

Presentation of
the Polish Municipal Development Agency
to the USAID office in Warsaw.

January 11, 1999



MDA

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1. *Strategic Plan*
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Strategic Plan for the Municipal Development Authority Including the 1999 Work Plan

By way of background

The Municipal Development Agency (MDA) is a foundation of the State Treasury that was established by the Minister of Finance on December 23, 1994. It is an independent institution that is controlled by a three member Board and a ten member Foundation Council. Five Council members are elected from among candidates appointed by central government representatives and the remaining members are appointed from candidates of the five largest local government associations. Mr. Olgierd R. Dziekonski is Chairman of MDA. The headquarters are at Nowy Swiat 42 in Warsaw.

The MDA supports modern management methods and municipal development through a range of services including extensive development and dissemination of modern management tools. MDA also seeks to leverage the benefits of its programs through active cooperation and partnership with other institutions.

Although MDA has broad authority under its charter, its primary focus is to facilitate the ability of local governments to address pressing infrastructure needs. For example, MDA has sought to expand the capital market for municipal infrastructure projects, to increase the effectiveness of public expenditures on municipal infrastructure, and to enhance professional skills in the management of local self-government and infrastructure projects.

MDA's highest priority is to achieve organizational and financial stability

MDA has set a target for 1999 to obtain less than one-third of its revenue from USAID grants. MDA's further target is to be financially self-sustainable from USAID grants by the time of the closing of the USAID office in Poland. MDA's goal for 1999 is to receive approximately one-third of its revenue from the municipal market, one-third from contract revenue, and one-third from grants.

In order to further its goal of organizational and financial stability, MDA conducted a strategic planning retreat on November 4-6, 1998 in Warsaw. This retreat was attended by MDA's staff and outside consultants, and had the involvement of a cross section of the MDA Board and Council. The retreat was financed by USAID and was facilitated by James Carney, Clay Wirt and Wojciech Szumowski, consultants for the International City/County Management Association headquartered in Washington, D.C.

The following document is a direct outgrowth of the November 4 through 6 retreat. The provisions of the Strategic Plan have been approved by the MDA board.

Mr. Thomaz Domanski, MDA consultant, and nominee for the new General Director position, has prepared a multi-year development strategy for MDA. This document prepared at the request of MDA, amplifies on MDA's Strategic Plan/1999 Action Plan, and carries forward over a longer time period the action steps that will be needed for MDA to achieve organizational and financial security. Mr. Domanski's document is presented in a different format to enable the reader greater insights into MDA's strategic thinking.

Municipal Development Authority 1999 Work Plan

MDA Mission

To be an acknowledged and credible center for modern management methods and municipal development that improves the functioning of local governments nationally and beyond, through high quality advisory consulting services and training

Goal 1 To be recognized as a credible center for modern management methods

Priorities for 1999 To establish the optimal organizational structure to enable MDA to best accomplish its mission
To fully implement and maintain, within MDA, modern management methods

Ongoing multi year strategies	1999 year action steps	Lead person(s)	Start Date	End Date	Output
To serve as an advocate for using modern management methods in the operations of local governments	1 Create General Director position	Olgerd Dziekonski MDA Board	01/99	02/99	General Director post created
	2 Create Internal Editor position (part time)	General Director	03/99	12/99	Position created
	3 Update administrative policies employee job descriptions and consultant contracts	General Director Alina Szklaruk Ewa Komor Mazur	01/99	02/99	Update and documentation completed
To serve as an organizational example for modern management methods	4 Update rules of project management	General Director	01/99	02/99	Project management rules updated
	5 Continue work with an external auditor on a periodic basis to review and refine MDA s accounting system	General Director Ewa Komor Mazur	01/99	12/99	Accounting system refined
To maintain a core staff of well trained professionals	6 Publish steps MDA has taken to implement modern management methods	Alina Szklaruk	03/99	09/99	Publication issued
	7 Provide each MDA staff at least one significant opportunity for skills training in the primary subject matter of their work requirements	General Director	01/99	12/99	Training session provided
	8 Provide at least two training sessions to all staff and MDA consultants on topics directly related to improving MDA s skills in doing market research and in marketing its service	General Director	01/99	12/99	Training sessions provided

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9	Develop a pilot MDA program (a body shop) where leading professionals engaged in local government issues can use MDA as a home base for consulting services Develop written rules that govern such a program	General Director Project Managers	01/99	06/99	Program prepared
10	Explore affiliation with comparable institutions in other countries who are on the leading edge of modern management methods and/or municipal development	Olgierd Dziekonski General Director	01/99	12/99	Groundwork laid for MDA partnership with two such institutions

Goal 2 To continue MDA's emphasis on meeting local government infrastructure needs through development of high quality tools, products and services

Priorities for 1999 To make continued and substantial improvements in MDA's tools and techniques, and to integrate them into a comprehensive package for local government use

Ongoing strategies	1999 year action steps	Lead person(s)	Start Date	End Date	Output
<p>To be the premier institution in Poland to enhance municipal development</p> <p>To develop and continually improve modern management tools that enable local governments to address more effectively infrastructure needs</p> <p>To provide quality versus quantity in MDA activities</p>	1 Implement the task based budget (TBB) methodology	Marzena Piszczek	01/99	12/99	At least 7 gminas supported 4 TBB s introduced
	▪ Improve tools and procedures	Izabela Stobnicka	01/99	01/99	Improvement of tools and methodology
	▪ Prepare training materials and materials for presentations	Anna Kowalczyk Jan Filas	01/99	02/99	Materials prepared
	▪ Prepare a Case study on TBB implementation in small & medium size municipalities		09/99	12/99	Case study prepared
	▪ Improve budget planning methodology for small & medium size municipalities		01/99	12/99	New methodology prepared for specific budgetary areas Research done Necessary changes introduced into TBB
	▪ Refine the TBB software		01/99	7/99	First verification of the software completed
	▪ Orient municipalities		01/99	12/99	60 municipalities oriented

<ul style="list-style-type: none"> ▪ Conduct research on the new public finance system to determine its impact on TBB 		01/99	12/99	Report done Proposals to make the new public sector more efficient presented
2 Develop strategic plans in 3 cities	Tomasz Domanski Hanna Hawlik	03/99	06/00	Strategic plans for 3 cities prepared
3 Introduce capital investment programs in 3 cities	Urszula Klewinska Benedykt Opalka	03/99	03/99	Capital investment programs introduced in 3 cities
4 Conduct financial analysis in 2 cities in order to prepare them to issue municipal bonds	Grzegorz Galabuda	02/99	12/99	GFAM prepared for 2 cities
5 Municipal services program	Grzegorz Dziarski	01/99	12/99	Publication on new approach to municipal investment and services financing prepared
<ul style="list-style-type: none"> ▪ Prepare standard procedures for municipalities to ensure necessary level of municipal investment on infrastructure and municipal services delivery for water supply and sewage central heating solid waste public transport 	Grzegorz Galabuda Krzysztof Choromanski			
<ul style="list-style-type: none"> ▪ Prepare handbook on the transition of the ownership of municipal enterprises in light of foreign investors attracting to the sector 	Dawid Zdebiak	01/99	12/99	Handbook prepared
<ul style="list-style-type: none"> ▪ Prepare case study based on experience from Phare contract 		04/99	12/99	Case study prepared for 2 municipalities
<ul style="list-style-type: none"> ▪ Develop Training module entitled New principles of municipal investment financing – methods of attracting private investors to the sector of municipal services 		01/99	09/99	Training module prepared
6 Municipal Enterprises Investment Fund	Benedykt Opalka	01/99	12/99	
<ul style="list-style-type: none"> ▪ Develop business study for establishing an Investment Fund 		01/99	05/99	Report on study prepared

	<ul style="list-style-type: none"> Conduct round table workshop 		03/99	03/99	Round table workshop held
	<ul style="list-style-type: none"> Prepare report on Municipal Enterprises Investment Fund (MEIF) including action steps 		04/99	07/99	Report prepared
	<ul style="list-style-type: none"> Develop training module on MEIF 		05/99	06/99	Training module prepared
	<ul style="list-style-type: none"> Provide training on MEIF 		06/99	12/99	Training executed
7	Canadian Municipal Partnership Program for Poland	Michal Bitner	01/99	12/99	
	<ul style="list-style-type: none"> Research on asset management for local government 	+ one person employed on full time	01/99	07/99	Report in manual format
	<ul style="list-style-type: none"> Train/coach and facilitate medium sized Polish municipalities to provide asset management 				Approximately 20 municipalities assisted with training and coaching in asset management
	<ul style="list-style-type: none"> Facilitate the public procurement process for long term municipal bonds within asset management 		04/99	12/99	5 municipal administrators trained in each municipality in the public procurement process (continuously)
	<ul style="list-style-type: none"> Enhance development of the long term municipal financial market in Poland 		07/99	09/99	Project staff trained in financial and procurement advisory/support services to municipalities

