

Figure 4.4-2 PROJECT IMPLEMENTATION SCHEDULE AND INVESTMENT

Name of Project	Year													Total cost (US\$ '000)
	98	99	00	01	02	03	04	05	06	07	08	09	10	
Agriculture														
AG-1	Experimental activities	200	6,000	2,000	1,000	700								9,900
AG-2	Schools in Koscielce	60												60
AG-3	Irrigation system	500	1,000	19,000	11,500	13,000	900							45,900
AG-4	On-farm drainage				1,000	10,000	10,000	7,000						28,000
AG-5	Group sales	20	50											70
AG-6	Vegetables and fruits		50											50
AG-7	Herb garden		200											200
AG-8	Organic farming				500	400								900
AG-9	Agro-tourism			40										40
AG-10	Refilled land farming				1,000	3,000	2,400							6,400
Sub-total		20	810	7,250	21,000	12,540	16,200	14,300	12,400	7,000	0	0	0	91,520
Three Key Industries														
KI-1	Construction company	1,000												1,000
KI-2	Engineering company	1,000												1,000
KI-3	Maintenance company	1,000												1,000
KI-4	Brown coal ash		30											30
KI-5	Gypsum board		30											30
KI-6	Underground water	52												52
KI-7	Golf course		30	3,970	3,000			1,500	1,500					10,000
KI-8	Cold warehouse		30	570	600									1,200
KI-9	Heat park		50	5,950	5,000									11,000
KI-10	Green house		30	1,170	1,200									2,400
KI-11	Aluminum radiator	25	25	2,650	1,600									4,300
KI-12	Foil lamination				50	1,300	1,250							2,600
KI-13	Aluminum foil work				50	2,000	2,150							4,200
KI-14	Aluminum sheet work	50		2,000	1,350									3,400
KI-15	Aluminum construction materials	50	10,000	10,000	7,950		50	7,000	8,000	6,950				50,000
Sub-total		0	3,177	10,225	26,310	20,700	0	150	8,300	12,750	10,600	0	0	92,212
Industry														
ID-1	One-stop center													16-151*
ID-2	Woodworking park	5,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	5,000				80,000
ID-3	Foodstuff processing		20,000											20,000
ID-4	Re-education													185*
ID-5	New entrepreneur	500	600	600										1,700
ID-6	Clinic services													1,040*
ID-7	TQM/Kaizen													462*
ID-8	Consulting center													697*
ID-9	Apparel design center		1,600											1,600
ID-10	Economic forum													10*
Sub-total		0	5,500	32,200	10,600	10,000	10,000	10,000	10,000	10,000	5,000	0	0	103,300

Note: 1. * indicate yearly operation costs and are not included in the total cost.
 2. _____ investment project _____ project without initial investment _____ operation

Name of Project	Year													Total cost (US\$ '000)
	98	99	00	01	02	03	04	05	06	07	08	09	10	
Physical Distribution and Transport														
DT-1	Construction center		200	150	700	500	5,000	20,000	20,000	10,000	5,000	5,000		66,550
DT-2	Service area							430	2,000	1,500	1,500		5,430	
DT-3	Bonded warehouse					500	500						1,000	
DT-4	Distribution business		500										500	
DT-5	Consumer goods market				1,000	500	500						2,000	
DT-6	Used car market				1,000	1,000							2,000	
DT-7	Agriculture distribution	140	1,600	830	230								2,800	
DT-8	Rapid train						1,000	1,000	2,000				4,000	
DT-9	Mini-bus services		100	100									200	
Sub-total		0	140	2,400	1,080	1,930	2,500	7,000	21,430	23,000	13,500	6,500	5,000	84,480
Tourism														
TR-1	Lake tourism		500	1,000	1,500	1,500	500						5,000	
TR-2	Sport-recreation zone			2,000	2,000	1,000							5,000	
TR-3	Habitat observation		100	200	100	100							500	
TR-4	Hot spring			18	30	400	3,500	3,500	2,196				9,644	
TR-5	Tropical botany				400	400	300						1,100	
TR-6	Promotion tools												25*	
TR-7	Information center		43										43	
TR-8	Image campaign												46*	
Sub-total		0	643	3,218	4,030	3,400	4,300	3,500	2,196	0	0	0	0	21,287
Land Use Development and Infrastructure														
LD-1	Commercial areas						500	200	200	100			1,000	
LD-2	Shopping mall						200	100	100	100			500	
LD-3	Rail road station		200	100	100	100							500	
LD-4	Rural industrial zone		300	300	300	300	300	300	200				2,000	
LD-5	Residential area			200	200	100							500	
LD-6	Low cost housing		1,000	1,000	800								2,800	
LD-7	Connecting roads		2,000	2,000	1,100								5,100	
LD-8	Access roads		3,000	2,000	2,000								7,000	
LD-9	Tourist roads					100	100	100					300	
LD-10	Gmina bridges		200	200	100								500	
LD-11	Tourist area infrastructures					100	50	50					200	
LD-12	Waste treatment		3,000	1,000	700	300							5,000	
LD-13	General industrial park		3,000	3,000	1,700	800							8,500	
LD-14	Warta river banks				200	200	200	200	200				1,000	
Sub-total		0	12,700	9,800	7,200	2,000	650	650	1,100	300	300	200	0	34,900
Manpower Development														
MP-1	Higher education		100	100	100								300	
MP-2	Non-stationed education		100	100									200	
MP-3	Secondary education		1,000	1,000	500	500							3,000	
MP-4	Job intermediary center												10*	
Sub-total		0	1,200	1,200	600	500	0	0	0	0	0	0	0	3,500
Total		20	24,170	66,293	70,820	51,070	33,650	35,600	55,426	53,050	29,400	6,700	5,000	431,199
%		0.00	5.61	15.37	16.42	11.84	7.80	8.26	12.85	12.30	6.82	1.55	1.16	100.00



Figure 4.4-3 EMPLOYMENT EFFECT BY PROJECT IMPLEMENTATION

Name of Project		Year											Employment (persons)		
		98	99	00	01	02	03	04	05	06	07	08		09	10
Agriculture															
AG-1	Experimental activities						50								
AG-2	Schools in Koscielce		5												
AG-3	Irrigation system						100								
AG-4	On-farm drainage								50						
AG-5	Group sales		5												
AG-6	Vegetables and fruits			4											
AG-7	Herb garden			30											
AG-8	Organic farming						50								
AG-9	Agro-tourism				21										
AG-10	Refilled land farming							100							
Sub-total		0	10	34	0	21	50	150	100	50	0	0	0	0	415
Three Key Industries															
KI-1	Construction company		300												
KI-2	Engineering company		200												
KI-3	Maintenance company		200												
KI-4	Brown coal ash			100											
KI-5	Gypsum board			100											
KI-6	Underground water		0												
KI-7	Golf course				50										
KI-8	Cold warehouse					20									
KI-9	Heat park					20									
KI-10	Green house				7										
KI-11	Aluminum radiator				180										
KI-12	Foil lamination							36							
KI-13	Aluminum foil work								72						
KI-14	Aluminum sheet work				60										
KI-15	Aluminum construction materials				72					192					
Sub-total		0	700	200	0	369	0	40	0	36	264	0	0	0	1,609
Industry															
ID-1	One-stop center				6										
ID-2	Woodworking park									600					
ID-3	Foodstuff processing			50											
ID-4	Re-education			2											
ID-5	New entrepreneur				600										
ID-6	Clinic services				1										
ID-7	TQM/Kaizen				2										
ID-8	Consulting center				3										
ID-9	Apparel design center				40										
ID-10	Economic forum			0											
Sub-total		0	0	95	609	0	0	0	0	600	0	0	0	0	1,304

Note: 1. * indicate yearly operation costs and are not included in the total cost.
 2. _____ investment project _____ project without initial investment _____ operation

Name of Project		Year											Employment (persons)		
		98	99	00	01	02	03	04	05	06	07	08		09	10
Physical Distribution and Transport															
DT-1	Construction center													400	
DT-2	Service area												90		
DT-3	Bonded warehouse						30								
DT-4	Distribution business			4											
DT-5	Consumer goods market						50								
DT-6	Used car market						40								
DT-7	Agriculture distribution						43								
DT-8	Rapid train											28			
DT-9	Mini-bus services						11								
Sub-total		0	0	4	11	43	0	120	0	0	28	90	400	0	696
Tourism															
TR-1	Lake tourism						110								
TR-2	Sport-recreation zone						50								
TR-3	Habitat observation						22								
TR-4	Hot spring											160			
TR-5	Tropical botany						25								
TR-6	Promotion tools				2										
TR-7	Information center						3								
TR-8	Image campaign						2								
Sub-total		0	5	2	0	72	135	0	160	0	0	0	0	0	374
Land Use Development and Infrastructure															
LD-1	Commercial areas												300		
LD-2	Shopping mall												200		
LD-3	Rail road station												200		
LD-4	Rural industrial zone												600		
LD-5	Residential area												100		
LD-6	Low cost housing												200		
LD-7	Connecting roads												1,000		
LD-8	Access roads												300		
LD-9	Tourist roads												200		
LD-10	Gmina bridges												600		
LD-11	Tourist area infrastructures												100		
LD-12	Waste treatment												200		
LD-13	General industrial park												20		
LD-14	Warta river banks												200		
Sub-total		0	0	0	2,100	520	0	300	800	0	0	500	0	0	4,220
Manpower Development															
MP-1	Higher education												125		
MP-2	Non-stationed education												12		
MP-3	Secondary education												120		
MP-4	Job intermediary center												14		
Sub-total		0	0	0	14	125	120	0	0	0	0	0	0	0	259
Total		0	715	349	2,845	1,145	185	610	1,060	86	892	590	400	0	8,877
%		0.00	8.05	3.93	32.05	12.90	2.08	6.87	11.94	0.97	10.05	6.65	4.51	0.00	100.00



4.5 Typological Classification of Projects

4.5.1 Classification by Implementation Body

Seventy projects on the long list were classified according to the expected implementation body as the framework for designing a necessary institutional setup. Classification was made on the basis of the results of the questionnaire survey conducted during the December 2nd 1997 workshop (as discussed in detail in Chapter 5) for 26 participants from the Polish side and 10 study team members. Note that the two sides chose almost the same implementation body in terms of public sector, private sector or combination of them. In essence, the projects were classified according to the following three types of implementation structures.

1) Governmental projects

22 projects that are expected to be primarily implemented by local self-governments, local self-government councils, the central government and/or other public organizations (e.g., national university). Note that the Office of Governor is part of the central government.

2) Private/governmental projects

24 projects that should be carried out as joint initiatives of public and private sectors and are subdivided into two types, the public sector supports the private sector or the other way around.

3) Private sector projects

24 projects including those driven by private investment, including those having foreign and domestic origins, and those which should be implemented as part of the private sector's activities

It should be noted that the prevailing implementation structure varies greatly with government policy. In countries having a large government, government-led projects tend to encroach into the areas where commercial business is desirable. Contrarily, some countries implement non-profit projects by means of foundations instead of public sector. The following classification was made by taking into conditions specific to Poland and assuming that a large number

of projects will be entrusted to the private sector. Note that the three key industries are assumed as being in private sector, although the mining company is still a state-owned company and the power company is in the privatization process.

