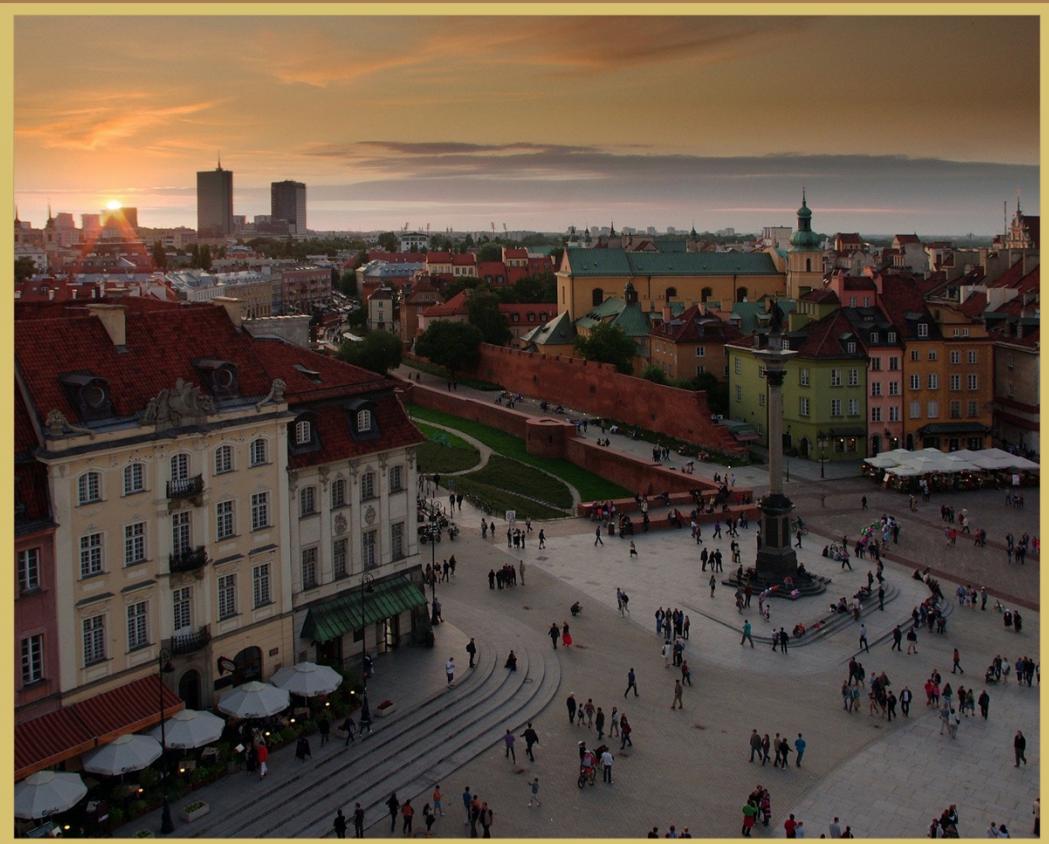




Municipal Development Agency



PRESENTATION OF THE FOUNDATION

CONTENTS

GENERAL INFORMATION	3
MUNICIPAL CAPITAL MARKETS.....	4
MUNICIPAL BONDS CENTER	4
WORLD BANK LOANS FOR MUNICIPAL INFRASTRUCTURE FINANCING.....	5
ADVISORY IN THE FIELD OF FINANCIAL MANAGEMENT IN MUNICIPALITIES.....	5
FINANCIAL LIQUIDITY MANAGEMENT IN COMMUNITIES.....	5
STRATEGIC COMMUNITY MANAGEMENT.....	6
STRATEGIC PLANNING OF COMMUNITY DEVELOPMENT	6
LONG-TERM INVESTMENT PLANNING	7
IMPROVING THE BUDGET PROCESS IN MUNICIPALITIES	8
MUNICIPAL SERVICE PROGRAM	9
MUNICIPAL DEVELOPMENT PROGRAM	10
STUDY OF CONDITIONS AND DIRECTIONS OF SPATIAL DEVELOPMENT OF THE COMMUNE.....	10
MUNICIPAL DATABASE AND FINANCIAL ANALYSIS SYSTEM.....	11
LOCAL GOVERNMENT PARTNERSHIP PROGRAM	12
DISSEMINATION	13
CONFERENCES, SEMINARS, TRAINING	13
LOCAL GOVERNMENT LIBRARY.....	14
MAIN PARTNERS OF MDA.....	15
CONTACT.....	16