Goal 3 To provide high quality advisory consulting services, training, and information to improve the functioning of Polish local governments

Priorities for 1999 To efficiently disseminate a comprehensive package of high quality information and services
To ensure transparency in the provision of MDA's technical assistance and system of training and information

Ongoing strategies	1999 year action steps	Lead person(s)	Start Date	End Date	Output
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To constantly seek more effective ways to provide services training and information	1 Training conferences fairs other events	Konrad Komornicki with cooperation of Project Managers			
To review best practices from Poland and other countries to gather ideas and improve MDA consulting services and training	<ul style="list-style-type: none"> ▪ Train gminas on Task Based Budgeting (2 sessions of this training) 		01/99	02/99	25 gminas will be trained
To maintain a cadre of good trainers and consultants including providing the opportunity for a wide range of qualified professionals engaged in local government to participate in MDA activities	<ul style="list-style-type: none"> ▪ Train gminas on Cash and assets management (10 sessions of this training) 		01/99	12/99	100 gminas will be trained
To have high quality systems of logistics for consulting services and training	<ul style="list-style-type: none"> ▪ Conduct seminars for new members of local governments on Rules of functioning of local governments after putting the administrative reform into effect 		01/99	12/99	As many gminas and powiats will be trained as possible
To be responsive to social and economic changes in the country	<ul style="list-style-type: none"> ▪ Participate in EURO CITY 99 fair in Warsaw organize seminar and contest for gminas and powiats 		01/99	02/99	MDA seminars provided
	<ul style="list-style-type: none"> ▪ Conduct seminars on New principles of municipal investment financing – methods of attracting private investors to the sector of municipal services 		03/99	12/99	4 5 seminars are provided for local governments municipal services public government institutions private investors financing institutions
	<ul style="list-style-type: none"> ▪ Organize out of country study trip for gminas winning the contests organized during InvestCity 98 and EuroCity 99 fairs 		04/99	11/99	Study trips completed
	<ul style="list-style-type: none"> ▪ Conduct workshop for gminas and powiats on CIP 		05/99	09/99	Workshops conducted
	<ul style="list-style-type: none"> ▪ Hold workshop for gminas and powiats on GFAM 		04/99	12/99	Workshops conducted
	<ul style="list-style-type: none"> ▪ Participate in INVESTCITY 99 Fairs in Poznan organize seminars and hold contest for gminas 		07/99	12/99	Seminars/contests held
	<ul style="list-style-type: none"> ▪ Conduct three regional information seminars for non LGPP gminas on LGPP achievements (Warsaw Poznan Krakow) 		07/99	11/99	Seminars held

<ul style="list-style-type: none"> ▪ Hold seminars on adoption of civil defense requirements within municipal development planning and operation 		03/99	12/99	50 municipalities represented
2 Technical assistance and support for municipalities and municipal enterprises	Project Managers			
<ul style="list-style-type: none"> ▪ Carry out a program for 10 municipal enterprises in the Lublin region on restructuring and privatization <ul style="list-style-type: none"> Assess and analyze enterprises Facilitate restructuring privatization program with external investors involvement 	Grzegorz Dziarski	01/99	11/99	
	Grzegorz Galabuda	01/99	11/99	Reports prepared
	Krzysztof Choromanski	02/99	11/99	Municipal councils decision for privatization passed Final report prepared
	Dawid Zdebiak			
3 Spatial development study for 3 municipalities	Urszula Klewinska	01/99	12/99	Studies prepared
<ul style="list-style-type: none"> ▪ Study for Goldap 	Olgiert Dziekonski	01/99	09/99	Study approved by municipal councils
	Krzysztof Choromanski	01/99	10/99	
<ul style="list-style-type: none"> ▪ Study for Biala Podlaska 	External experts			
<ul style="list-style-type: none"> ▪ Study for Suwalki 		01/99	10/99	
<ul style="list-style-type: none"> ▪ Study for Terespol (town) 		03/99	12/99	
4 Services for central government institutions	Krzysztof Choromanski			
<ul style="list-style-type: none"> ▪ Prepare impact study regarding EU regulations concerning self government operations 	Robert Adamski	03/99	09/00	Report prepared with training module for municipalities
	Konrad Komornicki			
	External experts			
5 Services for banking sector	Grzegorz Galabuda			
<ul style="list-style-type: none"> ▪ EBRD – Prepare framework contract for the assessment of the financial viability of municipal investment 	External experts	01/99	12/99	3 cities assessed Reports for EBRD prepared
6 Municipal Development Data Base System (MDDBS)	Hanna Hawlik			
<ul style="list-style-type: none"> ▪ Maintain and implement MDDS in 10 gminas 	Robert Wojda + external experts	03/99	09/99	System operational and serving as the source of data and analyses for other projects

7	Update and maintain web site	Katarzyna Żelichowska	01/99	12/99	Improved access to the information by interested parties
			03/99	09/99	Improved access of interested parties to information
	Place database on consulting companies on internet		03/99	09/99	
	Place database on the sources of financing municipal investments on the Internet				
8	Library operation	Katarzyna Żelichowska			
	Acquire publications and best practices		1/99	12/99	Growth of the MDA library
	Maintain library including readers services		1/99	12/99	Improved internal resource
	Add content of library to MDA web site		4/99	6/99	Improved awareness of information
9	Publications	Editor person			
	Submit summaries of MDA achievements and highlights of municipal development and management issues to municipal newspapers	Katarzyna Żelichowska plus writers	01/99	12/99	Continuation of series publication started with articles on strategic management in "Wspolnota" weekly
	MDA information bulletin preparation		01/99	12/99	Updated bulletin twice a year
	Municipal books summaries publication		01/99	12/99	Promotion via Internet and municipal newspapers

Goal 4 To leverage the benefits of MDA programs through active cooperation and partnership with governmental, private sector and non profit institutions that affect municipal development

Priorities for 1999 To closely cooperate with the USAID I GPP program, and with the associations of local self government

Ongoing strategies	1999 year action steps	Lead person(s)	Start Date	End Date	Output
To seek involvement/ownership of local government associations in all major programs of MDA	1	Katarzyna Grzymała + 2 temporary hired individuals			
	Staff the meetings of the Recommending Committee and Advisory Team and provide the RC and AT periodic reports		01 99	12/99	Meetings with RC and AT organized and reports provided
To maintain strong interactive communication with key members of Government and parliament					

To continue active participation in leading public forums and provide leadership roles to promote modern management methods and good practices in municipal development

	Maintain a library of LGPP materials in preparation for MDA s serving as a future repository of such information Also review LGPP data base materials for portential use on the MDA Web site		01/99	12/99	Materials collected and made available to interested parties strengthening of MDA through use of LGPP materials
	<ul style="list-style-type: none"> ▪ Cooperate with implementing institutions ▪ Coordinate training and seminars for non LGPP gminas 		01/99	12/99	Enhanced services
			01/99	10/99	Coordination of training and seminars for non LGPP gminas provided
	<ul style="list-style-type: none"> ▪ Coordinate MDA s technical assistance to non LGPP gminas 		01/99	12/99	Technical assistance provided
	<ul style="list-style-type: none"> ▪ Prepare questionnaire for LGPP municipalities on projects implemented with the Program 		02/99	02/99	Questionnaire to LGPP
	<ul style="list-style-type: none"> ▪ Prepare and coordinate signings of cooperation agreements between MDA and non LGPP municipalities 		01/99	12/99	Gminas visited amd cpmtacts started
	<ul style="list-style-type: none"> ▪ Analyze consulting needs of gminas and prepare a data base of consulting needs for projects 		04/99	07/99	Data base on consulting needs and projects developed
	<ul style="list-style-type: none"> ▪ Co organize conference for consulting companies on gminas consulting capacity 		09/99	09/99	Conference organized
	<ul style="list-style-type: none"> ▪ Visit programs in LGPP municipalities where opportunity allows 		01/99	12/99	Information exchange marketing
2	Actively participate in the annual assemblies of municipal organizations, including organizing workshops for participants	Olgierd Dziekonski General Director and select staff	01/99	12/99	Enhanced ties with municipal officials and local government associations
	<ul style="list-style-type: none"> ▪ Actively partner with the associations when opportunities allow 	Olgierd Dziekonski and all staff	01/99	12/99	Better service to local governments
3	Coordinate and partner with other institutions where it will further MDA s mission	Olgierd Dziekonski and all staff	01/99	12/99	A strengthened MDA
4	Continue to inform key members of Government/parliament on the needs and interests of local governments in municipal development issues	Olgierd Dziekonski General Director	01/99	12/99	Stronger local government input into key laws and regulations