(1) Governmental projects

Table 4.5-1 shows 22 projects in this category. By sector, many belong to agriculture, land use development and infrastructure, and manpower development. In contrast, no project in three key industries and industry sector is included in this category. The governmental projects can be further classified according to the nature of each project as follows.

a) Projects related to local activities

Projects positioned as activities driven by local governments (gmina) to promote regional development. In the process, the Office of Governor, as a local agency of the central government, is expected to provide coordination capabilities in cooperation with the local governments and the council. Project costs under this category are relatively small compared to others.

(AG-1) Agriculture experimental activities (AG-2) Agriculture schools (AG-6) Detailed study for vegetables and fruits promotion (TR-6) Tourism promotion tools (TR-7) Tourism promotion center (TR-8) "Clean Konin campaign (LD-4) Rural industrial zone (MP-4) Job intermediary center

b) Projects requiring assistance of the central government

Projects that need to be implemented at the initiative of local governments, but require cooperation and approval of the central government and its development organizations.

(DT-3) Bonded warehouse (DT-8) Rapid commuting train (MP-1) Higher educational schools (MP-2) Non-stationed education (MP-3) Secondary schools

c) Projects related to infrastructure development within the region

Projects considered as infrastructure development that needs to be carried out by a local government or the central government under its own budget. As these projects SPAN and affect more than two

municipalities, the Office of Governor and the council will be required to coordinate conflict of interest among local governments. In addition, external support (such as from the EU) may be required in light of the tight budget conditions of many local governments.

(LD-7) Connecting roads among main cities (LD-8) Access roads to trunk roads
(LD-9) Tourist roads (LD-10) Bridges between municipalities (LD-11) Tourist zone water supply/sewage

d) Projects requiring major public investment

Projects characterized as requiring large public investments, and involving construction of public facilities, which need to be budgeted separately on an ad-hoc basis. Again, external support should be considered if the budget is difficult to obtain.

(AG-3) Irrigation system (AG-4) On-farm drainage system (ID-12) Centralized waste treatment/disposal (LD-14) Warta river banks development

(2) Private/governmental projects

Table 4.5-2 summarizes 24 projects that are classified as private/governmental projects. Sector-wise, there are many projects in agriculture (activities) and industry (particularly related to promotion of SMEs) sectors. In addition, tourism resource development projects are listed as they are considered to require government support. From land use development and infrastructure as well as three key industries, those centering on development of specific regions and various industrial parks are classified here. There are no projects in the physical distribution/transport and manpower development sectors.

a) Projects for which government establishes basic plan and design and the private sector participates

Projects that are difficult to be carried out by the private sector unless government proposes their basic policy as development programs comprise this group. The private sector participates at the implementation stage.

(AG-10) Experimental farming on the refilled land (K1-6) Underground water utilization study (ID-10) Economic forum (LD-1) Commercial area development (LD-5) Residential area provision for new projects

(LD-6) Low cost housing

- b) Projects for which the government invests in the planning process and the private sector invests in the commercial sector

This is similar to the preceding category. But these projects are characterized by the need for public investment in infrastructure as the base of projects, while private investment is expected in commercial portions. Tourist resource development and industrial park development are included here.

(KI-9) Heat park (KI-10) Greenhouse park (TR-1) Lake area tourism (TR-2) Sport-recreation zone (TR-3) National habitat observation (TR-4) Hot spring (TR-5) Tropical botany garden (LD-5) Station front area (LD-13) General industrial park

- c) Projects that are led by the private sector, with support and promotion by the government

These projects are characterized as private initiatives to aim at diversification of the economy, which are promoted and supported by the government at the organizing stage and providing public education and dissemination of information. The projects to diversify the agriculture sector by creating additional income sources are classified here.

(AG-5) Group sales activities (AG-8) Organic farming (AG-9) Agro-tourism

- d) Projects for which the private sector assumes responsibility for some service that should be provided by government on a contract basis

Projects here are those that government should implement, on account of their non-profit nature, and are partially entrusted to the private sector, mainly service operation and management. These are mainly projects to foster SMEs. Many projects under this category will have participation by the Regional Development Agency (RDA) of Konin, which is a private stock company though 85% of which are owned by the Office of Governor.

(ID-1) One-stop service center (ID-4) Managers re-education (ID-5) New entrepreneur assistance (ID-6) Traveling clinic services (ID-7) TQM/Kaizen movement (ID-8) SMEs consulting center

(3) Private sector projects

Table 4.5-3 lists 24 projects that are classified as projects for the private sector. While they will also require government approval and support in some aspects, such as land use, they are basically private investment projects with commercial purposes. Most of the projects in three key industries and many in the physical distribution and transport sector are classified under this category. While several projects belong to the industry sector, no other sectors have projects under this category. Overall, many projects are based on the competitive advantages and growth potential of Konin Province.

Projects for the private sectors are further divided according to their nature as follows.

a) Projects that need to be implemented by the three key industries

These are projects that should be studied by three key industries (brown coal mining, electric power generation, and aluminum smelting) to diversify their own businesses. Some of them have already been studied by the enterprises concerned. The Team recommends these projects on the basis of its judgment of feasibility and rationale. Projects (KI-1) through (KI-3) propose divestiture and spin-off of specific business divisions, and while (KI-7) proposes the productive use of vast refilled land of mines.

(KI-1) Construction company (KI-2) Engineering company (KI-3) Maintenance & erection company (KI-7) Golf course

b) Projects developing downstream sectors of three key industries

Projects related to downstream sectors of the key industries which are eligible for attraction of private investors are grouped here. Projects (KI-4) and (KI-5) are designed to use wastes from ZE PAK, and (KI-8) will use surplus heat supply capacity of the power plant. Projects (KI-11) through (KI-15) are intended to foster development of the downstream sector for the aluminum smelter, Huta Aluminum. While the key industries at this time do not intend to implement these projects

by themselves, Huta Aluminum suggests that equity participation in the rolling operation where it has some interest is possible.

(KI-4) Brown coal ash (KI-5) Gypsum board (KI-8) Cold warehouse (KI-11) Aluminum radiator (KI-12) Aluminum foil lamination (KI-13) Aluminum foil work (KI-14) Aluminum sheet work (KI-15) Aluminum construction materials

c) Projects that utilize indigenous resources or capitalize on competitive advantages of Konin province

In fact, the development of the downstream sectors for the key industries is one type of project to leverage the province's competitive advantages. There are various other resources and competitive advantages the province can rely on. In this connection, the following projects are expected to attract private investment. Projects (ID-2), (ID-3) and (DT-1) will use local resources, namely wood, farm products and construction materials. (DT-2), (DT-5), (DT-6) and (DT-7) aim to take advantage of the province's strategic location. For the latter category, a variety of projects are under consideration by the private sector.

(ID-2) Woodworking park (ID-3) Foodstuff processing (DT-1) Construction materials (DT-2) Service area for driver (DT-5) Consumer goods market (DT-6) Car plaza (DT-7) Fruit and vegetables market

d) Other projects

Projects listed below are included in the long list as they need to be implemented by private interests. Project (AG-7) proposes the revival of the province's historical product, herbs by using old facilities that are now idle. (ID-9) is to build a design center in Turek which has a strong apparel industry but with low profit by OEM. This project aims to encourage the development of its own design and product development capabilities. The design center will be jointly established by garment manufacturers. (DT-4) proposes quality improvements in safety and service of the currently uncontrolled distribution industry, and is not an investment project. (DT-9) proposes a mini-bus system to carry commuters from rural areas, and the start of private taxi companies is expected. (LD-2) is designed to vitalize the service industry that has

lagged other areas, especially shopping districts and restaurants that attract young people and families.

(AG-7) Konin herb garden (ID-9) Apparel design center (FD-4) Organization of distribution business (DT-9) Mini-bus service (LD-2) Shopping mall

4.5.2 Projects Common for Other Provinces

The projects in the long list include some applicable to other provinces having similar conditions to those of Konin Province. Such projects are plausible for similar provinces, and can be incorporated into the government's regional development plans. Table 4.5-4 lists 25 projects considered to be in common with other provinces. In other words, it was constructed by removing from the long list the projects which are only applicable in Konin Province.

The following criteria were used for identifying those projects which are only applicable for Konin Province:

- 1) Projects related to the three key industries are considered to be projects specific to the province.
- 2) Projects related to tourism are also considered to be specific to Konin Province as they are primarily intended to develop recreational resources peculiar to the province, while not many provinces have such resources.
- 3) Projects using A-2 highway (under construction) are considered to be specific to the province.
- 4) Projects bearing the name of the province under their titles and those using resources available in the province are also considered to be specific to the province.

24 projects were selected as common projects, which are classified according to the policy agenda.

(1) Innovation of farming technology

Farmland in Konin Province is infertile compared to the national average. There are three possible measures to improve the situation: soil improvement, use of infertile farmland for other purposes, and introduction of appropriate technology including selection of crops suitable for infertile soil. Soil improvement involves the improvement of soil fertility by replacement of top soil, while such expansion of farmland is not the

country's policy. On the other hand, reduction by putting the land to a non-farm use is planned in the form of afforesting in the province, but it is very hard or almost impossible to enforce this. In this study, project (AG-1) is intended to "select a cropping pattern suitable for local conditions in the province and develop appropriate cultivation technology." This approach seems to be widely applicable to other provinces, perhaps at a national level.

(AG-1) Experimental farming activities

(2) Development of agricultural infrastructure

Konin Province is recognized by the central government as a province with a deficit in water resources. In reality, however, a large amount of ground water is produced at mines and finally flows to rivers and lakes without being put to productive use. And the province has many lakes and Warta river. Thus, irrigation facilities are in short supply, not water resources. At the same time, there is the apparent lack of water diversion and drainage facilities for farmland, which has often been subject to serious crop damage due to flood. Clearly, the issue is similar to other agricultural regions. The following projects are thus proposed to address the development of agricultural infrastructure.

(AG-3) Irrigation system (AG-4) On-farm drainage system

(3) Increase in and stabilization of farm income

Value added per employee in the agriculture sector is the lowest among all sectors, both in Konin Province and the entire country. As a result, farm income is accordingly low, particularly for small farms. The situation cannot be improved unless farmland is consolidated for intensive farming and surplus labor is transferred to other sectors. Nevertheless, as consolidation of farmland, that can be done on a large scale and quickly only by use of a compelling force, will not likely become feasible in the near future, it is not proposed in this report. Instead, the following four projects are proposed as alternatives.