GENERAL INFORMATION

The Municipal Development Agency (Agencja Rozwoju Komunalnego) is a State Treasury foundation established by the Minister of Finance in March 1995. Its activities support the development of Polish local government units. The goals of ARK's activities are as follows:

- Initiating and supporting activities aimed at creating systemic solutions for financing the development of municipal infrastructure;
- Acting as an information center on technical, financial and training assistance programs for local governments;
- Defining and disseminating patterns and quality standards in municipal economy and municipal services;
- Coordinating, integrating, planning and organizing advisory assistance for local government units and banks, with particular emphasis on investment programs in the field of municipal infrastructure;
- Providing financial assistance in the development of municipal development programs aimed at revitalizing the local economy and improving the quality of public services, with particular emphasis on the preparation of feasibility studies for individual investment projects in the field of municipal infrastructure;
- Conducting analyzes of property status, budgets, financial activity, creditworthiness of municipalities and development trends for the needs of the state's economic and social policy.

ARK achieves its goals by:

- Collecting funds from subsidies, subsidies and other sources (domestic and foreign) for their effective use;
- Conducting advisory activities in order to assist local government administration bodies, communes and other local government units and financial institutions;
- Organizing trainings, symposiums, seminars and all other forms of experience exchange;
- Conducting research activities on the problems of communes, cities, local government administration;
- Conducting publishing activities and supporting publishing houses with goals convergent with the Foundation's goals;
- Running a library and a database devoted to issues related to the activities of ARK.

ARK's activities are funded by the European Union (the Phare programme), the US Agency for International Development (USAID), the Japanese Agency for International Cooperation (JICA) and the Canadian International Development Agency (CIDA). Due to the limited external funds that allow free advisory services to be provided to only a small number of communes qualified for individual programmes, ARK also organizes seminars and trainings and provides advisory assistance to communes on a commercial basis.

MUNICIPAL CAPITAL MARKETS

MUNICIPAL BONDS CENTER

Municipal Bonds Center (Centrum Obligacji Komunalnych – COK ARK) started its activity at the beginning of 1996 in connection with the emergence of the possibility of financing investment projects implemented by communes by issuing municipal bonds. COK ARK analyzes the financial situation of the commune based on the GFAM Financial Analysis Model for Communities (Gmina Financial Analysis Model) developed in cooperation with the American Agency for International Development (USAID). The model makes it possible to analyze the financial situation of the commune and simulate the burdens related to the repayment of loans or the financial effects related to the issue of bonds (taking into account various cases of servicing liabilities). The use of GFAM allows you to choose the most convenient method of financing municipal debt depending on the nature of the investment. COK offers a number of analyzes and services preparing municipalities for the issue of bonds, including:

- Analysis of the financial situation of the commune.
- Analysis of the possibility of issuing municipal bonds.
- Comparative analysis of the possibilities of financing investment projects with a commercial loan, municipal bond issue or leasing.
- Preparation of a draft resolution of the commune council on the issue of bonds.
- Preparation of the initial and final specification of the essential terms of the contract (SIWZ) in the contract award procedure for the organization and conduct of the issue of municipal bonds, in accordance with the provisions of the Public Procurement Act.
- Investment profitability analysis in the case of financing partially commercial projects.
- Developing, together with the issuer, an appropriate mode of bond issue positioning depending on the results of the commune's creditworthiness analysis; the nature of the investment financed from the issue and the current financial needs of the commune.
- Advising on the preparation of the issue underwriter selection procedure.
- Preparation and settlement of tenders using the True Interest method Cost, i.e. the total real cost of servicing the debt.
- An underwriter selected in a tender, allowing the use of proven formulas and adjusting cash flows to the specificity of the investment and the needs of the issuer.
- Development of a loan application. If the analysis of financing possibilities and the nature of the investment as well as the needs of the commune show that the investment will be financed with a loan, COK prepares a loan application which is a necessary part of the loan granting procedure.
- Preparation of a business plan attached to the loan application.