Goal 5 To develop long-term financial stability

Priority for 1999 To receive approximately one-third of MDA's revenue from the municipal market, one-third from contract revenue and one third from grants

Ongoing strategies	1999 year action steps	Lead person(s)	Start Date	End Date	Output
To develop two primary sources of long term funding that are supplemented by several smaller sources	1 Supplement the role of the MDA President by giving a MDA Board member and/or staff member added responsibilities for marketing	Olgierd Dziekonski MDA Board	01/99	01/99	More flexible day by day management
	2 Submit a final grant application to the USAID for the March 1999 through June 2000 time period	Olgierd Dziekonski Robert Adamski Thomasz Domanski Eva Komormazur	01/99	01/99	Grant application delivered to USAID office
To increase fee based services including developing a loyal base of MDA customers that will pay for these services					
To develop and maintain a strong marketing and public relations program	3 Develop a white paper/and or business plan for opening a commercial company to compliment MDA's mission and enhance MDA revenues Explore joint ownership of such company with the municipal associations	General Director Olgierd Dziekonski MDA Board	02/99	03/99	White paper/or business plan prepared
To maximize copyright protection for methodologies and materials developed					
To develop a program of international assistance to neighboring transitioning countries as a way of obtaining resources to enhance products and services provided in Poland	4 Develop a white paper that outlines a program of enhanced services that could be used as the base for developing a membership organization	General Director Olgierd Dziekonski MDA Board	01/99	03/99	White paper developed
	5 Develop a policy statement for charging for MDA products and materials or MDA consultant products and materials that are copy righted	General Director Olgierd Dziekonski MDA Board	01/99	06/99	Policy for charging for MDA elaborated and introduced

6	Present a proposal to for the Government to contract with MDA to provide training and technical assistance to the new Powiats	General Director Olgierd Dziekonski	01/99	02/99	Proposal prepared
7	Present at least one proposal to an international grantor agency for MDA to provide technical assistance in a country transitioning to a democratic system of government	General Director Olgierd Dziekonski	01/99	03/99	Proposal prepared and submitted
8	Present a proposal to the Polish Government and/or an international agency for MDA to have a significant contracting role in assisting Polish local governments to come into compliance with the standards of the European Union	General Director Olgierd Dziekonski	01/99	03/99	Proposal prepared and submitted

2. *Towards sustainability -financially*

Preliminary MDA budget for 1999

	Municipal market		Public Institutions		Grant USAID		Other Grants		Total MDA
	from98	new in 99	from98	new in 99	from98	new in 99	from98	new in 99	
Canadian Municipal Partnership Program	0	0	0	0	0	0	0	70	70
MDA staff									
External experts									
Training & dissemination	0	150	0	50	10	160	0	130	500
Training and seminars	0	150	0	50	10	100	0	80	390
MDA staff									
External experts									
Publications	0	10	0	0		60	0	25	95
MDA staff									
External experts									
Administration	100	80	0	20	0	80	0	631	911
Ministry of Finance	0	0	0	0	0	0	0	522	522
USAID	30	0	0	0	0	80	0	0	110
Municipal bonds	0	0	0	0	0	0	0	0	0
Spatial development study	30	30	0	0	0	0	0	0	60
Strategic planning	0	0	0	0	0	0	0	0	0
Task budget	0	10	0	0	0	0	0	0	10
GFAM	0	5	0	0	0	0	0	10	15
Municipal services program	0	10	0	0	0	0	0	0	10
Municipal enterprises privatisation	40	0	0	0	0	0	0	0	40
Municipal Data Bases System	0	0	0	0	0	0	0	0	0
CIP	0	0	0	0	0	0	0	0	0
LGPP	0	0	0	0	0	0	0	0	0
Canadian Municipal Partnership Program	0	0	0	0	0	0	0	84	84
Training and seminars	0	20	0	20	0	0	0	10	50
Publications	0	5	0	0	0	0	0	5	10
Budget total	350	645	300	345	120	960	0	430	4061

Preliminare MDA budget for 1999

	Municipal market		Public Institutions		Grant USAID		Other Grants		Total MDA
	from98	new in 99	from98	new in 99	from98	new in 99	from98	new in 99	
Technical assistance	350	495	300	295	110	800	0	300	2650
Municipal bonds	0	10	0	0	10	80	0	0	100
MDA staff									
External experts									
Spatial development study	350	300	0	0	0	0	0	0	650
MDA staff									
External experts									
Strategic planning	0	0	0	0	10	90	0	0	100
MDA staff									
External experts									
Task budget	0	30	0	0	50	300	0	0	380
MDA staff									
External experts									
GFAM	0	30	0	240	5	20	0	50	345
MDA staff									
External experts									
Municipal services program	0	0	0	50	5	90	0	50	195
MDA staff									
External experts									
Municipal enterprises privatisation	0	30	400	0	0	0	0	50	480
MDA staff									
External experts									
Municipal Data Bases System	0	15	0	5	10	70	0	0	100
MDA staff									
External experts									
CIP	0	30	0	0	10	50	0	0	90
MDA staff									
External experts									
LGPP	0	0	0	0	10	100	0	0	110
MDA staff									
External experts									

	Source of Funds	Focus for Use of funds	Amount	Current Status	Time Period of Funds	Remarks
Grants						
	Canadian Funds	Canadian Municipal Partnership Program	294	Signed grant	1 January'99 - 31 December'2000	
	USAID	Towards Institutional and Financial Stability	960	Plan to submit grant	1 March 99 - 31 March'2000	
Market						
	Gminas Goldap, Suwałki Biała Podlaska ,	Spatial development Studies	403	Signed agreements	1 February'99 - 31 October 99	
	Terespol	Spatial Development Studies	150	Negotiation	2 February'99 - 31 October'99	
	Gminas	TBB	30	Preliminary prejudice	1January'99 -31 December'99	
	Gminas	Municipal Bonds	10	Preliminary prejudice	1January'99 -31 December'100	
	Michalowice	GFAM	30	Preliminary prejudice	1January'99 -31 December'101	
	Municipal enterprises	Municipal enterprises privatisation	30	Preliminary prejudice	1January 99 -31 December 102	
	Gminas, consulting company	Municipal Database	15	Preliminary prejudice	1January'99 -31 December'103	
	Żyrardów	CIP	5	agreement signed	January - February'99	
	Gminas	CIP	30	Preliminary prejudice	1January'99 -31 December 103	
	Participation fees	Training and seminars	170	Preliminary prejudice	1January 99 -31 December'99	
Institutions						
	Polish Treasury	ZUS payments provision of office space	522	Subsidy is included in Government Budget on 1999	1January 99 - 31 December 99	
	EBOR	Model municipal analyses	240	Framework agreement signed	1January'99 - 31 December'100	
	Urząd Mieszkalnictwa i Rozwoju Miast	Municipal enterprises privatisation	50	Agreement signed	1January 99 - 31 December'101	
	Urząd Mieszkalnictwa i Rozwoju Miast	Urban Development Institution	100	Agreement signed	1January'99 - 31 December'102	
	MON PFRON	Training	80	Negotiations	1January'99 - 31 December'99	
	PHARE	Municipal enterprises privatisation	400	Signed contract	1January'99 - 31 December 99	

3 *Multiyear development strategy*
Specific Tasks

STRATEGIC PLAN
MUNICIPAL DEVELOPMENT AGENCY in WARSAW

SUMMARY

prepared by
Tomasz Domański

DEVELOPMENT VISION AND MAIN STRATEGIC AIMS OF ARK DEVELOPMENT

On the basis of several years of experience of ARK cooperation with gminas as well as numerous national and foreign government and non-government institutions, the employees of the Foundation have defined a declaration of the vision for the Agency's further development, in the following wording¹

The Municipal Development Agency in Warsaw - a renowned and reliable center of modern management methods, improves the functioning of territorial self-government both nationally and abroad through high quality information, training and advisory services