(AG-5) Group sales (AG-8) Organic farming (AG-9) Agro-tourism (DT-7) Fruits and distribution center

Social and political reforms have ended the past system of purchase of all farm products by the government. This has deprived farms, particularly small farms, of sales channels. Farms now are obliged to sell their products to middlemen, but under unfavorable conditions. On the other hand, major customers such as food manufacturers, supermarkets and exporters are facing difficulty in securing reliable supply sources. Project (AG5) is designed to provide stable income sources, and (DT-7) intends to ensure stable supply to customers. At present, farms are still suspicious about group activities which seem to remind them of notorious cooperatives under socialist economy. Once such suspicion fades away, these two projects will eventually be integrated. (AG-8) is designed to produce high value added products by targeting health-conscious consumers, and (AG-9) is a project to boost non-farm income.

(4) Productivity improvement of manufacturing industries

In Section 4.3, it is pointed out that productivity per employee in all sectors of the province must be raised by 1.9 times between 1995 and 2010. For the manufacturing sector, productivity gains of 1.75 times were envisaged. The Team believes that this is not a far-fetched target compared to the inefficient production practice observed at present. Nevertheless, it cannot be achieved by reduction of labor force alone through restructuring. Rather, productivity shall be improved by improvements that raise production management, quality control and business administration closer to international levels. The following two projects are proposed to help accomplish this goal. (ID-4) is essentially a reeducation project for corporate managers, to change their mindset regarding productivity improvement. (ID-7) is a movement to disseminate modern management techniques to production factories, and should preferably be deployed at a national level. Also, these projects should be carried out by means of technology transfer from industrialized countries which are highly reputed in this field.

(AG-4) Managers re-education (ID-7) TOM/Kaizen movement

(5) Development of SMEs

The nurturing of SMEs is one of the country's critical development policies. The long list proposes the following three projects related to this area.

Also, (ID-4) and (ID-7) in the previous section can be considered as belonging to this category. In the 1990s, many enterprises were in the province, together with emergence of new entrepreneurs. As a major obstacle to the establishment of a new company is the lack of funds, (ID-5) is designed to provide financial assistance and assist potential entrepreneurs in starting their own businesses. (ID-6) and (ID-8), on the other hand, are intended to improve production and quality control techniques and skills of SMEs. The former is characterized as one type of technical assistance service consisting of factory visits, while the latter is provided by service centers.

(ID-5) New entrepreneur incubation (ID-6) Traveling technological clinic services
(ID-8) SMEs consulting center

(6) Attraction of foreign investment

At present, Poland's economic policy revolves around the establishment of sound fiscal conditions in an attempt to satisfy conditions for the EU participation. Toward this end, it uses financial policy to control foreign debt. At the same time, bilateral or multilateral financial aid will be phased out as recognition that grows Poland is becoming economically independent. Meanwhile, domestic financial institutions are not capable of supplying funds to meet demand and interest rates remain very high. The government budget is still weak in terms of development expenditure. Large companies are still busy restructuring themselves and have little financial resources to invest in new projects. Thus, every sector in Poland is suffering from a grave shortage of funds. Under these circumstances, it is imperative to attract foreign investment if a desirable pace of economic growth is to be maintained.

In Konin Province, there have been several inquiries from foreign investors. However, the local governments do not seem to be ready to deal with them in an consistent manner and in fact may not respond to them properly. In addition, aggressive activities to attract foreign investment are not being made at present. If this situation goes on, foreign investors should be expected to choose other areas. (ID-1) proposes the improvement of this situation. (LD-13) is an important project intended for foreign investors,

although it is also important for domestic investors. These projects will be applicable to a large part of the country.

(ID-1) One-stop investment center (LD-13) General industrial park

(7) Development of regional infrastructure

According to a recent survey, Konin ranked 41st in the level of infrastructure development among the 49 provinces. This is why a large number of infrastructure development projects are proposed, and many of them seem to be applicable to other provinces, to varying degrees. For instance, the improvement of station facilities contained in (LD-3) should be carried out on a nationwide scale. In particular, railway stations in Poland do not have facilities and signs for tourists. (LD-4) proposes consolidation of processing plants that are sporadically distributed throughout rural areas and the development of food processing plants that are closely associated with output and activities of farms and villages. Other projects are rather self-explanatory.

(LD-3) Rail road station (LD-4) Rural industrial zone (LD-8) Access to trunk roads
(LD-10) Municipality roads (LD-12) Centralized waste treatment facilities

(8) Other common projects

There are other projects which do not directly fit into any of the above categories but seem to be applicable to other provinces having similar conditions or even on a nationwide scale, as shown below. (DT-4) is designed to address the need for organization of physical distribution industries that lack awareness of service quality and safety, and (LD-6) focuses on potential demand among low- and medium-income people for detached housing. (MP-2) consists of distance education for workers, and (MP-4) intends to expand recruiting information from current municipality levels to a provincial scale by building a database to promote more efficient matching between employers and employees.

(DT-4) Organization of distribution business (LD-6) Low cost housing (MP-2) Non-stationed education (MP-4) Job intermediary center

4.5.3 Projects Based on Advantages of Konin Province (The Five Development Programs)

Two groups of projects are included in the long list: one of projects that would improve the disadvantages of Konin Province, and one of projects that would exploit advantageous potential, in its various forms. Many of the former group are in the fields of agriculture, infrastructure, and development of human resources. The following is an examination of the five programs that combine groupings of projects from the latter group.

The Five Development Programs have the objectives to cut across more than one sector so as to be effective in promoting comprehensive and organic development in addition to the sector development approach that has been taken in this report. An additional objective to offer these programs is to contribute to efforts at attracting direct investment from both domestic sources as well as other countries. For each program, a simple explanatory map will be prepared; the map will consist of projects included each program with their locations, and will be suitable for distribution to potential investors.

It should be noted that, of the total of 70 projects, some are not necessarily included in the five programs, and some are included in more than one program.

(1) Program One: The Heat and Energy Park, Konin 2010

Point of advantage: Konin Province possesses heat and energy resources.

Perhaps the greatest advantage of Konin Province is the possession of brown coal that is the basis for energy industry. Konin Province energy industry provides about 10% of total power generated in the nation. Power generation plants also provide hot water as a result of co-generation. The generation plants are located in Konin and Adamow (near Turek), where brown coal resources abound.

The feature of this program that is of special importance is the promotion of industrial development through increase of the capacity utilization ratio of hot water supply. Utilization of hot water in 1996 was as follows. It is clear that the ability to supply hot water is not being highly utilized.

	Rate of Capacity Use	
	Annual average	Peak season
ZE PAK, Konin	17%	25%
ZE PAK, Adamow	12%	20%

The projects that make up this program are as follows (refer also to Figure 4.5-1). It is envisioned that the concentration of heat-using industries in a single area would be greatest in the case of project K1-9, the Heat Park, but there are many precedents in other countries for projects such as the Heat Park, when co-generation is being used. Reference should be made to the Project Report for details on each project.

Heat use for agricultural sector development

(K1-8) Cold Warehouse (K1-10) Greenhouse

Heat use for tourism sector development

(TR-4) Hot Spring (TR-5) Tropical Botany

Heat use for manufacturing sector development

(K1-9) Heat Park (ID-2) Woodworking Park (ID-3) Foodstuffs

(2) Program Two: The Construction Materials Center, Konin 2010

Point of advantage: Konin Province possesses raw materials for production of construction and building materials

Konin Province has timber resources (mainly pine) and it is possible to obtain silt, clay and sand within the province. Aluminum sheeting is produced at the aluminum mill, and gypsum and brown coal ash are byproducts of the power plants. To exploit the potential of these materials, development of Konin Province towards a construction materials center is proposed in this program. The construction and architecture sectors are experiencing rapid growth and a high level of growth is expected to continue into the future.

The most promising products appear to be aluminum products formed from sheeting, building materials made of local lumber, and bricks and tiles

made from silt and clay. This program includes more than production industry, as Project DT-1, Construction Material Center, that is in the distribution sector, is included. As a related matter, it is advisable in connection with this program to study the varieties of trees to be planted under the province's afforestation program.

Program Two includes the following projects (refer also to Figure 4.5-2). Features of each project are given in the Project Report.

(KI-1) Construction company (KI-4) Brown coal ash (KI-5) Gypsum board
(KI-15) Aluminum construction materials (ID-2) Woodworking park
(DT-1) Construction material center (ID-6) Low cost housing

(3) Program Three: The Strategic Point in Poland, Konin 2010

Point of advantage: Highway and rail links to Europe and the former Soviet Union countries traverse Konin Province.

Konin Province is not necessarily the province that is located at the most advantageous position with regard to land transport to other provinces, but the convenient access within the country and to other countries is part of the province's development potential and advantages. The common characteristic of the projects included in this program is that most of them are located along major lines of transportation.

The projects are as shown below (see also Figure 4.5-3); details are in the Project Report.

(DT-1) Construction materials center (DT-2) Service area for long distance drivers
(DT-3) Bonded warehouse (DT-5) Consumer goods market (DT-6) Car plaza
(DT-7) Agriculture distribution

(4) Program Four: The Integrated Recreational Zone, Konin 2010

Point of advantage: Konin Province possesses underdeveloped tourism resources

The church in Lichen is Konin Province's foremost tourism attraction. It attracts from 1.5 to 1.6 million worshippers and sightseers a year. There also are lakeside camping, motorboating, yachting and boating. There also is the relatively underdeveloped lowlands of Warta River with their birds, fauna and flora, as well as old towns, some monuments, hot springs and other attractions. Agro- and eco-tourism are concepts that can be utilized for developing part of this potential.

Integrated development of the entire province as a recreational zone including insufficiently developed forests and lakes of Konin Province is the main purpose of this program. It must be acknowledged that these tourism resources are not the best of the class in Poland, but can be developed with the objective of servicing people living within a radius of 150 to 200 kilometers distance. It is likely that the tourism resources will be developed so as to provide Konin Province with a variety of tourism, sports and recreation opportunities, including low-cost vacation spots.

The program comprises the following projects (see Figure 4.5-4). Details are in the Project Report.

(AG-9) Agro-tourism (KI-7) Golf course (TR-1) Lake tourism
(TR-2) Sport-recreation zone (TR-3) Habitat observation (TR-4) Hot spring
(TR-5) Tropical botany (LD-9) Tourist roads

(5) Program Five: Attraction of Foreign Investors, Konin 2010

Point of advantage: Konin Province has the potential of offering attractive investment opportunities

The projects included in Program One through Four all require private-sector investment. These Programs are supported by Program Five that would improve the environment for foreign investment. It certainly is important to attract investment from elsewhere in Poland, because the domestic investment that can be attracted is likely to be limited by current conditions, namely the preoccupation of the formerly state-owned enterprises with restructuring and privatization.

Advantages of Konin Province with regard to attraction of investment comprise these:

- 1) Sufficient land area for industrial development along main transportation lines
- 2) Relative ease of obtaining manpower (as suggested by the high unemployment rate)
- 3) Abundant power and heat sources
- 4) Good quality ground water, available from coal mines and hitherto unused, is available

Program Five would collect in one location information that investors would require (Project ID-1), improve and provide industrial sites (Projects ID-2, LD-5, LD-13, and KI-16). Emphasis would also be given to development of human resources within the province (Project MP-1), and to availability of high quality and unused industrial water (Project KI-6).