The enumerated studies can be prepared both for communes, commune associations as well as municipal enterprises and commercial and civil law companies on financial terms much more favorable than in the case of other entities offering this type of services. So far, COK consultants have participated in the preparation of municipal bond issues in the following cities: Ostrów Wielkopolski, Gorzów Wielkopolski, Kraków, Wałbrzych, Ciechanów, Wrocław, Kielce, Łódź, Legnica and Sosnowiec. COK is also ready to take an active part in the development of other analyzes regarding investment financing, obtaining funds from external sources and examining the financial situation of municipal and private enterprises.

WORLD BANK LOANS FOR MUNICIPAL INFRASTRUCTURE FINANCING

The World Bank (WB), in consultation with the Government of the Republic of Poland, is implementing a program aimed at financing municipal infrastructure as a tool for implementing regional, strategic plans for economic development. Financing municipal investments is provided on commercial terms by creating favorable conditions for crediting investments or issuing municipal bonds.

The program is implemented through the use of the World Bank's credit line for commercial banks, which grant long-term loans to municipalities (municipal enterprises) for the purposes of technical infrastructure investments, e.g. water supply and sewage systems, solid waste management, power engineering and urban transport. The program is eligible for communes (municipal enterprises) that meet the initial feasibility conditions (agreed between the WB, ARK and commercial banks) and financial criteria defined by the banks. In the case of larger projects, the requirement to meet WB conditions will also apply.

The role of the Municipal Development Agency is to act as an intermediary between municipalities and commercial banks offering loans from the credit line of the World Bank. ARK consultants provide information on the WB credit line, help in the preparation of the required documentation, and provide guidance interested municipalities to the appropriate banks and provide initial recommendations to municipalities.

ADVISORY IN THE FIELD OF FINANCIAL MANAGEMENT IN MUNICIPALITIES

The aim of this program is to advise on improving the management of short-term financial resources of municipalities. ARK offers communes a comprehensive service consisting in carrying out a detailed state of the commune's finances, identifying the strengths and weaknesses of the management process, and also offers solutions that can contribute to its improvement and improvement of the existing situation. These services are provided by ARK consultants on a commercial basis.

FINANCIAL LIQUIDITY MANAGEMENT IN COMMUNITIES

The aim of the program is to implement financial liquidity management methods in twenty medium and large cities and to train selected employees of financial departments in this area. Due to the specificity of the project, which brings satisfactory visible effects only with a certain average level of available funds, the work of consultants in rural communes is not envisaged. The project includes the implementation of the following tasks:

- Development of a computer model of *Cash Budgeting* (short-term planning of payments resulting from receivables and liabilities of the commune) enabling the projection of cash flows in the commune on an annual, semi-annual and quarterly basis;
- Implementation of standard internal control procedures and ways of representing the commune towards financial institutions;
- Conducting 15-20 tenders for the selection of a bank providing services to the commune's budget based on the prepared standard specification;

- Analysis of the commune's investment opportunities in financial instruments on domestic and foreign markets and the identification of related risks, as well as proposing risk control tools;
- Construction of criteria to assess the degree of effectiveness of liquidity management in individual communes.

The implementation of the project provides for:

- Organizing a series of seminars and training on the objectives and effects of liquidity management, the need to introduce a unified management program, as well as techniques and tools used in the program;
- Pilot implementation of the developed methodology in two selected medium-sized cities;
- Implementation of a liquidity management program in eighteen other cities.
- The project will be carried out in cooperation with the Canadian International Development Agency and consultants from the CIDA-funded Canadian audit and advisory firm BDO Dunwoody .

STRATEGIC COMMUNITY MANAGEMENT

STRATEGIC PLANNING OF COMMUNITY DEVELOPMENT

The aim of the implementation of the Strategic Planning Program for Commune Development is to develop a practical methodology for strategic planning of commune development, taking into account elements of spatial planning. The works carried out under the project are harmonized with subsequent stages of consultative cooperation with the local government of the city of Zgierz.