The proposed formulation of the declaration of the development vision defines the following key elements for the concentration of activities in the subsequent operations of the Foundation

- the need to **build the confidence of ARK clients** as to the quality of services rendered by the foundation,
- the need to achieve a widespread **appreciation and popularity with ARK clients**,
- the need to maintain a **high level of INNOVATION** of ARK,
- the need to develop further activities of ARK in three basic areas (1) **information services** (2) **advisory**, (3) **training**,
- the broadening of activities **beyond the borders of Poland**

The implementation of the elements of the development vision of the Foundations determines the necessity to achieve the following **main strategic goals**

main goal A REORGANIZATION OF ARK AS A CENTER OF MODERN MANAGEMENT METHODS

intermediate goal A 1 Definition of the optimal legal and organizational form of the center

intermediate goal A 2 Definition of the optimal organizational structure of ARK

intermediate goal A 3 Organization of an effective research and implementation team at ARK

intermediate goal A 4 Preparation of good products and constant high INNOVATION

intermediate goal A 5 Ensure the independence and financial stability of ARK

main goal B BUILD THE APPRECIATION AND CONFIDENCE OF CLIENTS

intermediate goal B 1 Work out a system of monitoring and control of services rendered

¹Declaration of the vision of ARK development set forth during the workshops devoted to the ARK development strategy organized on November 4-6, 1998 in Warsaw

The strategic goal of organizational changes should be the creation of a group of ARK "shareholders", who would be directly interested in its efficient operation. It should be expected, that the subject most interested in this would be the founder of ARK, i.e. the State Treasury, represented by the Minister of Finance. However, it is desirable to gradually increase the direct interest of territorial self-government units, i.e. the main recipients of ARK services. The goal should be to create mechanisms for the constant financing of ARK activities (at least partial financing) by offering permanent cooperation with main ARK clients.

ARK functional strategies

STRENGTHENING ARK ASSETS

STRATEGY F1 LEGAL AND ORGANIZATIONAL FORM OF ARK

January 1999 - June 2000

goal Define the optimal legal and organizational form for the fulfilment of ARK mission. Fulfilment of the main strategic goal A 1

task analysis of Foundation's statute

task analysis of financial (tax) conditions for ARK activities

task analysis of the functioning of institutions similar to ARK, both nationally and abroad

task selection of optimal legal and organizational form

task preparation of a project for the amendment of the statute or other documents as required

task execution of procedures related to the Foundation statute amendments or change of the legal and organizational form of ARK

STRATEGY F2 INTERNAL ORGANIZATIONAL STRUCTURE OF ARK

January - September 1999

goal Define the optimal legal and organizational structure of ARK ensuring the effective fulfilment of its tasks. Fulfilment of the main strategic goal A 2

task analysis of the Foundations Statute

task analysis of the structure and employment at ARK

task definition of the optimal organizational structure

task definition of the tasks and scopes of duty at particular work positions

task definition of rules of cooperation for outsourcing contracts

STRATEGY F 5 INTEGRATION OF MANAGEMENT METHOD TOOLS

January - September 1999

goal Work out a set of mutually correlated methods and procedures within the framework of the gmina strategic management system Fulfilment of the main strategic goal A 4

task inventory and overview of methods applied to date

task establishment of the rules for the correlation of unit method solutions in the system

task preparation of option method solutions designated for implementation in gminas of various sizes

task preparation of a set of mutually correlated method guidebooks

task preparation of procedures for the offering and implementation of an integrated package of tools

task preparation of a system for the monitoring of implementation quality

STRATEGY F 6 ARK ADVISORY SERVICES

January - September 1999

goal Work out a clear system for the offering of advisory services, ensuring a high level of services rendered by ARK and the protection of ARK and its partners' rights Fulfilment of the main strategic goal B 1, C 2, C 3

task definition of the procedure for the offering and negotiation of agreements

task definition of the rules for feasibility analyses of offered tasks

task definition of the rules for delegation of authority under the tasks taken on for execution

task definition of the rules of representation of ARK in agreement relations

task definition of the rules of securing of copyrights

task work out rules for the monitoring of agreement execution

task organization of training on project management for all ARK employees

task organization of training on the rendering of advisory services for all ARK employees

task organization of training on presentation techniques for all ARK employees

task establishment of rules for the publication of information and execution of the WWW site

task establishment of rules for the verification of the content of publications on the WWW site

task establishment of the rules for the permanent monitoring and updating of the WWW site

task establishment of a system for internal communication within ARK through e-mail

task establishment of a system for external communication with ARK through e-mail

ACHIEVING OF HIGH QUALITY OF RENDERED SERVICES

STRATEGY F 10 QUALITY AND EFFICIENCY OF ARK SERVICES

January 1999 - March 2000

goal **Achieve a high level of efficiency in the popularization of the ARK method papers while maintaining the high quality of rendered services** Fulfilment of the main strategic goal C 2

task definition of the rules of free and charged popularization of ARK method papers

task definition of the rules for the concluding of cooperation agreements with ARK

task definition of the rules for the licensing of tasks executed in the name of ARK

task creation of team of permanent partners of ARK

task definition of the rules for the monitoring of the quality of services rendered in the name of ARK

task organization of training on project management for ARK employees

task organization of training on copyrights for ARK employees

ACHIEVEMENT OF A HIGH LEVEL OF INNOVATION

STRATEGY F 11 RESEARCH AND IMPLEMENTATION TEAM

September 1999 - December 2001

goal **building of a permanent team of competent ARK partners, continuously improving the method solutions offered by ARK and rendering advisory services in cooperation with ARK** Fulfilment of the main strategic goal A 3, A 4

task definition of the research area of interest for ARK

task definition of the forms of popularization of the best experiences in the implementation of modern gmina management methods

task organization of the operations of the LGPP secretarial office

Strategic action plans on the industry level

ARK'S MARKET ORIENTATION

STRATEGY B 1 IDENTIFICATION AND MONITORING OF ARK CLIENTS' NEEDS

June 1999 - June 2001

goal **Constant monitoring of the situation on the communal market, covering the investigation of the needs of territorial self-government units and obtaining of data for statistical and analytical research** Fulfilment of the main strategic goal A 4, B 1, B 2, C 1, C 2

task preparation of repeatable survey researches addressed to territorial self-government units

task preparation of repeatable survey researches addressed to government institutions

task preparation of repeatable survey researches addressed to banks and financial institutions

task preparation of a database system for the collection and analysis of information obtained from the survey researches

task preparation of an internal information bulletin

STRATEGY B 2 SEGMENTATION OF THE ARK CLIENT MARKET

January 2000 - December 2001

goal **Systematization of information on subjects utilizing ARK services in order to better adapt the offered services to the individual needs of each client group**
Increase of the effectiveness of ARK's marketing activities Fulfilment of the main strategic goal A 4, B 1, B 2, C 1, C 2

task definition of the criteria and cataloguing of ARK client groups

task preparation of a computer database and rules for its constant updating

task monitoring of the prices of services rendered by ARK competitors

IMPLEMENTATION OF ARK DEVELOPMENT STRATEGY

ARK competitive environment

legal and organizational form. This structure does not decide the final number of employees nor the legal forms of cooperation between ARK and its employees (partners). The number of persons employed and the legal grounds for their employment should vary depending on the character of the endeavors carried out at a given time.

The basic activity of ARK should be the operations of the research and implementation team. Methodic solutions worked out by this team should then be popularized by the marketing and public relations team as well as the training team. The task of the administrative team should be to provide efficient administrative and financial service to ARK. Independent of the mutual functional relations between the key work teams, each team should implement its own assigned tasks.

The fulfilment of the individual endeavors of ARK (especially of implementation projects carried out directly in gminas) should be supported by the creation of appropriate functional teams. The members of this team should reflect the needs of the specific endeavor. The creation of permanent functional teams is especially necessary in the case of implementation of advanced contracts related to the implementation of complex gmina management method solutions.

The actual separation of ARK departments outside its headquarters in Warsaw would have to be combined with their organizational and financial separation. The creation of ARK departments at the current stage of its operations is not justified, both due to a lack of clearly specified tasks for execution by the departments, as well as due to additional costs of such a separation.

Modern means of communication (e-mail, mobile phone, fax, WWW) enable the efficient communication between ARK employees independent of their location. The organization of an efficient system of internal communication within the ARK structure is also very important due to the character of the consultants' work. Many of them spend a significant portion of their work time outside the ARK headquarters (at clients', at other institutions, libraries and working at home). The organization of an effective system of communication may in a significant degree influence the lowering of the bureaucratic costs of ARK's functioning.