Projects in Program Five are as follows (see Figure 4.5-5). Details are in the Project Report.

(KI-6) Underground water (KI-9) Heat park (ID-1) One-stop service center
(ID-2) Woodworking park (LD-5) Residential area (LD-13) General industrial park
(MP-1) Higher education

Table 4.5-1 GOVERNMENTAL PROJECTS

The local governments, Office of the Konin Governor, the Central Government and related public organizations will implement the following 22 projects.

SECTOR : AGRICULTURE

- AG-1 Strengthening of experimental activities on agricultural technologies
- AG-2 Strengthening of agriculture technology schools in Koscielc
- AG-3 Establishment of comprehensive irrigation management system
- AG-4 Development of on-farm drainage systems
- AG-6 Detailed study for promotion plan of fruits and vegetables

SECTOR : THREE KEY INDUSTRIES

[None]

SECTOR : INDUSTRY

[None]

SECTOR : PHYSICAL DISTRIBUTION AND TRANSPORT

- DT-3 Construction of a bonded warehouse with a customs house
- DT-8 Introduction of rapid train services for commuters

SECTOR : TOURISM

- TR-6 Up-grading of tourism promotion tools
- TR-7 Establishment of a tourism information center in Konin
- TR-8 Promotion of "Clean Konin" campaign program

SECTOR : LAND USE DEVELOPMENT AND INFRASTRUCTURE

- LD-4 Land allocation for rural industrial zones
- LD-7 Expansion of connecting roads among main cities
- LD-8 Improvement of access roads to trunk roads
- LD-9 Preparation of roads in tourist areas
- LD-10 Rehabilitation of bridges connecting gmina roads
- LD-11 Preparation of water supply and sewage systems in tourist areas
- LD-12 Construction of a centralized waste treatment and disposal facilities
- LD-14 Development of Warta River banks

SECTOR : MANPOWER DEVELOPMENT

- MP-1 Establishment of the schools for higher education
 - MP-2 Expansion of non-stationed education for workers
 - MP-3 Expansion of general secondary education
 - MP-4 Establishment of a job intermediary center with data base
-

Table 4.5-2 PRIVATE/GOVERNMENTAL PROJECTS

The following 24 projects will be implemented by cooperation between governmental sector and private sector whatever its extent of cooperation.

SECTOR : AGRICULTURE

- AG-5 Promotion of group sales activities
- AG-8 Promotion of organic farming
- AG-9 Promotion of agro-tourism
- AG-10 Experimental farming on the refilled land of mines

SECTOR : THREE KEY INDUSTRIES

- KI-6 Master plan study for utilization of underground water from mines
- KI-9 Construction of a "Heat Industrial Park"
- KI-10 Construction of a greenhouse park

SECTOR : INDUSTRY

- ID-1 Establishment of a one-stop investment service center
- ID-4 Re-education of managers on management and production technologies
- ID-5 Establishment of financing assistance scheme for new entrepreneurs
- ID-6 Execution of traveling clinic services for SMEs
- ID-7 Movement of diffusion for TOM/"Kaizen (Improvement)"
- ID-8 Establishment of an SMEs consulting center
- ID-10 Organization of "Economic Forum 2010"

SECTOR : PHYSICAL DISTRIBUTION AND TRANSPORT

[None]

SECTOR : TOURISM

- TR-1 Development of the lake areas in north-west of Konin
- TR-2 Development of an integrated sport-recreation zone
- TR-3 Development of a natural habitat observation park
- TR-4 Development of hot spring resources
- TR-5 Construction of a tropical botany and butterfly garden

SECTOR : LAND USE DEVELOPMENT AND INFRASTRUCTURE

- LD-1 Development of selected commercial areas
- LD-3 Development of the railroad station front areas
- LD-5 Construction of a housing colony for potential investors
- LD-6 Supply of a low cost housing
- LD-13 Construction of industrial parks for general use

SECTOR : MANPOWER DEVELOPMENT

[None]

Table 4.5-3 PROJECTS FOR PRIVATE SECTOR

Private sector will mainly implement the following 24 projects through domestic and foreign direct investment.

SECTOR : AGRICULTURE

AG-7 Construction of "Konin Herb Garden"

SECTOR : THREE KEY INDUSTRIES

KI-1 Establishment of a construction company
KI-2 Establishment of an engineering company
KI-3 Establishment of a maintenance and erection company
KI-4 Construction of a brown-coal ash utilization company
KI-5 Construction of a gypsum board factory
KI-7 Construction of a golf course on the refilled land of mines
KI-8 Construction of a cold warehouse for agricultural products
KI-11 Construction of an aluminum radiator factory
KI-12 Construction of an aluminum foil lamination factory
KI-13 Construction of an aluminum foil work factory
KI-14 Construction of an aluminum sheet work factory
KI-15 Construction of an aluminum construction materials factory

SECTOR : INDUSTRY

ID-2 Construction of a Konin woodworking industrial park
ID-3 Construction of foodstuff processing factories
ID-9 Establishment of an apparel design center

SECTOR : PHYSICAL DISTRIBUTION AND TRANSPORT

DT-1 Construction of a distribution center for construction materials
DT-2 Construction of a large-scale drive-in for long distance drivers
DT-4 Strengthening of organization of physical distribution sector
DT-5 Construction of wholesale market for consumer goods
DT-6 Construction of large-scale market for used cars
DT-7 Construction of a distribution center for fruits and vegetables
DT-9 Establishment of mini-bus services

SECTOR : TOURISM

[None]

SECTOR : LAND USE DEVELOPMENT AND INFRASTRUCTURE

LD-2 Development of large scale shopping mall

SECTOR : MANPOWER DEVELOPMENT

[None]

Table 4.5-4 PROJECTS COMMON FOR OTHER PROVINCES

The following 24 projects will be generally applicable for provinces similar to Konin in conditions or those which the central government shall take into account national policy for regional development.

SECTOR : AGRICULTURE

- AG-1 Strengthening of experimental activities on agricultural technologies
- AG-3 Establishment of comprehensive irrigation management system
- AG-4 Development of on-farm drainage systems
- AG-5 Promotion of group sales activities
- AG-8 Promotion of organic farming
- AG-9 Promotion of agro-tourism

SECTOR : THREE KEY INDUSTRIES

[None]

SECTOR : INDUSTRY

- ID-1 Establishment of a one-stop investment service center
- ID-4 Re-education of managers on management and production technologies
- ID-5 Establishment of financing assistance scheme for new entrepreneurs
- ID-6 Execution of traveling clinic services for SMEs
- ID-7 Movement of diffusion for TQM/"Kaizen (Improvement)"
- ID-8 Establishment of an SMEs consulting center
- ID-10 Organization of "Economic Forum 2010"

SECTOR : PHYSICAL DISTRIBUTION AND TRANSPORT

- DT-4 Strengthening of organization of physical distribution sector
- DT-7 Construction of a distribution center for fruits and vegetables

SECTOR : TOURISM

[None]

SECTOR : LAND USE DEVELOPMENT AND INFRASTRUCTURE

- LD-3 Development of the railroad station front areas
- LD-4 Land allocation for rural industrial zones
- LD-6 Supply of low cost housing
- LD-8 Improvement of access roads and trunk roads
- LD-10 Improvement of bridges connecting gmina roads
- LD-12 Construction of a centralized waste treatment and disposal facilities
- LD-13 Construction of industrial parks for general use

SECTOR : MANPOWER DEVELOPMENT

- MP-2 Expansion of non-stationed education for workers
- MP-4 Establishment of a job intermediary center with data base