As part of the work on the "Strategy for the development of the city of Zgierz", a package of information materials was developed for councillors, employees of the City Hall and the society of the city of Zgierz. Analyzes of organizational conditions were carried out, the City Development Department was established, the "Report on the condition of the city of Zgierz" was prepared, statistical research was carried out on the assessment of the social and economic climate in the city, and the "Study of conditions and directions of spatial development of the city of Zgierz" was prepared. Currently, work is being continued on the development strategy for the town of Ziębice.

The commune (city) development strategy is a plan for its long-term development outlined in the perspective of about 15-20 years. The structure of the commune's development strategy consists of the following basic elements: definition of the commune's development vision (mission), description of key problems determining the commune's development (intermediate strategic goals) and action plans (economic programmes). The center of the commune's development strategy is a set of economic programmes, which in the implementation phase take the form of design and implementation studies – most often in the form of annual and long-term investment programmes. Determining long-term investment programs is the next stage of planning carried out at the level of tactical management. It should be emphasized, however, that the strategic development programs of the commune are not limited only to the implementation of communal investment projects.

As part of the project in the field of strategic development planning, advisory assistance for municipalities is provided, including, among others:

- Training in strategic planning of commune development addressed mainly to members of commune boards and councils and managers of commune organizational units;

- Consultations on the design of organizational structures and information systems management;
- Consultations on the methods of analysis of the conditions for the development of the commune;
- Collecting and systematizing data on the commune and editing a report on the condition of the commune;
- Conducting development analysis (SWOT);
- Formulation of strategic economic programs;
- Consultations on the links between strategic planning and spatial planning.

The methodology of strategic planning of commune development corresponds to the latest regulations in the field of public finance law, establishing the principles of subsidizing projects undertaken by communes in order to implement long-term development plans.

LONG-TERM INVESTMENT PLANNING

As part of creating systemic solutions for financing municipal investments, the Municipal Development Agency, in cooperation with the American Agency for International Development USAID, prepared a program aimed at improving investment planning processes in municipalities by disseminating methods of long-term investment planning.

Long-term investment planning makes it possible to determine the costs of individual investments based on the commune's comprehensive investment program and relate them to the commune's financial capabilities. As part of the programme, a procedure for implementing the Long-Term Investment Plan (WPI) was developed, based on forms and instructions that streamline the methods of analysis and prioritization of investment tasks. The use of these tools contributes in practice to the development of a more effective system for assessing and recommending investments to the WPI and to increasing the reliability of planning activities. It is planned to prepare a computer program supporting WPI.

Work on the preparation of the Long-Term Investment Planning methodology began with the pilot edition of the Partnership Program for Local Government at the end of 1996. The result of these works was prepared, in cooperation with ARK and consultants from the Research Triangle Institute , a draft of a four-year Investment Plan for the city of Szczecin.

A series of workshops (four sessions) on WPI was conducted for the communes selected for the Partnership Programme. Currently, ARK consultants are working on the implementation of WPI in the Żyrardów commune. It is also planned to develop a methodology long-term investment planning in conjunction with spatial planning, followed by the publication of a handbook.

The Municipal Development Agency offers communes fully or partially paid advisory assistance in the construction and implementation of WPI in communes, covering the following stages:

1. Preparation of the commune for WPI - questionnaire, information materials;
2. Analysis of existing documents and information resources;
3. Implementation of procedures for completing information on investments;
4. Developing an individual WPI for each commune;
5. Assessment of recommended investments for WPI.

IMPROVING THE BUDGET PROCESS IN MUNICIPALITIES

The program is run by the Center for Research, Consulting and Training Office in Krakow. The center was established in 1996 on the basis of an agreement signed by the Municipal Development Agency with the City of Krakow. The aim of the program is to streamline, perfect and disseminate good budgetary practices. ARK consultants have developed a performance-based budgeting methodology and tools enabling its implementation. They also conduct training and seminars in this field for communes.

Work is underway to create new and improve existing procedures and tools. They are aimed at developing a coherent methodology of performance-based budgeting as a tool for strategic management of a commune, taking into account the specificity of individual areas in which it fulfills its duties.