Delegation of authority

An important problem that needs to be addressed immediately is the distribution of duties and responsibilities at the highest level of management. At the present time the actual management of ARK's business is carried out **single-handedly by the president**. Should an executive director be appointed, it will be necessary to conduct a careful division of tasks and modes of decision making at the highest level of management. Lack of precision in this issue may give rise to a situation of double authority, and, as a result, render the effective management of ARK impossible.

The division of management rights at the highest level of management requires especially, the precise definition of the **rules of negotiation and signing of agreements** as well as the **placing of statements of will in the name of ARK**. These rules should be reflected in appropriate provisions in the statute of ARK. Should the Executive Director of ARK be

Total project execution costs		PLN 91 000
Profit (gross)		PLN 39 000

The calculation of costs according to the presented form should be carried out during the initial negotiation of the main agreements by ARK. The costs of execution of partial projects (budgets) constituting the main project should be calculated in a similar way.

Motivating systems

The establishment of clear rules of budgeting of projects executed by ARK is required due to the necessity to provide efficient management of finances, as well as due to the necessity of creating an effective motivating system. The project budgeting system should leave at the disposal of the project managers previously set forward sums. Savings made during the execution of the project should be distributed between the members of the work team executing the tasks within the framework of a given project. The savings may be designated for additional remuneration, awards, participation in training and seminars, purchases of equipment, software, etc. The system of rewarding of good work should clearly single out the individual achievements of work group members and team achievements.

ARK staffing policy

The achievement of high quality services, as well as the achievement of internal efficiency by ARK is not possible without the employment of an appropriately high quality staff. Of crucial importance from the point of view of success of the ARK's activities is the quality of the research and implementation team. Requirements posed before the employees of this team should be especially high. Apart from an appropriate formal education they should have a thorough **practical** knowledge of the rules of functioning of territorial self-government units.

The possibility of obtaining the cooperation of highly professional persons depends primarily on the ability to provide such persons with an adequately high **remuneration** and very good **work conditions**. A very important factor in this context is also the **reputation** of ARK. At the present time ARK is too weak an institution to provide permanent employment to a larger number of highly qualified professionals.

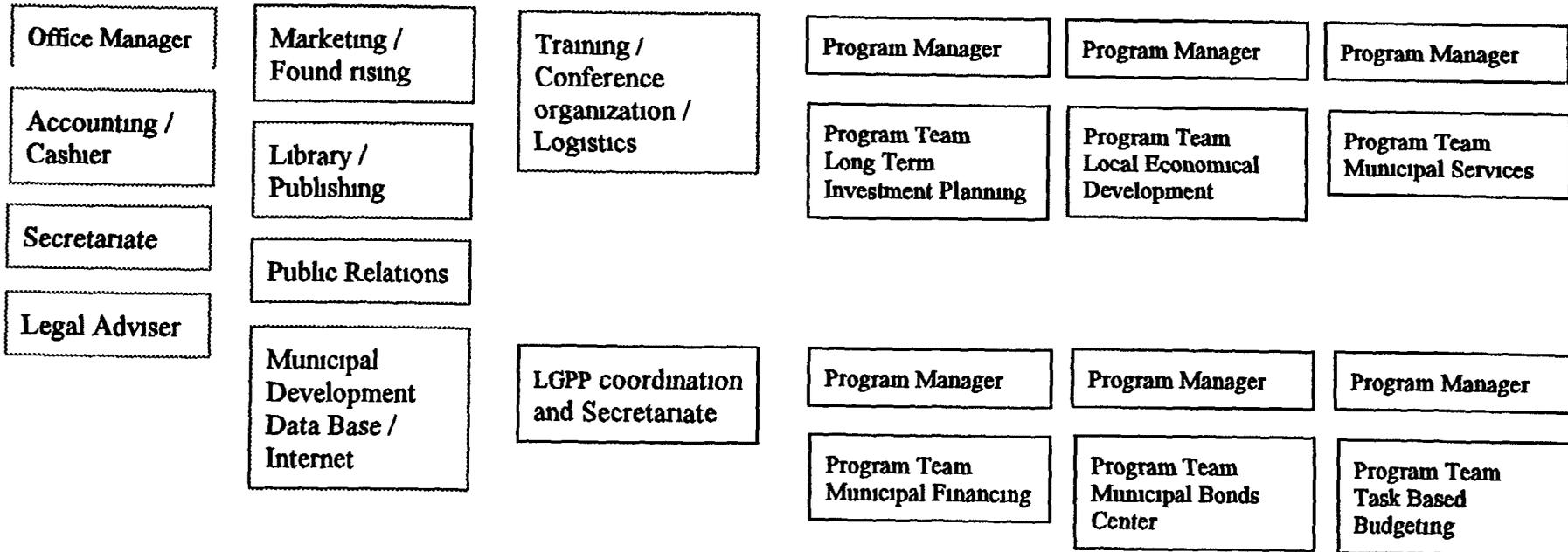
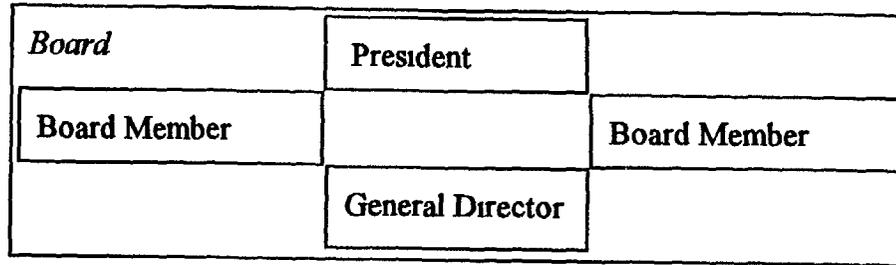
The optimal number of people employed at ART should also cover for the permanent employment (on the basis of work agreements) of a president, executive director, administrative director, program managers and administrative, training, marketing and public relations sections employees. The employment of consultants in the program sections of the research and implementation team should be periodical (on the basis of individual non-permanent contracts) - adapted to the current program needs of ARK as well as the number and amount of tasks carried out by the Agency. The obtaining of the appropriate persons for cooperation within the research and implementation team should be based on the systematic building of a list of professionals employed for specified periods of time within the framework of individual contracts. These persons should also constitute the permanent team of ARK trainers.