Figure 4.5-1 KONIN FIVE DEVELOPMENT PROGRAMS

PROGRAM-One: THE HEAT AND ENERGY PARK, KONIN 2010

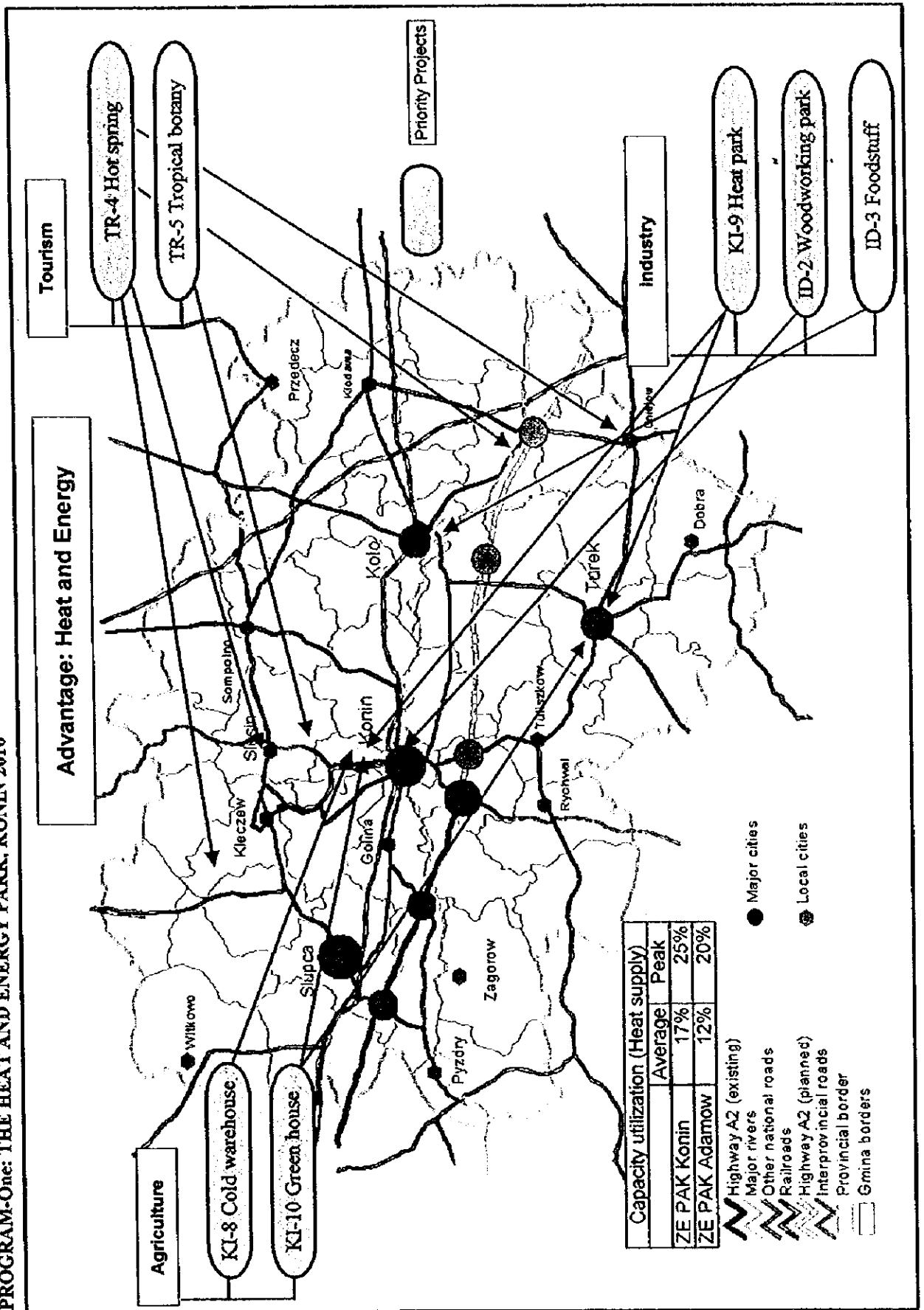


Figure 4.5-2 KONIN FIVE DEVELOPMENT PROGRAMS

PROGRAM-Two: THE CONSTRUCTION MATERIALS CENTER, KONIN 2010

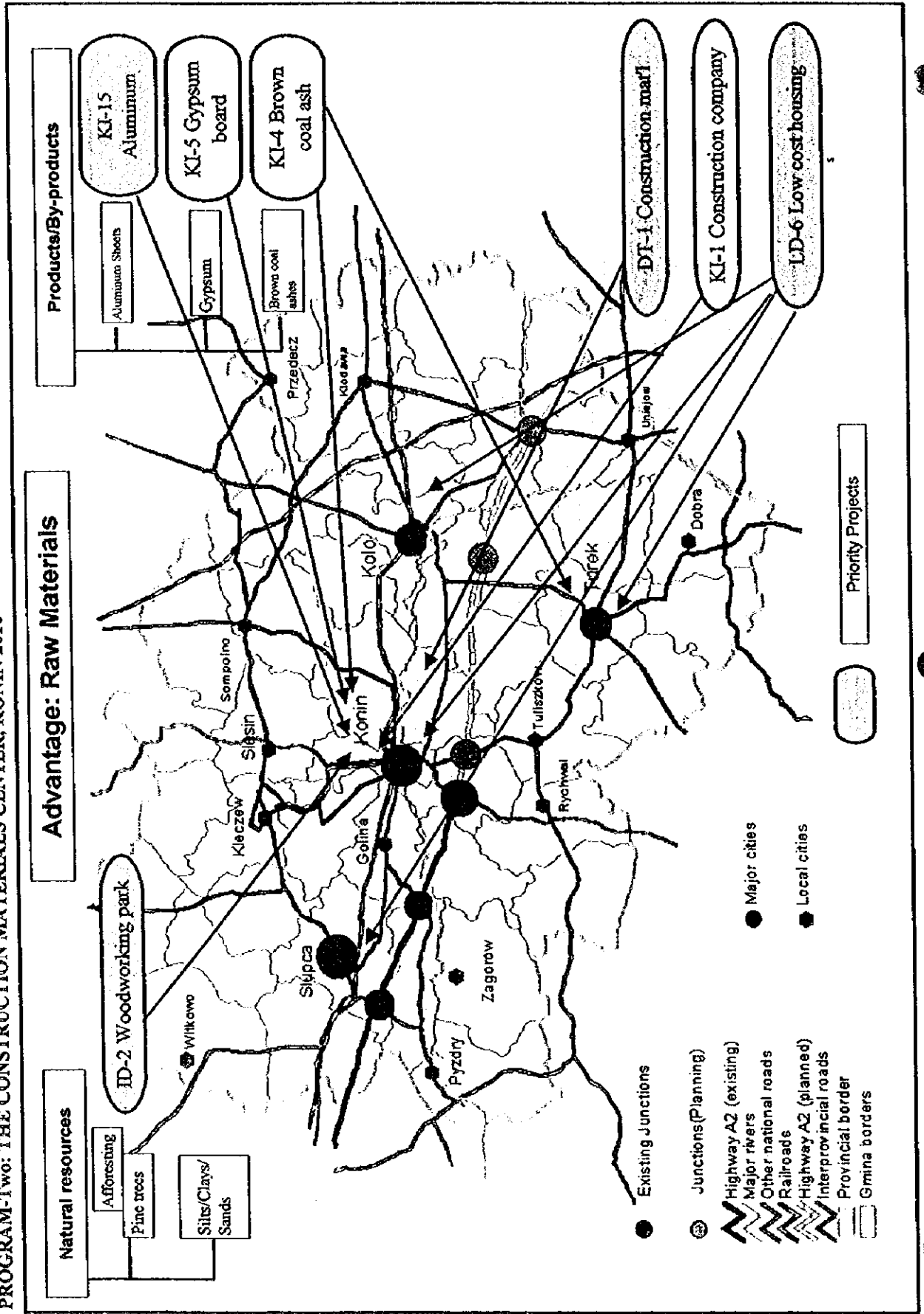


Figure 4.5-3 KONIN FIVE DEVELOPMENT PROGRAMS

PROGRAM-Three: THE STRATEGIC POINT IN POLAND, KONIN 2010

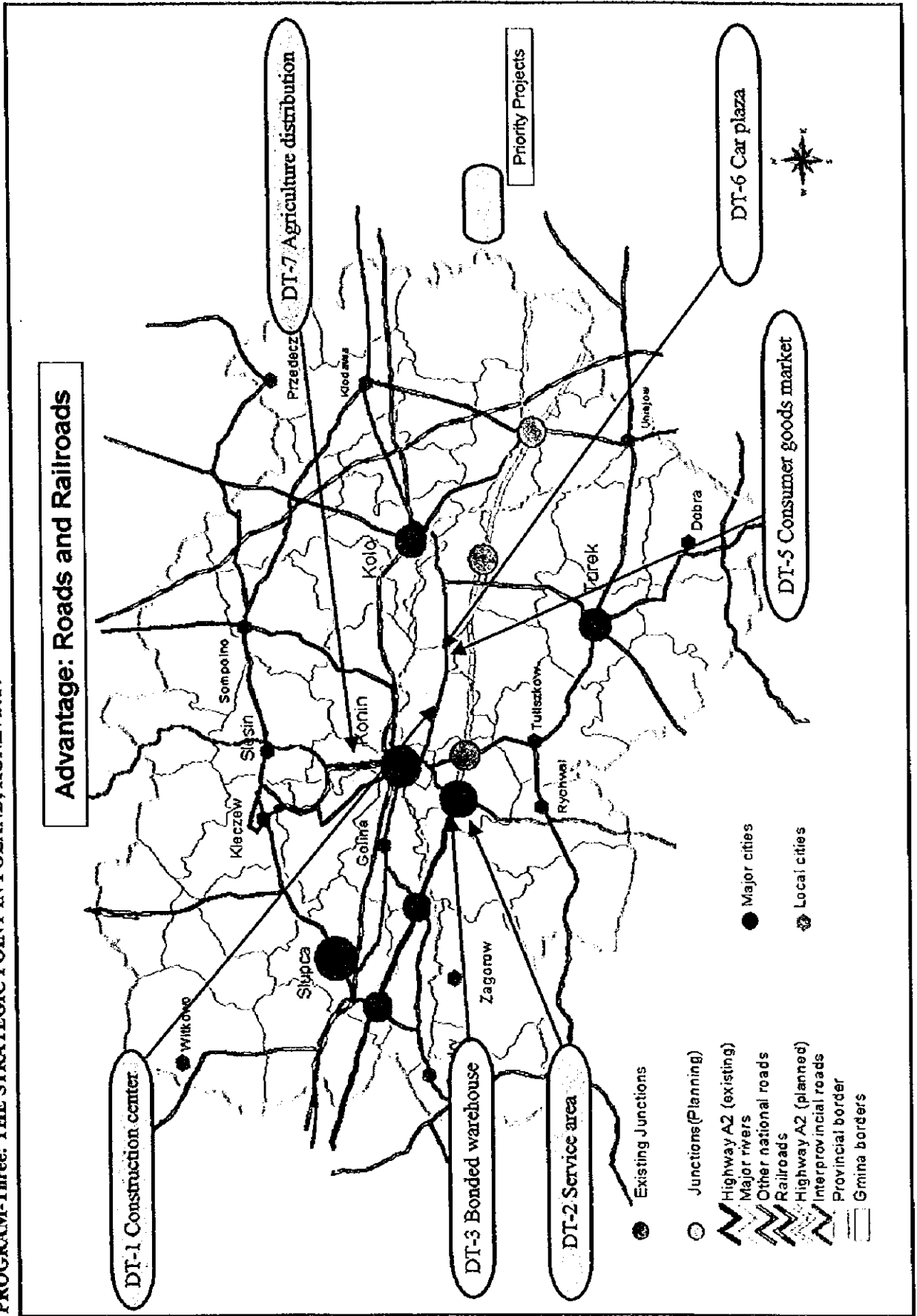


Figure 4.5-4 KONIN FIVE DEVELOPMENT PROGRAMS

PROGRAM-Four: THE INTEGRATED RECREATIONAL ZONE, KONIN 2010

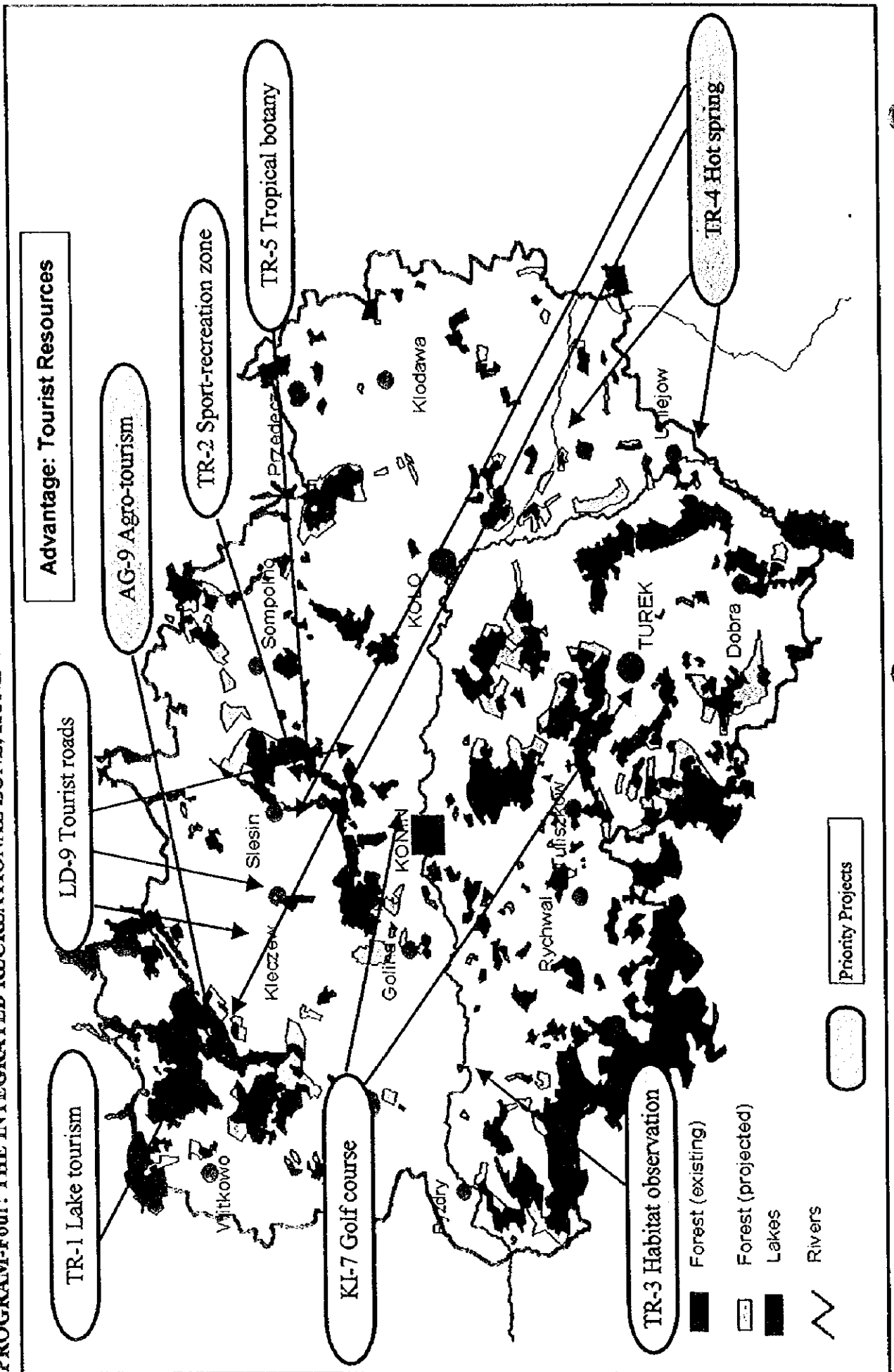
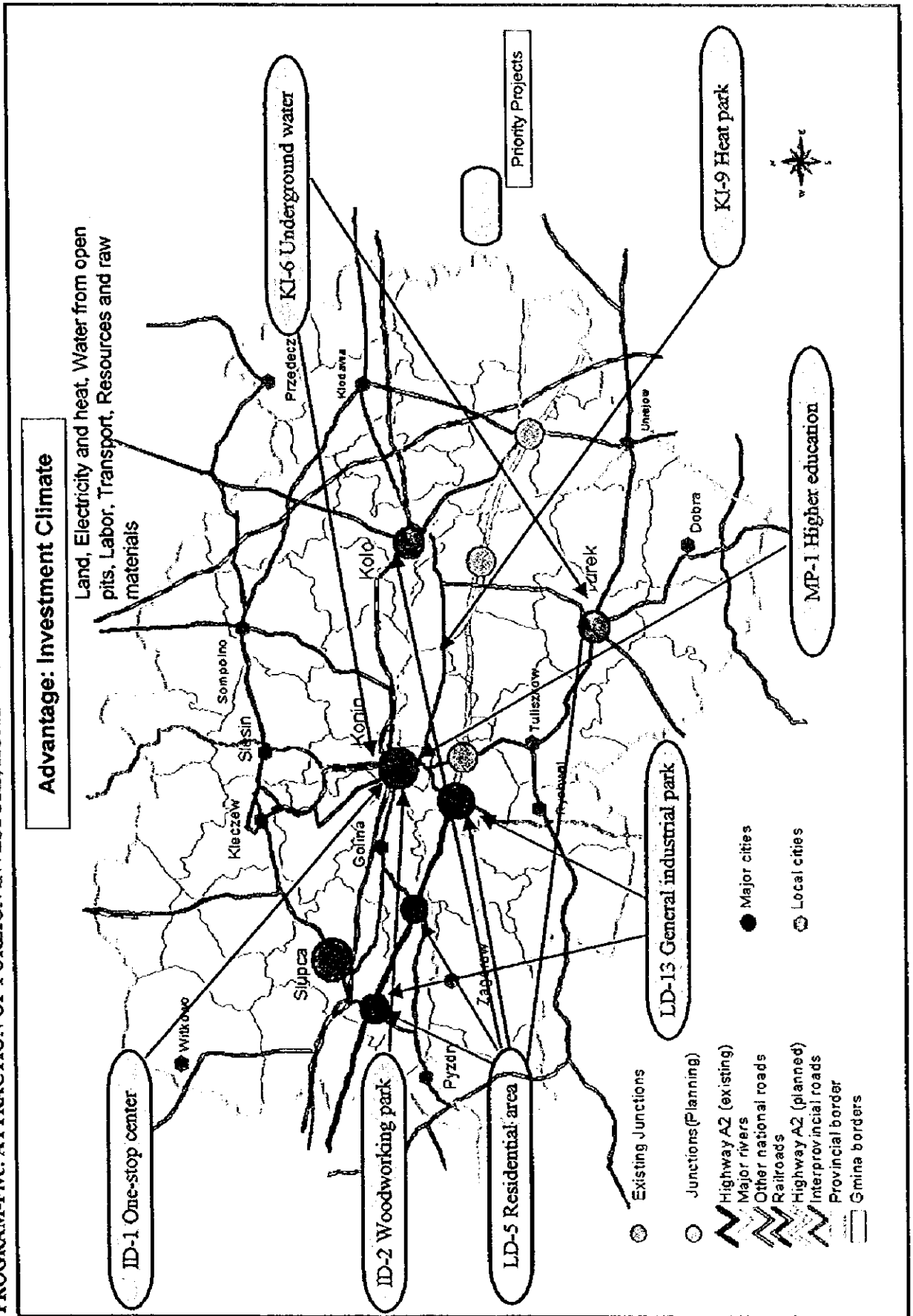


Figure 4.5-5 KONIN FIVE DEVELOPMENT PROGRAMS

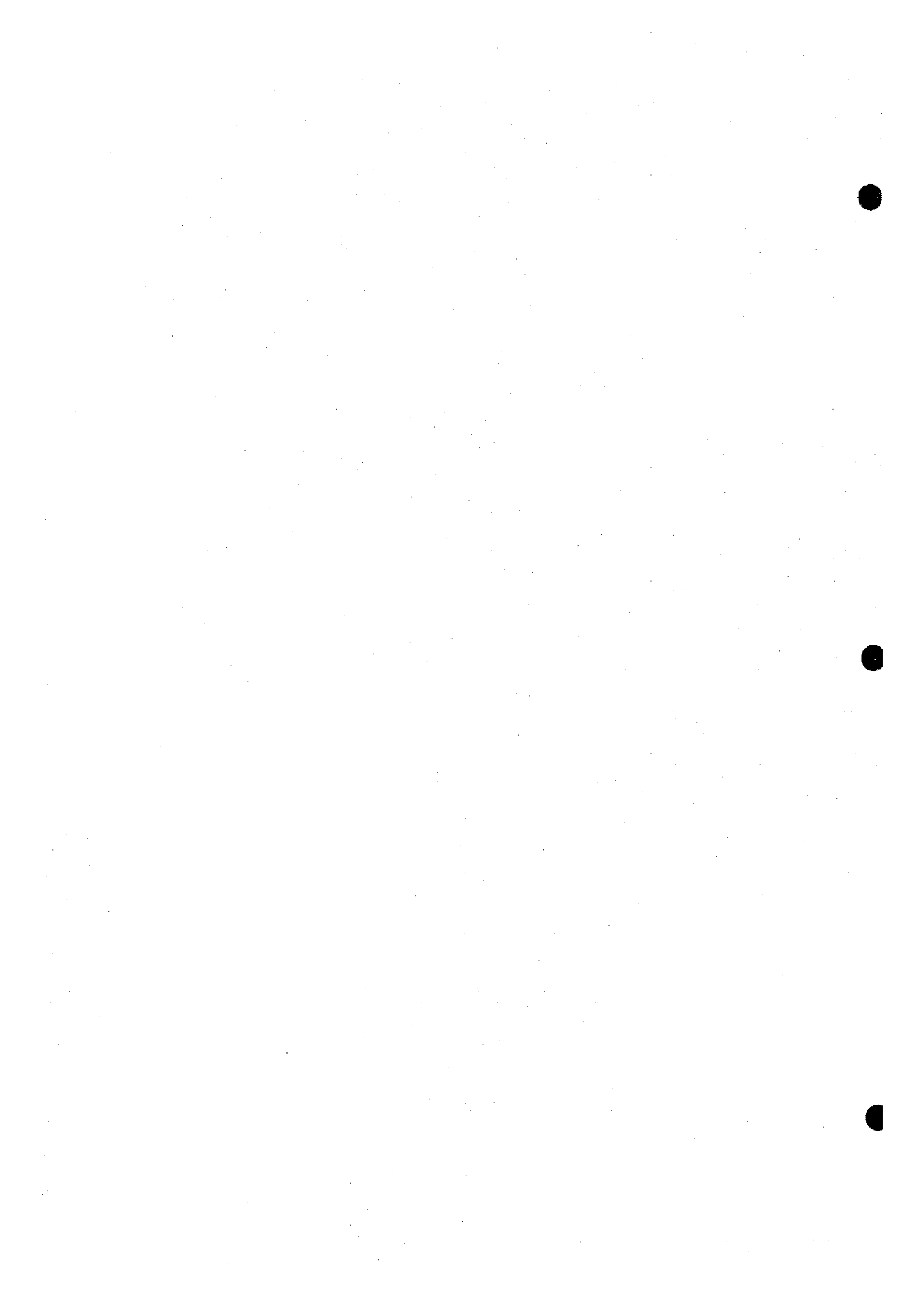
PROGRAM-Five: ATTRACTION OF FOREIGN INVESTORS, KONIN 2010





Chapter 5

SELECTION OF PRIORITY PROJECTS



Chapter 5 SELECTION OF PRIORITY PROJECTS

From the long list containing 70 projects (Table 5.1-1), priority projects were selected for detailed study according to specific criteria. After setting the number of target projects between 15 and 20, all projects in the long list were ranked through a participatory workshop. Then, projects in the top half (35) were further evaluated by the Team, and final selection was made by dropping or combining some projects. The selection process including methodology is described in detail below.

5.1 First Step: Ranking by Workshop

5.1.1 Participants