The task-based budget methodology was developed and documented on the basis of several years of research conducted in the municipality of Krakow. This methodology has been verified and is subject to continuous improvement based on cooperation with both large and small municipalities, which allowed it to be adapted to the needs of small and medium-sized municipalities.

Research will be conducted on off-budget economy in order to include it in the performance-based budget system. As part of the project, an application was prepared for planning and executing the budget in the order of tasks, while maintaining the requirements of budget classification. A user manual for the application was also developed. So far, more than 100 communes have been trained in the field of task-based budgeting.

The ARK office in Krakow offers consulting services to municipalities in the field of budgeting:

- Analysis of the commune's needs in the field of budget preparation in the order of tasks and the phased implementation of the system from the introduction of basic tools to support planning and executive functions by a computer application;
- Advising on the preparation and application of instructions for planning and implementing the budget in terms of tasks (as part of the implementation of the developed instruction, comprehensive training for municipal employees is offered);
- Assistance in the development of guidelines for the preparation of the budget and the rules for determining the criteria for prioritizing tasks and planning data;
- Enrichment of the hitherto methods of forecasting revenues and expenditures with additional assumptions allowing to increase their precision;
- Activities aimed at streamlining the decision-making process in determining the shape of the draft budget, and in particular the implementation of instruments ensuring the standardization of budget applications of administrators and their information content;
- Implementation of a computer application providing small and medium-sized communes with the ability to plan and perform tasks and create a project based on them in the budget classification, as well as prepare and print a budget document containing unified data on individual budget tasks and their contractors.

All information on the principles of providing consulting services and conducting training is provided by the Office of the Municipal Development Agency in Krakow. In order to disseminate the methodology of performance-based budgeting, manuals were published: "Improvement of budgeting methods - a guide for Polish local governments", "Performance budgeting - tools and procedures" (a guide to performance-based budgeting addressed in particular to small and medium-sized municipalities) and a brochure entitled "The ABC of Performance Budgeting".

MUNICIPAL SERVICE PROGRAM

The Municipal Services Program aims to support local communities in building a system of municipal services that will:

- Effective and focused on market solutions;
- Pro-investment;
- Comprehensive in organizational and technical terms,

i.e. clearly defining the scope of competence of the rights and obligations of entities active in the area of municipal services, broken down into four main management levels: strategy, tactics, implementation, control and monitoring, and clearly defining the quality and quantity standards for the performance of a specific service. The scope of the strategic activities of the Program includes primarily issues related to:

- Systemic solutions for organization, management, operation, financing (including price, tariff and investment policy) and the provision of municipal services, with particular emphasis on the so-called network services, public housing, transport and cleaning;
- Developing (verifying) models, tools, rules, procedures and standards in the systemic and detailed scope in relation to individual local government units and business entities.

In order to implement the strategic assumptions, the main subject of its work is currently the theoretical development of a model for the functioning of municipal services, which will enable the implementation of new rules for the organization and financing of municipal services through a comprehensive linking of the following issues and practical problems:

- Performance of municipal services/operation of municipal enterprises based on the principle of self-financing and decision-making and property independence
- Full and objectified determination of costs related to the provision of services and the development of technical infrastructure necessary to provide a given service according to specific quantitative and qualitative standards of its performance;
- Possibly full coverage of the costs of the service and operation of the enterprise as well as the costs of infrastructure investments from the fees of service recipients (definition of tariffs and prices), based on the so-called the necessary level of revenue;
- Development of economic and financial analyses, model legal and organizational solutions enabling the implementation and functioning of the model, considering the "model-related" solutions (e.g. restructuring and privatization as an element of: searching for investment capital, objective determination of tasks and costs).

The model will be successively developed and supplemented depending on the needs and changing conditions for the functioning of municipal services, also based on elements of products developed by ARK as part of the financial analysis of the commune and enterprise, long-term investment planning and task-based budgeting as elements of planning the strategic development of the commune. As part of the activities of ARK, this program is implemented by:

- A project concerning the restructuring and privatization of 31 municipal enterprises operating in the area of operation of the Ministry of State Treasury delegations in Lublin, Rzeszów and Białystok;
- Project on the study on "Directions of financing municipal investments in the context of: the new act on public finances and the income of local government units and obligations arising from the agreements concluded in the Maastricht Treaty and incurring financial obligations by commercial law entities operating in the field of municipal economy (possibility of the BOT concept);

- A project concerning the implementation of the model developed by PUK in two municipal enterprises.