THREE YEAR ARK DEVELOPMENT PLAN

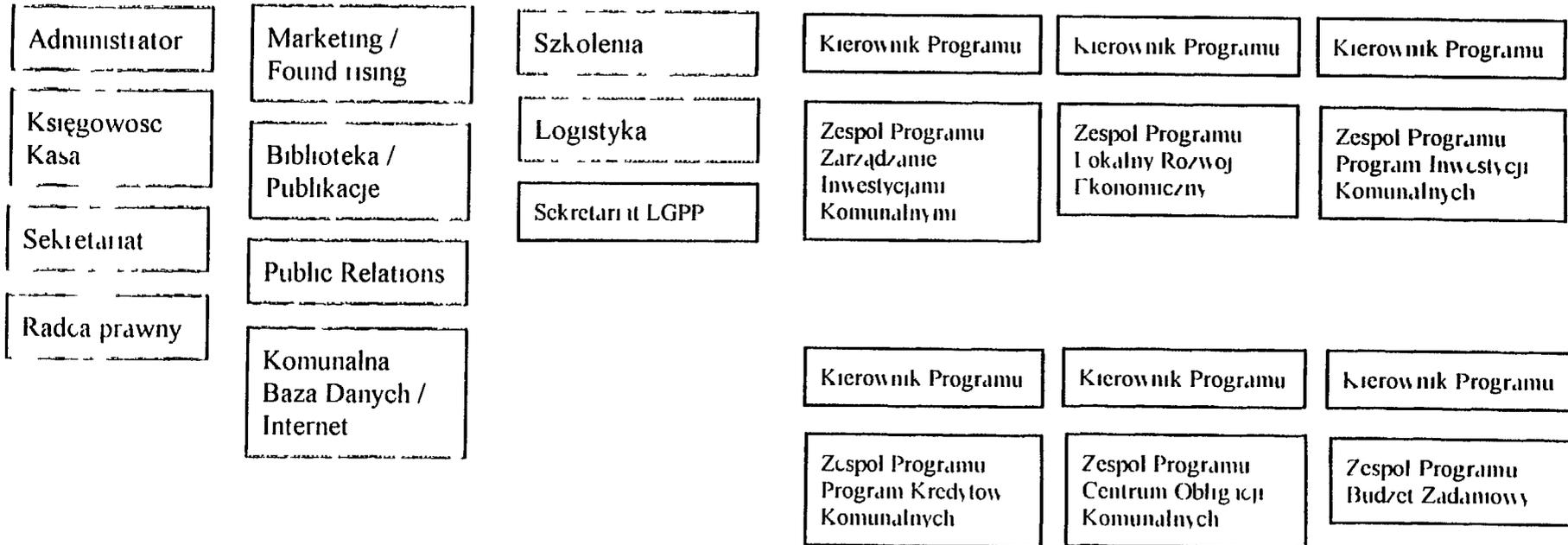
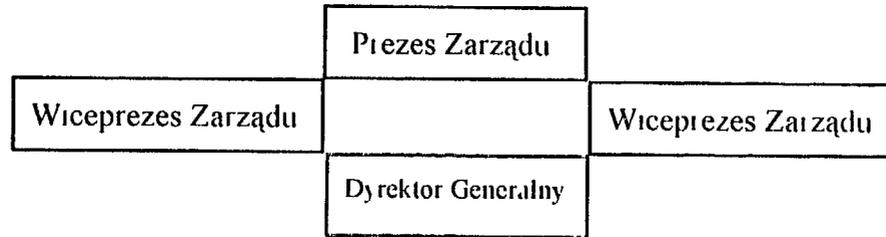
		Years 1999 - 2002											
		1999				2000				2002			
Task no	STRATEGY / TASK	I	II	III	IV	I	II	III	IV	I	II	III	IV
F1	Analysis of the text of ARK's statute	■											
	Analysis of the financial (tax) conditions of ARK's activity		■										
	Work out the optimal organizational model for ARK			■	■								
	Execution of the procedure related to the change of ARK's statute				■	■							
F2	Define the optimal internal organizational structure for ARK	■	■										
	Preparation of a set of internal procedures, regulations, agreement forms		■	■									
F3	Preparation of the scope and rules for the permanent cooperation with the government of Poland				■								
F4	Inventory of aid programs and initiation of permanent cooperation			■	■	■	■	■	■	■	■	■	■
F5	Definition of the rules for the integration of the method solutions of ARK	■	■										
	Integration of the ARK method tools within the strategic management system		■	■									
F6	Definition of the rules of offering of ARK services and agreement negotiation	■											
	Definition of the rules of securing ARK copyrights during service execution		■										
F7	Establishment of the criteria for the evaluation of ARK publication requirements	■											
	Definition of the rules for the publication of ARK publications and copyright protection		■										
F8	Establishment of a system for the monitoring of training needs of ARK clients	■											
	Establishment of permanent rules for the offering and execution of training		■										
F9	Establishment of a concept for the functioning and rules of maintenance of the WWW site	■											
	Execution (reconstruction) of the ARK WWW site		■										
	Launching of ARK's activities in the Internet		■	■	■								
F10	Preparation of a complex system for the shaping of ARK's agreement relations	■	■										
	Preparation of a system for the monitoring of the quality of ARK's services		■										

4. Organizational structure and staff positions

Municipal Development Agency - Organizational Chart Project



Projekt struktury organizacyjnej Agencji Rozwoju Komunalnego



Organization	Competence/Action	Finance	Time/Period of Control Realization
President	<ul style="list-style-type: none"> ◆ Developing and realization of the strategy of the agency ◆ Control of the programs realization ◆ Authorization of the decision related to program opening complete 	<ul style="list-style-type: none"> ◆ Control of the Agency budget realization 	<ul style="list-style-type: none"> ◆ Statute defined periods
General Director/CEO	<ul style="list-style-type: none"> ◆ Developing plan (work plan) of the current realization of programs in cooperation with President and Program Managers ◆ Coordination and supervision of the progress in realization of the programs and projects ◆ Allocation of human resources between all the programs ◆ Supervision of work time for all programs 	<ul style="list-style-type: none"> ◆ Supervision of all the program budgets ◆ Allocation of the financial resources – in coordination with the President, Office Manager and Accountant ◆ Supervision and acceptance of the job agreements (for full time staff and for consultants) 	<ul style="list-style-type: none"> ◆ Monthly periods of program budgets control ◆ Weekly periods of control of progress in program realization
Program Manager	<ul style="list-style-type: none"> ◆ Elaborating detailed plan of the program realization and required resources ◆ Elaborating work plans for all program team members (also for external experts) ◆ Delegating tasks to program team members ◆ Daily supervision of progress of program's work plan realization ◆ Supervision of all program team members and their tasks realization ◆ Hiring external experts ◆ Controlling time of work (time sheet) for all program team members 	<ul style="list-style-type: none"> ◆ Elaborating of the project of program budget (in cooperation with the General Director and Accountant) ◆ Realization of the program budget (accepting all financial documents, bills, invoices etc) 	<ul style="list-style-type: none"> ◆ Daily supervision and control of the program realization and tasks of program team members
	<ul style="list-style-type: none"> ◆ Elaborating (together with Program Manager) own work plan ◆ Realization of the program tasks delegated by Program Manager according to the work plan ◆ Cooperating with other program teams under conditions elaborated by Program Manager and General Director 	<ul style="list-style-type: none"> ◆ 	<ul style="list-style-type: none"> ◆
Accountant	<ul style="list-style-type: none"> ◆ Punctual settlement of accounts with Government Institutions (ZUS , Urzad Skarbowy) ◆ Systematically, reliable book-keeping ◆ Preparing balance sheet , incomes settlement, statement for Urzad Statystyczny ◆ Providing advice for staff regarding financial documents focus ◆ Preparing evidence of assets 	<ul style="list-style-type: none"> ◆ 	<ul style="list-style-type: none"> ◆ Daily book –keeping ◆ Monthly preparing reports ◆ Yearly preparing balance sheet, settlements

Office manager	<ul style="list-style-type: none"> ◆ Collections of the documents related to Human Resources ◆ Preparing financial reports ◆ Responsibility for purchasing goods ◆ Preparing payroll ◆ Collecting all administrative polices ◆ Describing of the financial documents 	<ul style="list-style-type: none"> ◆ Allocation of the financial resources – in coordination with CEO, President, Accountant 	<ul style="list-style-type: none"> ◆ Monthly reports ◆ Daily
Secretary	<ul style="list-style-type: none"> ◆ Responsibility for mail ◆ Carrying of the President's diary ◆ Keeping the counting – house report ◆ Purchasing of the stationary ◆ Responsibility for organizing select meetings of President and the staff meetings 	<ul style="list-style-type: none"> ◆ Responsibility for cash 	<ul style="list-style-type: none"> ◆ Daily
Librarian	<ul style="list-style-type: none"> ◆ Publication acquisition for MDA library ◆ Information activities and library readers services ◆ Coordination of MDA publishing activities ◆ Collection of best practices ◆ Review on innovative books ◆ Explore affiliation with comparable institutions in other countries, who are on the leading edge of the modern management methods and /or municipal development 		
Internal auditor	<ul style="list-style-type: none"> ◆ Supervising of the financial policy ◆ Supervising of the book – keeping 		

5. Towards sustainability - internally

Actions taken since Nov 4-6 1998 retreat and successfully completed

	Strategy	Task
I Creation of internal pattern documents and pattern agreements with external parties	F2	
Board's resolution on defining the competencies of General Director/CEO	F 2	
Grant of power of attorney to General Director/CEO	F 2	
Agreement with the General Director	F 2	
Employment Agreement including job descriptions	F 2	F 2 4
Agreement on conflict of interest for employees	F 2	F 2 5
Agreement on task performance and copyrights transfer with one and many authors	F 2	F 2 5
Agreement on software creation and copyrights transfer agreement	F 2	F 2 5
Commission contract for persons conducting lectures	F 2	F 2 5
Agreement on translation	F 2	F 2 5
Framework consortium agreement	F 2	F 2 5
Agreement on making data base available		
II Elaboration of other documents		
Strategic plan including first year action steps and primary persons responsible		
Organizational structure chart with descriptions of functional responsibilities	F 2	F 2 3
III Preparation of financial documentation		
Instruction on "petty cash" handling	F 2	F 2 8
Circulation of documentation instruction	F 2	F 2 8
Financial and accounting instructions	F 2	F 2 7
Preliminary expenditure budget for specific program purposes	F 2	
Adjustment of existing plan of financial accounts to the task structure		
Detail division of costs by types		

6. *Annex*

Wojciech Szumowski
ICMA Consultant for USAID

Municipal Development Agency Customer Survey
Overview of the Research Results

Under the Project RFS 66 - Support to the Municipal Development Agency

Contents

- 1 Description of the research sample
- 2 Perception of the MDA Mission
- 3 Adaptation of the programs provided by MDA to the expectations of its clients and partners
- 4 Ranking of levels of interest in the different programs offered by the MDA
- 5 Service delivery by the MDA
- 6 Training, publications, and Internet
- 7 Opinions from the sector of financial institutions
- 8 Competitors
- 9 Commercialization of MDA services
- 10 The most important issues for local government now
- 12 Conclusions

1 Description of the research sample

The research was done in the form of a survey questionnaire mailed from October 12 -30, 1998. The survey reached 115 units. They were mostly units (Gminas) of local government. Institutions from the financial sector and other organizations that had cooperated with or used the services offered by the Municipal Development Agency (MDA) in any way were also sent a questionnaire.

