials with the written application process
- 1.5 Assist PSCZ officials prepare the formal Business Plan for the Center
- 1.6 Assist PSCZ officials organize and respond to all necessary inquiries from the MOL regarding funding the Center
- 1.7 Participate in all meetings with the MOL as required to help PSCZ secure funding

The information from the MOL on forming and funding the business support centers within the framework of the World Bank TOR 10 program and the relevant procedures and success stories (Task 1.1) were collected and provided to the PSCZ officials during our August 25 meeting and during my subsequent visit to Nowy Sacz. The talks carried out during the visit and especially during the September Pilot LGPP Workshop (Sept. 4-6, 1997, Krynica) made it possible to provide PSCZ officials with the information and an appropriate strategy to negotiate with the MOL (Task 1.2) and help them work directly with gminas to understand and support the formation of the Center (Task 1.3).



The September Pilot LGPP workshop made it possible for the PSCZ General Assembly to make final decisions concerning the structure and role of the Business Support Center and to create an Association for Economic Development which it to act as the operator of the Center.

During the week of September 8 I worked on compiling the full set of documents (including a business plan) (Tasks 1.4 and 1.5) and completing the application. On September 12 the full application was submitted (prior to the deadline) to the MOL.

The MOL and the World Bank Tor 10 staff reviewed the application and the MOL approved the grant for the Business Support Center on September 19, 1997.

On September 24 I made a presentation to PSCZ officials and USAID/Warsaw on the outcome of negotiations with MOL and presented the MOL's pro forma acceptance of the PSCZ application.

As agreed to by all of the parties involved, I began assisting the PSCZ with implementing the Business Incubator in October, thus completing my role in preparing the PSCZ economic development strategy.

It should be noted that this operation should be viewed as a real success. The combined efforts of the team comprising representatives of the PSCZ, UIC, Cracow Academy of Economics and my team and continuous support of USAID/Warsaw as well as MOL made it possible to complete the application in one week. Historically, such a process would have taken at least half a year.

As instructed, my team assisted PSCZ officials in responding to all necessary inquiries from MOL throughout the process (Task 1.6). This is also true for all of the meetings with the MOL to secure funding (Task 1.7).

The accompanying annex include the MOL application, business plan and other related materials associated with the work described above. All of these materials were prepared in Polish.

ANNEX A

**MATERIALS ASSOCIATED WITH WORK BY
MR. ADAM GAKCZYNSKI FOR THE NOWY SACZ
PUBLIC SERVICE CITY ZONE**