The results of the Program will be disseminated through training, workshops, conferences and publications. As part of the Program, we also offer direct expert advisory assistance to interested municipalities and entities conducting business activity in the implementation of the model in selected municipalities and other advisory work in municipalities and enterprises regarding all issues covered by the Program.

MUNICIPAL DEVELOPMENT PROGRAM

The Municipal Development Program was established by the ARK management board in December 1997 as one of the six programs setting out the main directions of the Agency's activity. It includes a system for preparing the implementation of own tasks of communes in the field of development and maintenance of municipal infrastructure, in conjunction with a system for evaluating investment plans in terms of investment implementation and financing, and a system for providing municipal services.

The projects that were contracted until the end of 1997 were prepared in the initial phase. At the same time, steps were taken to obtain new funds from foreign aid, enabling the program to be continued. The project will be financed from the Phare or JICA programme. It is also planned to include in the financing feasibility studies aimed at assessing investments by banks interested in financing municipal investments.

So far, the program has developed standards for the investment evaluation system and tools for assessing municipal technical infrastructure projects:

- In the conceptual phase - Preliminary Project Assessment;
- In the design phase - Feasibility Study.

With their use, analyzes were made to prepare for obtaining external financing for infrastructure investments:

- Initial Project Assessment, water and sewage management: Teresin, Kosów Lacki, Legionowo, Raciąż, Lipnica Wielka, Rzepin, Zielona Góra, Kalwaria Zebrzydowska, Zawoja, Solec Zdrój, Lisewo, Wiązowna, Olsztynek, Biskupiec, Tuchola, Sępólno Krajeńskie, Wieliszew; waste management – Śrem, Gołdap, Wiązowna, Kutno, Bisztynek, Głucholazy, Świdnica; power industry - Kętrzyn, Reda, Siedlce, Orneta, Reszel, Łasin; green and recreational areas - Kamieńsk, Pobiedziska, Krupski Młyn, Bochnia, Cisna, Zawoja.
- Feasibility Study, water and sewage management: Limanowa, Sulejówek, Michałowice, Woźniki, Mierzęcice, Dąbrowa Górnica, Teresin, Kosów Lacki; energy: Kętrzyn; transportation: Białystok.

It is also planned to launch an investment management project, which will cover the planning and construction of investments, in conjunction with the evaluation system and the creation of a financial market for municipalities in terms of investment implementation and financing.

STUDY OF CONDITIONS AND DIRECTIONS OF SPATIAL DEVELOPMENT OF THE COMMUNE

In order to meet the requirements formulated in the Spatial Development Act, the Municipal Development Agency has prepared an offer for communes covering a full range of services related to

the preparation of a study of conditions and directions of spatial development of a commune. As part of the project, an additional study "Elements of the commune development strategy" will also be prepared. It will be a supplement, presenting the elements necessary to define the basic concepts of the commune's development, determine the conditions and principles of shaping the spatial order, and as a result, allow to properly direct the development of the area. Determining the strengths and weaknesses of the commune through the SWOT analysis allows for the preparation of development directions based on realistic premises.

The scope of works defined in this way is the result of the project team's conviction that the process of developing a study of the conditions and directions of the commune's spatial development should be linked to the works on the commune's development strategy. The assumptions of the commune's spatial development policy should correspond to the vision of its development, as well as enable the implementation of the main and indirect strategic goals. The study should reflect the content of the development strategy and locate its substantive content in the space.

MUNICIPAL DATABASE AND FINANCIAL ANALYSIS SYSTEM

The system contains information on the finances of communes, investment activities and investment monitoring. The database system can also be a useful tool for preparing financial analyses, long-term budgets and investment programmes. Communes participating in the project will be able to compare the results of investment analyzes via the Internet.

The main modules of the Database System are:

- Source Database, containing general and demographic information about the commune, information about investments and financial information about the commune's income and expenses.
- Analytical Databases that use source data to perform calculations, analyses, graphical presentations, which can then be made available to external users.