On December 2, 1997, a workshop to evaluate projects in the long list was held with attendance of representatives of various organizations and communities. During the full-day participatory workshop, each member of the Team described projects one by one, and participants rated them according to pre-defined criteria. Note that project descriptions in Polish were distributed on that day. General profiles of participants are as follows:

Polish side

- 1) The project's counterparts including executive officers of the Office of Konin Governor including the vice governor who is the present governor)
- 2) Representatives of major municipalities, members of local self-government councils, and representatives of ODR and RDA
- 3) Representatives of key industries and the local chamber of commerce
- 4) Central government staff (representatives of the Ministry of Finance, the Ministry of Economy, the EU Integration Committee, Government Center for Strategic Study including the Poznan office)
- 5) Secretary of Embassy of Japan in Warsaw

Study team members

10 members, including those who were in Japan and sent their responses by document

5.1.2 Evaluation Criteria

Table 5.1-2 summarizes project evaluation criteria consisting of the following four factors: 1) advantage and competitiveness; 2) urgency and necessity; 3) impacts and effects; and 4) Materialization and feasibility. Each project was rated under the three-point scoring system. The participants were asked to assign 3, 2 or 1 points to each factor in order of superiority. The highest possible score for a project is therefore 12 points. Then, the participants were asked to select the top five projects from the long list on the basis of overall evaluation, together with comments on the long list projects.