There were 23 returns

- 16 from local governments from which
 - 10 represent new Powiats,
 - 6 represent gminas,
- 5 from financial institutions (4 national and one international bank),
- 2 from municipal companies

Given the time frame when the survey took place - during the election period for all local government levels - a 20% return ratio seems sufficient.

The survey questionnaire contains both "open" and categorized ("closed") types of questions. The

majority of returned questionnaires contain descriptive answers for both types of questions

The questionnaires returned by local governments were mostly completed by persons from a higher level of local government administration (10) (for example gmina secretaries or department heads). Six respondents were elected officials

In the rest of the categories of institutions, returned questionnaires were completed by higher levels of management

The returned questionnaires came from local governments with different population sizes. The biggest gmina has a population of 180,000 and the smallest 5,000. The majority of the gminas in the sample were city-type gminas of middle and big size. Of the responding gminas

- 5 have a population of 100,000 or more
- 3 have a population between 50,000 and 99,000
- 6 have a population between 10,000 and 49,000
- 2 have a population below 10,000

Therefore, the group of returned questionnaires cannot be called representative, but according to the analysis of documents and interviews with MDA employees, it can be said that the data presented above corresponds well with the proportion of city-type gminas in the middle and big size with which the MDA cooperates most frequently.

MDA's experience gained while cooperating with bigger size and city-type of gminas can be an advantage for future collaboration with newly established Powiats, especially those that are city-Powiats. This is confirmed by the number of returned questionnaires (10) that came from gminas that are now new Powiats.

2 Perception of the MDA Mission

As described in the responses, the most important goals of the MDA mission are perceived as

- stimulating municipal development
- informing and implementing new methods of strategic planning and gmina management
- delivering modern methods and tools for local government
- organizing training for local government employees
- providing wide-range information and advisory activities for solving problems related to the development of municipal infrastructure

The opinions regarding the MDA's mission most often repeat a vision of the MDA as an institution that elaborates and delivers methods, tools, and patterns of practically useful solutions for the problems related to managing the gmina, its finances, and the municipal economy. "The primary goal of the MDA's mission is to elaborate a system of developing and financing municipal infrastructure. The importance of the MDA's role as a center for the exchange of information about the topics mentioned above for the benefit of local government was also underlined in the responses.

The MDA is perceived as an institution that is founded to realize research, educational, and advisory functions according to the expectations of local governments. The need for an organization providing these and the aforementioned services was expressed by all of the respondents.

3 Adaptation of the programs provided by MDA to the expectations of its clients and partners

The majority of the respondents expressed a positive opinion regarding the adaptation of the programs offered by the MDA to the expectations of the local governments. Particularly to the role of the MDA as an information center for the modern methods of municipal management. "The activities of the Agency help to acquaint and implement modern forms of gmina management" - This is a typical opinion expressed by the representatives of the newly established Powiats and city-type of gminas. The informational role of the agency as a center for exchange of good practices and new methods of management is particularly recognized. "The activities of the MDA give the possibility to confront the experience of particular gminas in the country, the possibility to transfer well-checked and well-functioning solutions for particular areas of gmina activities."

Two respondents are definitely negative. They underline the lack of practical value of the program offered by the MDA in the context of the gminas day-to-day activities. The programs offered by the MDA are not responding to the local governments expectations in Poland, because the programs are too theoretical. These two separate voices come from gminas of a small size, which (as we learned from analyzing the answers to other questions) are using advisory services from organizations other than the MDA.

4 Ranking of levels of interest in the different programs offered by the MDA
(the number in brackets is the number of times the program was selected)

-Long term investment planning	[12]	
-Conferences seminars training	[11]	
-Local Development Strategies	[9]	
-Municipal Development Program	[9]	
-Municipal Services Program	[9]	
-Financial Analysis of Municipal Budgets	[8]	
-LGPP	[8]	
-Assistance in Using Credit Lines of the World Bank	[6]	
-Task-Based Budgeting Program	[6]	
-Municipal Data Base System	[5]	
-Municipal Bounds Center	[5]	
-MDA's Local Government Library	[4]	
-Center for Information on aid programs	[4]	

The high ranking of the programs connected to the modern methods of financial management and investment planning illustrate the needs of local government with regard to advisory services in these areas. These needs contain both information about good practices in financial management of the gmina and the more concrete and individualized advisory services. The respondents often express the need for a complex approach to the problems of gmina management, which contain the strategy for local development investment planning, task budget preparation, and the development of municipal infrastructure.

Those expectations require from the Agency the highest level of coordination among programs offered so that they are complementary to one another and meet the complex needs of the gmina. (Currently separate programs are offered with no connection to one another. So, in one gmina that may need multiple services, separate MDA programs conducted have no relation to other programs.)

The high ranking of training, seminars, and conferences, illustrates that in the past and now they are the most effective and positively perceived medium for the MDA's mission. In this context a preference is expressed for interactive forms of training in contrast to the lecture technique.

5 Service delivery by the MDA

On the four point scale from "high" to "unsatisfactory" service delivery by MDA was ranked between good and sufficient.

The majority of the responses express the need for a more individualized contact and approach to customers problems and needs. Particularly important seem the approach to the customer that does not put him in the role of "pupil or student who is obliged to do homework". Many respondents express the need for a real partnership between the Agency represented by its employees and the representatives of the local government units. This partnership relationship with the customer requires more attention to the individual needs of the client, or in other words the specific local government. Respondents stated that there is a need for an open dialogue that responds to the needs of the specific customers because they do not want a broad formula response but rather individually adapted solutions. This expressed need characterizes the situation within the advisory services market.

A few respondents emphasized the fact that in the past they had given specific feedback to the MDA regarding the quality and organization of training, but they never received a response.

6 Training, publications, and Internet

The respondents have a very positive opinion about training for local government employees that introduce new methods of management for the gmina especially in the area of municipal infrastructure.

The majority of respondents prefer to participate in the kind of training that is based on the analysis of real examples and good practice. That kind of training, in the opinion of respondents, should take place in the form of interactive workshops, which engage the participants as much as possible. Negatively rated is all training that is presented in a static form of lecture.

Respondents emphasized the need of training for higher level employees first of all (All of the people filling out the questionnaire belong to this group.)

Among the most commonly expressed training topics are

- gmina management (good practices of realization of gmina and Powiat tasks)
- gmina financial management
- reform of the administration system (Powiat, new competencies, changes of the legal regulations)
- municipal housing (forms of financing)
- long-term investment planning
- local economic development
- management of gmina municipal infrastructure (program of municipal services)
- transformation of municipal companies
- environmental protection and alternative energy resources

The majority of collected returns emphasized a big interest in publications about modern methods of local government management, finance and budgeting, legal procedures, and good local government practices in Poland. There is also interest in publications about stimulating of local economical development. There is lower interest in publications illustrating good practices from abroad.

The Internet is visibly becoming a more recognizable medium of communication for local government. A good example is the popularity of the web pages of the 'Wspolnota' magazine. The home page of 'Wspolnota' is becoming the most important forum of exchange information about and for local government on the Polish Internet.

The primary users of the Internet for local government in Poland are representatives of middle and big size towns. That is who visited MDA's web page of the respondents. The information value of the MDA's home page is appreciated as "good introductory information" which is useful for a first contact with the Agency and its mission. But, because middle and big size towns are the primary group of local government Internet users, which corresponds directly to the customer group of the Agency, introductory information is probably not sufficient for them. According to the respondents they expect a significant expansion of the Agency's presence on the Internet.