The Source Databases include the commune database (document SG01) and the Local Data Base (BDL) as well as the newly designed: Investment Task Card (information on individual investment tasks) and Infrastructural Object Card (information on infrastructural facilities and the costs of their construction and operation). The Investment Task Card is linked to the Infrastructural Facility Card, which means that investment expenditures and effects are linked.

The Analytical Module of the Database System includes a system for monitoring investment processes and supporting budgetary decisions. In this module:

- Forecasting income, operating and investment expenses, free funds, loan repayments and interest rates;
- Variant analysis of long-term financing of investments covered by the program (selection of investment projects to be implemented, taking into account the analysis of implementation costs, unit costs of construction and operation of infrastructural facilities and the selection of external sources of investment financing);
- Monitoring the implementation of investment tasks for the entire commune, for selected towns or other territorially identifiable areas;
- Searching and presenting information on investment costs according to the amount of costs, type and category of infrastructure, sources of financing as well as location and time of commencement of the investment;
- Calculation of indicators related to individual categories of income and expenses, primarily investment, and information on unit costs of implemented investment tasks and operation of infrastructural facilities.

Source Databases create new standards of data collection, with the maximum use of existing information resources. Analytical Databases enable conducting simulation analyses, in particular quick and variant preparation of long-term budgets and investment programs as well as analysis of the commune's creditworthiness over a long period of time. Both databases can be an effective tool for the Commune Board, helpful in negotiations with councillors, investors and banks. SBDKiAF was implemented in cooperation with the municipalities of Biała Podlaska and Zgierz.

The System of Municipal Databases and Financial Analyzes is offered as PC software. Financial analyzes of municipalities and comprehensive information on municipal investments prepared on the basis of the above system may also be made available.

In addition, the system includes a Database of Consulting Companies containing basic data on approximately 1,900 companies. The company's specialization is defined in detail, taking into account issues that may be of particular interest to municipalities. The company letters contain at least two references to the work performed (2 references) and information about the experts (their academic degree and specialization). The data is made available to all interested parties on site at the ARK, by e-mail, letter, fax or telephone.

LOCAL GOVERNMENT PARTNERSHIP PROGRAM

The Local Government Partnership Program, abbreviated as LGPP, is sponsored by USAID. Its purpose is to provide support to Polish communes and municipal associations in their efforts to improve management efficiency, credibility, responsibility and openness to local needs and initiatives. The specific objectives of the LGPP are as follows:

- Development of the best commune management practice through cooperation with 48 partner communes. The developed practices and patterns will be repeatable and can be implemented in communes of similar size and character
- Dissemination of these patterns in the country
- Creating and strengthening Polish training institutions, non-governmental organizations, consulting companies, universities, unions associating employees of local government administration, which will undertake, disseminate and will continue to carry out work in this area;
- Promotion of the principles of strategic management
- Influencing state policy in relation to various aspects of local governments

The program is partnership-based. It requires active involvement on the part of the communes at all stages: defining the objectives, implementing and implementing the Program as well as disseminating the positive experiences gained from it on a national scale. Communes selected for the Program will receive advisory assistance focused on priority issues for a given commune. Therefore, the communes and communal unions themselves proposed key directions of cooperation based on their own needs and experience. They will cover the following areas:

1. Strategic and financial planning
2. Economic development
3. Development of infrastructure
4. Restructuring and strengthening of municipal enterprises
5. Housing management and development
6. Land management (management and development)
7. Financial management of other public services (e.g. health care, education)

8. Improving customer service
9. Increasing the participation of residents in decision-making at the local level.

The program is implemented by a consortium of American and Polish companies led by Chemonics International. Throughout the duration of the Program, the Municipal Development Agency assists in its implementation. She participated in the development of the concept of the Program and its structure, supported the creation and functioning of the Recommendation Committee and the Advisory Team. During the long process of selecting the contractor for the Programme, she acted as its secretariat.