In addition, the participants were asked to cite a suitable implementation body for each project by selecting an appropriate response from the following four answers:

- 1) Project implemented by the central or local self-government(s) or other public organization (collectively referred to as the "government organization")
- 2) Project for which a master plan or a guideline is made by the government organization and the private sector makes investment according to the plan
- 3) Project to receive investment and be implemented by the private sector, while requiring support of the government organization
- 4) Project invested and implemented by the private sector at its discretion

(Note 1) Classification of projects by implementation body was discussed in 4.5, Chapter 4.

(Note 2) Actually, an original long list contained 85 projects was presented at the workshop. After the workshop, the list was narrowed to 70 projects on the basis of comments made by the participants, etc.

5.1.3 Tabulation Method and Results

First of all, evaluation scores rated by the Polish participants were tabulated by adding up three-point scores for the four evaluation factors. The highest possible score was 12 points (3 points x 4 factors). The scores assigned by participants were added up to obtain the total score for a particular project, called the base score. Then, the top five projects selected by each participant received a premium point, 10 points each (when five persons selected a project in top five, the project received 50 points (5 participants x 10 points) in

addition to its base point.). Finally, the base score and the premium score were added and divided by the number of evaluators for each project. This averaged score, in other words, regards all participants as an evaluator. Then, the same procedures were repeated for 10 members of the Team.

(Note 1) The number of local evaluators varied with projects, ranging between 23 and 26, whereas all of the Team (10 persons) rated all the projects.

(Note 2) The highest average base score was 10.94 among local evaluators and 10.30 among the Team (compared to the highest possible base score of 12.0), which are comparable to the 10 premium point.

Then the average total score among local evaluators and that among study team members were added and divided by two to obtain the total average score. The total average scores for all the projects were then arranged from the highest to the lowest value, as shown in Table 5.1-3. The calculation procedures can be expressed in the following equation:

$$\text{Total average score} = 1/2 \left[\frac{\text{Polish (Base + Premium)}}{\text{No. of Polish answers}} + \frac{\text{Team (Base + Premium)}}{\text{No. of Team's answers}} \right]$$

5.1.4 Major Differences In Selection Results Between Local Evaluators and Study Team Members

When the top half rankings (upper 35 out of 70) by local evaluators and the Team are compared, 20 projects ranked in the upper half for both sides, accounting for 57.1% of the total. Generally, local evaluators showed a tendency to select projects that required a relatively small amount of investment or cost, namely policy changes and institutional reforms. In particular, they highly evaluated human resource development projects. On the other hand, the Team members were inclined to select projects that would require substantial investment or cost and produce significant results. As for projects related to the three key industries, while local participants did not show strong interest, the Team supported them affirmatively. Finally, the evaluation results indicate that the both sides realize the importance of industrial development.

Table 5.1-1 PROJECT LONG LIST BY SECTOR WITH ABBREVIATED TITLE

SECTOR : AGRICULTURE

- AG-1 Strengthening of experimental activities on agricultural technologies (Experimental activities)
- AG-2 Strengthening of agriculture technology schools in Koscielce (Schools in Koscielce)
- AG-3 Establishment of comprehensive irrigation management system (Irrigation system)
- AG-4 Development of on-farm drainage systems (On-farm drainage)
- AG-5 Promotion of group sales activities (Group sales)
- AG-6 Detailed study for promotion plan of vegetables and fruits (Vegetables and fruits)
- AG-7 Construction of "Konin Herb Garden" (Herb garden)
- AG-8 Promotion of organic farming (Organic farming)
- AG-9 Promotion of agro-tourism (Agro-tourism)
- AG-10 Experimental farming on the refilled land of mines (Refilled land farming)

SECTOR : THREE KEY INDUSTRIES

- KI-1 Establishment of a construction company (Construction company)
- KI-2 Establishment of an engineering company (Engineering company)
- KI-3 Establishment of a maintenance and erection company (Maintenance company)
- KI-4 Feasibility study for a brown-coal ash utilization company (Brown coal ash)
- KI-5 Feasibility study for a gypsum board factory (Gypsum board)
- KI-6 Master plan study for utilization of underground water (Underground water)
- KI-7 Construction of a golf course on the refilled land of mines (Golf course)
- KI-8 Construction of a cold warehouse for agricultural products (Cold warehouse)
- KI-9 Construction of a "Heat Industrial Park" (Heat park)
- KI-10 Construction of a greenhouse park (Green house)
- KI-11 Construction of an aluminum radiator factory (Aluminum radiator)
- KI-12 Construction of an aluminum foil lamination factory (Foil lamination)
- KI-13 Construction of an aluminum foil work factory (Aluminum foil work)
- KI-14 Construction of an aluminum sheet work factory (Aluminum sheet work)
- KI-15 Construction of an aluminum construction materials factory (Aluminum const'n materials)

SECTOR : INDUSTRY

- ID-1 Establishment of a one-stop investment service center (One-stop center)
- ID-2 Construction of a Konin woodworking industrial park (Woodworking park)
- ID-3 Construction of foodstuff processing factories (Foodstuff processing)
- ID-4 Re-education of managers on management and production technologies (Re-education)
- ID-5 Establishment of financing assistance scheme for new entrepreneurs (New entrepreneur)
- ID-6 Execution of traveling clinic services for SMEs (Clinic services)
- ID-7 Movement of diffusion for TQM/"Kaizen(Improvement)" (TQM/Kaizen)
- ID-8 Establishment of an SMEs consulting center (Consulting center)
- ID-9 Establishment of an apparel design center (Apparel design center)
- ID-10 Organization of "Economic Forum 2010" (Economic forum)

SECTOR : PHYSICAL DISTRIBUTION AND TRANSPORT

- DT-1 Construction of a distribution center for construction materials (Construction center)
- DT-2 Construction of a service area for long distance drivers (Service area)
- DT-3 Construction of a bonded warehouse with a customs house (Bonded warehouse)
- DT-4 Strengthening of organization of physical distribution sector (Distribution business)
- DT-5 Construction of wholesale market for consumer goods (Consumer goods market)
- DT-6 Construction of a car plaza
- DT-7 Construction of a distribution center for fruits and vegetables (Agriculture distribution)
- DT-8 Introduction of rapid train services for commuters (Rapid train)
- DT-9 Establishment of mini-bus services (Mini-bus service)

SECTOR : TOURISM

- TR-1 Development of the lake areas in north-west of Konin (Lake tourism)
- TR-2 Development of an integrated sport-recreation zone (Sport-recreation zone)
- TR-3 Development of a natural habitat observation park (Habitat observation)
- TR-4 Development of hot spring resources (Hot spring)
- TR-5 Construction of a tropical botany and butterfly garden (Tropical botany)
- TR-6 Up-grading of tourism promotion tools (Promotion tools)
- TR-7 Establishment of a tourism information center in Konin (Information center)
- TR-8 Promotion of "Clean Konin" campaign program (Image campaign)

SECTOR : LAND USE DEVELOPMENT AND INFRASTRUCTURE

- LD-1 Development of selected commercial areas (Commercial areas)
- LD-2 Construction of a large scale shopping mall (Shopping mall)
- LD-3 Development of the railroad station front areas (Rail road station)
- LD-4 Land allocation for rural industrial zones (Rural industrial zone)
- LD-5 Residential area provision for new investment projects (Residential area)
- LD-6 Supply of a low cost housing (Low cost housing)
- LD-7 Expansion of connecting roads among main cities (Connecting roads)
- LD-8 Improvement of access roads to trunk roads (Access roads)
- LD-9 Preparation of roads in tourist areas (Tourist roads)
- LD-10 Rehabilitation of bridges connecting gmina roads (Gmina bridges)
- LD-11 Preparation of water supply and sewage systems in tourist areas (Tourist area infra.)
- LD-12 Construction of a centralized waste treatment and disposal facilities (Waste treatment)
- LD-13 Construction of industrial parks for general use (General industrial park)
- LD-14 Development of Warta River banks (Warta river banks)

SECTOR : MANPOWER DEVELOPMENT

- MP-1 Establishment of the schools for higher education (Higher education)
- MP-2 Expansion of non-stationed education for workers (Non-stationed education)
- MP-3 Expansion of general secondary education (Secondary education)
- MP-4 Establishment of a job intermediary center with data base (Job intermediary center)

Table 5.1-2 EVALUATION CRITERIA ON PROJECT LONG LIST

CRITERION-(1)

Advantage and Competitiveness for Konin Province comparing with other provinces:

3 points : Big

2 points : Fair

1 point : Small

Consideration :

Geographical and topographical conditions, economic geography, natural resources, human resources, availability of energy and utilities, unused materials and assets, etc.

CRITERION-(2)

Urgency and Necessity for project materialization:

3 points : Urgent

2 points : In 5 years

1 point : Till 2010

Consideration :

Accessibility to current serious problems, support and acceleration for the on-going plans and policies, close linkage as a predecessor to other proposed projects, etc.

CRITERION-(3)

Impact and effect to economy and living standard of Konin Province:

3 points : Big

2 points : Medium

1 point : Small 2010

Consideration :

Effect for job creation, amount of value-added increase, effect for environment, spread and linkage to other industries, size of benefit, possibility of growing and expanding in the future, etc.

CRITERION-(4)

Materialization and feasibility of the proposed project:

3 points : Big

2 points : Marginal

1 point : Low

Consideration :

Size of investment, expected return/profit, risks for investment, easy for initiation, necessity for further study, possibility of social problems, existence of investors/financiers, etc.