7 Opinions from the sector of financial institutions

Collected opinions show a positive interest in the Agency's activities by this category of the MDA's partners and customers. This group sees the Agency as a specific type of institution that mediates between the local governments and financial institutions. This applies first of all to the MDA activities in the field of providing information about modern methods of investment finance for local government. In this area the Agency is seen as an information center for a new methods of financing for investments in municipal infrastructure. Deciding factors for this high grade of MDA's activities are professionalism of the MDA's staff, experience in the field and good knowledge of local government needs.

Representatives of financial institutions recognize the MDA's achievements in the field of advisory services and in the implementation of modern methods of management practices in the areas of local government financing, investment policies, financial analysis of local government units and first and foremost in the Agency's pioneering role in the field of municipal bonds. In this area examples of several seminars and training programs for the employees of financial institutions are mentioned. Examples of similar training and workshops organized by other consulting companies (for example Capital Expo from Poznan), which are very active on the market, were also mentioned.

The MDA's achievements have built its creditability and authority among representatives of financial sector institutions. Unfortunately all of the opinions emphasized the fact that Agency is not doing

enough to take advantage of this status and that MDA is relatively inactive

In the opinion of respondents, the Agency should cooperate closely with the financial institutions. They would like to see the Agency play the role of an institution that mediates between municipal companies and financial institutions. This is a complementary vision with the opinions expressed by the representatives of municipal companies.

[One of the financial institutions mentioned the fact that in the past they sought to cooperate with the MDA but the MDA never answered. Another one is currently offering a proposal for cooperation with the MDA.]

8 Competitors

Among the organizations and companies that offer similar services to those of the MDA, the most recognized by the Agency's customers are:

- Fundacja Rozwoju Demokracji Lokalnej (Foundation in Support of Local Democracy)
- Fundacja Inicjatyw Społeczno-Ekonomicznych (Foundation for Socio-Economic Initiatives)
- Lubelska Szkoła Biznesu (Lublin School of Business)
- Brytyjski Fundusz Know-How (British Know-How Fund)
- Centrum Adama Smitha (Adam Smith Center)
- Fundacja Spółdzielczości Mieszkaniowej (Foundation for Municipal Housing)
- Opolski Centrum Demokracji Lokalnej (Center for Local Democracy in Opole)
- Związek Gmin Śląska Opolskiego (Union of Opole's Local Governments)

Among the fully commercial consulting companies most often mentioned are:

- LEM s.c. Kraków
- Invest Consulting, Poznań
- Capital Expo Poznań
- BMB Promotion

The presence of other companies is mentioned, but no more names are given.

Comparison between the services offered by MDA and by others there is without evident estimation. Half of the respondents who have used the services of other companies prefer them over the MDA's services. The other half likes the MDA's offer better due to its wide range, professional level and high authority of the Agency. An important factor is that services offered by Agency are free of charge. The group of opinions that rank the services of other organizations higher, emphasized that those organizations adjust better to local expectations and more specific character. These services are training seminars but also particular advisory services like financial analysis of local government units, task budgeting, analysis of investments. These services are often offered by local organizations, sometimes established to solve a particular, local problem, which services are addressed to a predefined group of recipients.

Some of the respondents underline the fact that services offered locally better fit local and particular issues and the expectations of local customers.

The majority of services offered by the MDA's competitors charge a fee. Local governments paid between 1000 PLN (300 USD) and 100 000 PLN (30 000 USD) but the most often around 10 000 PLN (3000 USD) per unit of the service.

Some of the services offered to Gminas participating in Local Government Partnership Program (LGPP) are similar or the same with offered by MDA. In such cases, LGPP services are seen as competing (especially in the cases when MDA was trying to introduce a fee for delivering some of the services). Sometimes LGPP activities are seen as a part of MDA offer. The relationship between LGPP and MDA is not clear for the local governments.

9 Commercialization of MDA services

The idea of even a limited fee for the MDA's services is controversial among its customers. The idea of a fee is visibly clashing with the current image of the MDA as a public organization with the mission

of delivering information and know-how to all interested local governments. The majority of respondents emphasize conflict between the MDA's mission and the idea of the commercialization of the Agency's services. In the opinion of representatives of local government, the majority of the MDA's services should stay free of charge and the access to information provided by the MDA should be not limited by financial possibilities of the primary users.

On the other hand, the majority of opinions expressed the fact that other organizations exist that offer similar advisory services, which have a fee (sometimes quite expensive). This creates a challenging situation for the Agency, because by introducing a fee for the use of its services and programs it can lose part of its authority as a public institution in the eyes of a primary customers group (local government) and donors.

Also potentially dangerous, is the situation when services with a fee that are offered by MDA competitors become fully accepted by the market. Then the services offered by the Agency in such marketable fields will potentially be perceived as only theoretical information and the position of the MDA as an advisor and institution with implementing potential can become rather marginal.

10 The most important issues for local government now

These are the most important issues for local government in Poland identified by the survey participants:

- the quality of the municipal services provided by Gminas to the citizens
- investment in municipal infrastructure
- integration with the European Union
- municipal housing
- new tasks and competencies for Gminas, new Powiats and Wojvodships under a new administration reform
- reform of the education and health care system
- technical infrastructure for village type of gminas
- strategies of local development
- stimulating local economical development
- unemployment

These issues illustrate local governments' main responsibilities for the quality of services delivered to citizens, which is connected to the responsibility for increasing the quality of life in local communities. The development of municipal infrastructure through effective financial and investing policy is emphasized as a primary way to achieve these goals.

This list of the current local government issues represent well the main areas of the MDA's activities. It is proof of the MDA's good knowledge of the main problems of local government in Poland. This also is a confirmation of the opinions that the programs and services offered by Agency meet well the main areas of local government needs.

11 The most important issues for local government in the future (ten year perspective)

The most important issues for local government in Poland in a longer term perspective are:

- municipal housing and Gminas housing policy,
- development of municipal infrastructure
- integration with European Union
- environmental issues
- unemployment
- strategy for local development
- pro-investment local policy
- financing of municipal investments
- developing of local government and citizens participation

The most important issues and challenges for local government in the future are similar to the current ones. It is meaningful that a stronger emphasis is given to broader issues like the environment, unemployment and the responsibility of local government for stimulating a local economical development.

These issues are also currently present in programs elaborated by the MDA. Closer identification of these issues can give a chance for preparing a better quality MDA's programs which can meet future needs of local government in Poland.

12. Conclusions

Based on the survey, a strong need for the presence of an organization playing the role of the information and implementation center of a modern methods and tools for all levels of local government in Poland can be identified.

Analysis of the data collected shows that the Municipal Development Agency is seen by its clients and partners from local government as an institution with merit potential and public trust for carrying out the mission of such an information and implementation center for the benefit of local government in Poland.

The mission of the Agency should be (at least at this moment) carried out by the public institution offering its services free of charge as a non-profit organization.

Realization of the mission is possible only under the condition of constant development and improvement of the quality of the services offered by the Agency.

One of the most strongly expressed needs by respondents is complexity of services on a complementary coordinated path (information-training-consulting) related to the issues of management of the finance of the local government. This applies to the Gminas budgets analysis, task budgeting and long-term investment planning. Advisory services representing modern and effective methods of local government financial management and strategy for local development with particular attention to the development of municipal infrastructure creates a niche where the MDA's programs and services can meet needs of local government. In this field, the MDA's mission as an organization elaborating and delivering information about modern methods of management for the local government is being realized in the most effective way.

The primary group of MDA's customers are first of all the middle and big size city type of Gminas and new Powiats. In a long-term perspective the realization of the modern and active informational and educational policy can enlarge this group of customers. The mission of the Agency is also to deliver information, know-how and advisory services to the smaller size local government units which can not afford to use fully commercial consulting services.

Another important role of the Agency is being a center for the collection and exchange of information about modern methods of management of municipal infrastructure for the benefit of local government. In this field the MDA has a position recognized by its customers. The particularly appreciated form of the MDA's activities are conferences, workshops and training sessions. Also the MDA's Local Government Library together with a Municipal Data Base system creates natural organizational frames for development of informational activities. The same applies to the MDA's home page and expanding of use of the Internet as a new communication channel for realization of the Agency mission in the field of information and education for local government.

Success in the realization of the MDA's mission depends on finding the right proportion between activities in research and development and on a field of advisory and implementation.

The Municipal Development Agency is generally positively perceived by a primary group of its customers. The MDA is a respected organization that collects and exchanges information, provides research, develops methods and offers services needed by the local government in Poland.