ARK carried out an initial verification of applications submitted by communes, developed a selection procedure and evaluation criteria, which led to the final selection of 40 communes. These are both large metropolises, medium-sized cities as well as rural communes and municipal associations. For the communes selected for the Program in the first round, ARK prepared and conducted a number of trainings. The training brought the expected results by initiating the implementation of modern management techniques. Currently, ARK will disseminate patterns and tools already developed in the activities of consultants. For communes not directly participating in the Program, ARK will offer a series of training courses in the field of financial management in the commune, economic development of the commune, cooperation with consultants and participation of residents in the decision-making process at the local level.

As part of the LGPP program, ARK also conducts consulting activities. It provides assistance in the implementation of task-based budgets, long-term investment plans, preparation of municipal bond issues, and financial analysis of the municipal budget. ARK collects all information related to the Partnership Program and will act as an information center on the possibilities of obtaining advisory assistance in the field of specialization of consultants working on individual projects under the Program.

DISSEMINATION

CONFERENCES, SEMINARS, TRAINING

Thanks to the cooperation of the Agency's specialists with experts in the field of development strategy, management, finance and economics, as well as drawing on the experience of Polish and American local government communities, ARK has developed a unique package of modern tools that can significantly improve the management process in municipalities.

These tools include:

- Strategic local development planning;
- Financial analysis model for municipalities;
- Long-term Investment Plans;
- Performance budgeting.

They are adapted to the new legislation resulting from the state administration reform.

In order to disseminate these tools and share experiences gained through cooperation with Polish communes and local government organizations, ARK organizes seminars and trainings for commune, powiat and voivodeship boards, as well as for banks, financial institutions and all persons interested in the broadly understood subject of local economic development.

These tools have so far been presented in the form of free advisory assistance in 35 out of 48 municipalities participating in the American Partnership Program for Local Government. In many of these municipalities, they are currently being implemented.

Due to the great interest of local governments in our products, ARK has focused its training activities on municipalities not covered by aid programs and offers on a commercial basis training in strategic management of the municipality, which includes the above-mentioned tools.

In addition, we offer seminars and training on:

- Issue of municipal bonds;
- Objectives and advantages of implementing a liquidity management program in the commune;
- Competencies of communes, poviats and voivodships in the light of the new resulting acts from the constitutional reform.

LOCAL GOVERNMENT LIBRARY

The library was created as a result of cooperation between the British Know-How Fund under the Local Government Support Program, the American Agency for International Development (USAID), which provided funding for its activities, and the Municipal Development Agency, which provided rooms in its headquarters. It was initiated with the aim of documenting the effects of foreign aid programs in Poland, and has significantly expanded its offer to include all publications related to broadly understood local development issues.

The library collects books and periodicals in the field of: local government law, regional and local policy, commune management, local finance, municipal economy, spatial planning, environmental protection, as well as reports and studies resulting from the implementation of foreign aid programs. The collections are systematically supplemented, e.g. thanks to cooperation with institutions and foundations of a similar nature and sphere of activity, units implementing aid programs and scientific and research institutes. The publications have been cataloged in an electronic database, which allows them to be quickly searched according to various criteria, e.g. title, author, keywords, publisher, publication date, publication type, and language.

The collections are made available on site, at the headquarters of the Municipal Development Agency, during the foundation's working hours (9.00-16.00), Monday to Friday. In addition, ARK conducts publishing activities to an increasing extent, publishing studies on, among others: commune management and its finances, foreign aid programs, investment needs of communes.

MAIN PARTNERS OF MDA

- British Know-How Fund
- Cooperation Fund
- Development Alternatives Inc.
- European Bank for Reconstruction and Development
- Federation of Unions and Associations of Polish Communes
- Foundation for Social and Economic Initiatives
- Gdańsk Academy of Banking
- ICMA - International City/County Management Association
- National Assembly of the Local Government
- Research Triangle Institute (RTI)
- Union of Polish Metropolises
- Union of Polish Towns
- Union of Rural Municipalities
- Association of Polish Cities

CONTACT

Municipal Development Agency
Nowy Świat 42, 2nd floor
00-363 Warsaw
phone: (22) 828-38-95, 828-38-96, 828-38-97
fax (22) 622-54-95
e-mail: mda@ark.com.pl

Municipal Development Agency
Plac All Saints 11/25
31-004 Krakow
phone: (12) 616-13-91
fax. (12) 422-39-53
e-mail: arkrakow@kr.onet.pl