Table 5.1-3 RANKING OF 70 PROJECTS BY SECTOR (1/2)

#	Proj. No.	Project name	Poland					Study Team					5 Favorites		Total average
			Base Score ⁽¹⁾	Prem. Score ⁽²⁾	Base Average ⁽³⁾	(1) Prem. Ave. ⁽⁴⁾	Base Score	Prem. Score	Base Average ⁽²⁾	Prem. Ave	Poland	Study Team	5 Favorites		
													Base Score	Prem. Score	
1.	ID-1	One-stop center	359	100	10.26	13.12	87	50	8.70	13.70	10	5	13.41		
2.	AG-5	Group sales	334	70	9.82	11.88	103	20	10.30	12.30	7	2	12.09		
3.	KI-9	Heat park	328	30	9.11	9.94	102	30	10.20	13.20	3	3	11.57		
4.	KI-15	Al const'n materials	371	60	10.31	11.98	100	10	10.0	11.0	6	1	11.49		
5.	ID-6	Clinic services	356	30	9.89	10.72	102	20	10.20	12.20	3	2	11.46		
6.	MP-1	Higher education	376	80	10.74	13.03	78	20	7.80	9.80	8	2	11.41		
7.	KI-6	Underground water	342	10	9.50	9.78	100	30	10.0	13.0	1	3	11.39		
8.	ID-2	Woodworking park	253	10	7.03	7.31	94	60	9.40	15.40	1	6	11.35		
9.	KI-14	Al sheet work	324	30	9.82	10.73	99	20	9.90	11.90	3	2	11.31		
10.	DT-2	Service area	338	50	9.39	10.78	96	20	9.60	11.60	5	2	11.19		
11.	KI-8	Cold warehouse	335	70	9.31	11.26	94	10	9.40	10.40	7	1	10.83		
12.	ID-4	Re-education	374	20	10.39	10.95	97	10	9.70	10.700	2	1	10.82		
13.	MP-4	Job intermediary center	394	10	10.94	11.22	94	10	9.40	10.40	1	1	10.81		
14.	AG-1	Experimental activities	312	20	9.18	9.77	98	20	9.80	11.80	2	2	10.78		
15.	MP-3	Secondary education	381	40	10.89	12.03	94	0	9.40	9.40	4	0	10.72		
16.	AG-3	Irrigation system	307	30	9.03	9.91	93	20	9.30	11.30	3	2	10.61		
17.	LD-7	Connecting roads	371	60	10.31	11.98	89	0	8.90	8.90	6	0	10.44		
18.	MP-2	Non-stationed education	351	10	10.32	10.61	101	0	10.10	10.10	1	0	10.36		
19.	TR-8	Image campaign	340	10	10	10.29	92	10	9.20	10.20	1	1	10.25		
20.	KI-13	Al foil work	338	10	9.390	9.67	98	10	9.80	10.80	1	1	10.23		
21.	LD-12	Waste treatment	380	30	10.56	11.39	90	0	9.0	9.0	3	0	10.2		
22.	LD-8	Access roads	357	20	10.2	10.77	96	0	9.60	9.60	2	0	10.19		
23.	KI-1	Construction company	344	40	9.56	10.67	96	0	9.60	9.60	4	0	10.14		
24.	ID-5	New entrepreneur	358	30	9.94	10.77	94	0	9.40	9.40	3	0	10.09		
25.	TR-4	Hot spring	324	60	9.53	11.29	78	10	7.80	8.80	6	1	10.05		
26.	DT-1	Construction center	347	10	9.64	9.92	91	10	9.10	10.10	1	1	10.01		
27.	ID-7	TQM/Kaizen	359	10	9.97	10.25	97	0	9.70	9.70	1	0	9.97		
28.	KI-11	Aluminum radiator	316	20	8.78	9.34	96	10	9.60	10.60	2	1	9.97		
29.	ID-8	Consulting center	362	20	10.06	10.62	93	0	9.30	9.30	2	0	9.96		
30.	LD-13	General industrial park	275	10	8.59	8.9	90	20	9.00	11.00	1	2	9.95		
31.	ID-10	Economic forum	374	10	10.39	10.67	92	0	9.20	9.20	1	0	9.93		
32.	KI-12	Al foil lamination	343	20	9.53	10.09	86	10	8.60	9.60	2	1	9.84		
33.	LD-6	Low cost housing	325	30	9.56	10.44	92	0	9.20	9.20	3	0	9.82		
34.	TR-6	Promotion tools	330	0	9.71	9.71	99	0	9.90	9.90	0	0	9.81		
35.	KI-4	Brown-coal ash	331	40	9.19	10.30	92	0	9.20	9.20	4	0	9.75		
36.	DT-7	Agriculture distribution	332	10	9.22	9.5	90	10	9.00	10.00	1	1	9.75		
37.	ID-3	Foodstuff processing	334	20	9.28	9.84	84	10	8.40	9.40	2	1	9.62		
38.	AG-2	Schools in Koscielc	311	20	8.89	9.46	97	0	9.70	9.70	2	0	9.58		
39.	TR-2	Sport-recreation zone	311	10	9.15	9.44	87	10	8.70	9.70	1	1	9.57		

Table 5.1-3 RANKING OF 70 PROJECTS BY SECTOR (2/2)

#	Proj. No.	Project name	Poland		Study Team		5 Favorites		Total average			
			Base Score ^{*1}	Prem. Score ^{*2}	Base Average ^{*3}	(1) Prem. Ave. ^{*4}	Base Score	Prem. Score		Base Average ⁽²⁾	Prem. Ave.	Poland
40.	AG-9	Agro-tourism	344	30	10.12	11.	80	0	8.0	3	0	9.5
41.	LD-4	Rural industrial zone	310	20	9.39	10.	80	10	8.0	2	1	9.5
42.	LD-11	Tourist area infra.	351	10	10.03	10.32	86	0	8.60	1	0	9.46
43.	KI-10	Green house	310	10	8.61	8.89	100	0	10.00	1	0	9.44
44.	AG-8	Organic farming	300	30	8.82	9.7	80	10	8.0	3	1	9.35
45.	KI-2	Engineering company	302	0	8.39	8.39	93	10	9.30	0	1	9.35
46.	TR-1	Lake tourism	336	40	9.88	11.06	76	0	7.60	4	0	9.33
47.	KI-5	Gypsum board	324	30	9	9.83	86	0	8.60	3	0	9.22
48.	LD-3	Railroad station	298	0	8.51	8.51	89	10	8.90	0	1	9.21
49.	TR-7	Information center	334	10	9.82	10.11	82	0	8.20	1	0	9.16
50.	LD-10	Gmina bridges	321	10	9.17	9.46	87	0	8.70	1	0	9.08
51.	AG-10	Refilled land farming	269	20	7.69	8.26	98	0	9.80	2	0	9.03
52.	LD-9	Tourist roads	315	30	9	9.86	82	0	8.20	3	0	9.03
53.	DT-5	Consumer goods market	298	0	8.28	8.28	87	10	8.70	0	1	8.99
54.	LD-2	Shopping mall	306	20	9.00	9.59	82	0	8.20	2	0	8.89
55.	AG-6	Vegetable and fruits	301	10	8.85	9.14	85	0	8.50	1	0	8.82
56.	TR-3	Habitat observation	310	0	9.12	9.12	85	0	8.50	0	0	8.81
57.	DT-9	Mini-bus service	340	0	9.71	9.71	79	0	7.90	0	0	8.81
58.	AG-7	Herb garden	282	20	8.29	8.88	77	10	7.70	2	1	8.79
59.	AG-4	On-farm drainage	284	0	8.11	8.11	92	0	9.20	0	0	8.66
60.	ID-9	Apparel design center	295	0	8.19	8.19	91	0	9.10	0	0	8.65
61.	DT-3	Bonded warehouse	334	10	9.28	9.56	75	0	7.50	1	0	8.53
62.	DT-4	Distribution business	286	0	7.94	7.94	79	10	7.90	0	1	8.42
63.	KI-3	Maintenance company	313	0	8.69	8.69	78	0	7.80	0	0	8.25
64.	LD-5	Residential area	260	0	7.65	7.65	86	0	8.60	0	0	8.13
65.	LD-14	Warta River banks	299	20	8.54	9.11	70	0	7.0	2	0	8.06
66.	KI-7	Golf course	272	30	7.56	8.39	76	0	7.60	3	0	8.
67.	LD-1	Commercial areas	318	0	9.09	9.09	69	0	6.90	0	0	8.
68.	TR-5	Tropical botany	228	20	6.71	7.3	70	10	7.0	2	1	7.65
69.	DT-6	Used cars market	261	0	7.46	7.46	77	0	7.70	0	0	7.58
70.	DT-8	Rapid train	266	0	7.6	7.6	75	0	7.50	0	0	7.55

Note:

- *1) Total score gained from the number of evaluator.
- *2) Score obtained by selecting a favorite project and multiply by 10 to each project.
- *3) Divided base score by number of evaluator.
- *4) Add base score to premium score and divided by number of evaluator.
- *5) Added premium score of both parties and divided by two.

5.2 Second Step: Selection and Removal from DPS

Based on the evaluation results, the long list will be narrowed down to 15-20 projects having high priority for detailed study. The procedures and results are described below, according to the process flow shown in Fig.5.2-1.

The selection process was started by selecting the top 35 projects in the rankings, called the first step screening process. Then, the study team excluded 7 projects which did not justify a detailed and focused study, as described below. Note that the figures in parentheses before each project number are the project's rank.

1. (13) MP-4 Establishment of job intermediary center with a data base

Employment service is partially provided on a municipality (gmina) basis. The Team has proposed geographical expansion of the service as well as improvement of productivity through the construction and use of the data base. Nevertheless, the proposed project is positioned as an extension of the existing system, and thus does not require a detailed project study (DPS). Instead, a project profile (PP) study will suffice to describe its major points.

2. (15) MP-3 Expansion of general secondary education

This project proposes educational reforms to meet the increasing demand for higher education, consisting of scaling down of vocational training within the province and expansion of high school education that prepares students for higher education. During the study period, however, the government announced a proposal for a new education system under which students in all types of high schools could go on to post-secondary education. Although there will remain strong demand for general high schools under the new system, the province is now preparing to introduce the new system. As a result, the need for DPS and its benefits has become smaller than for other projects.

3. (18) MP-2 Expansion of non-stationed education for workers

The project aims to create educational opportunities for workers with relatively low levels of education or jobless people through distance education or similar means. In fact, the government has set the priority to this type of education and has selected Konin Province as one of the areas for accelerated promotion. While preparation to mobilize necessary resources for this initiative is required, the Team believes that no DPS is required.

4. (19) TR-8 Promotion of the "Clean Konin" campaign program

The project is designed to improve a tarnished public image of the province as the "heavily polluted coal mine area." In fact, discussions were already held among local people, such as the ZOPP Workshop mentioned in Chapter 2. As the possible method for the campaign is relatively simple, the project has been dropped from the candidate list of DPS.

5. (23) KI-1 Establishment of a construction company

The project is primarily intended to separate a construction division of the mining company, KWB, although joint ventures with other key industries may be feasible. At present, KWB Konin is preparing for privatization, while KWB Adamow has not made any move. The detailed study should be carried out by the key industries.

6. (34) TR-6 Upgrading of tourism promotion tools

To promote tourism in the province, the project proposes production of pamphlets and provision of other tools. As the project is simple in nature, no DPS will be required.

7. (35) KI-4 Feasibility study of a brown coal ash utilization company

The project proposes productive use of brown coal ash from the power company, ZE PAK. While coal ash can be used as sub-materials for bricks, cement, fertilizer or as bulk filler for road construction materials, ZE PAK markets only small portions and discharge almost all in a slurry form to a pond. The project has been dropped from the subject of DPS as the business brings a small value added to ZE PAK that does not have much interest in commercialization. Nevertheless, the situation may change in the near future so as to necessitate ZE PAK to treat coal ash by herself or to supply it providing buyers with treating charges comply with environmental standards or due to a limitation of the pond's storage capacity. If this happens, the treatment and disposal business may become viable for a small enterprise. ZE PAK shall make feasibility study in the future.

Figure 5.2-1 FLOW OF SELECTION OF PRIORITY PROJECTS FOR DETAILED STUDY

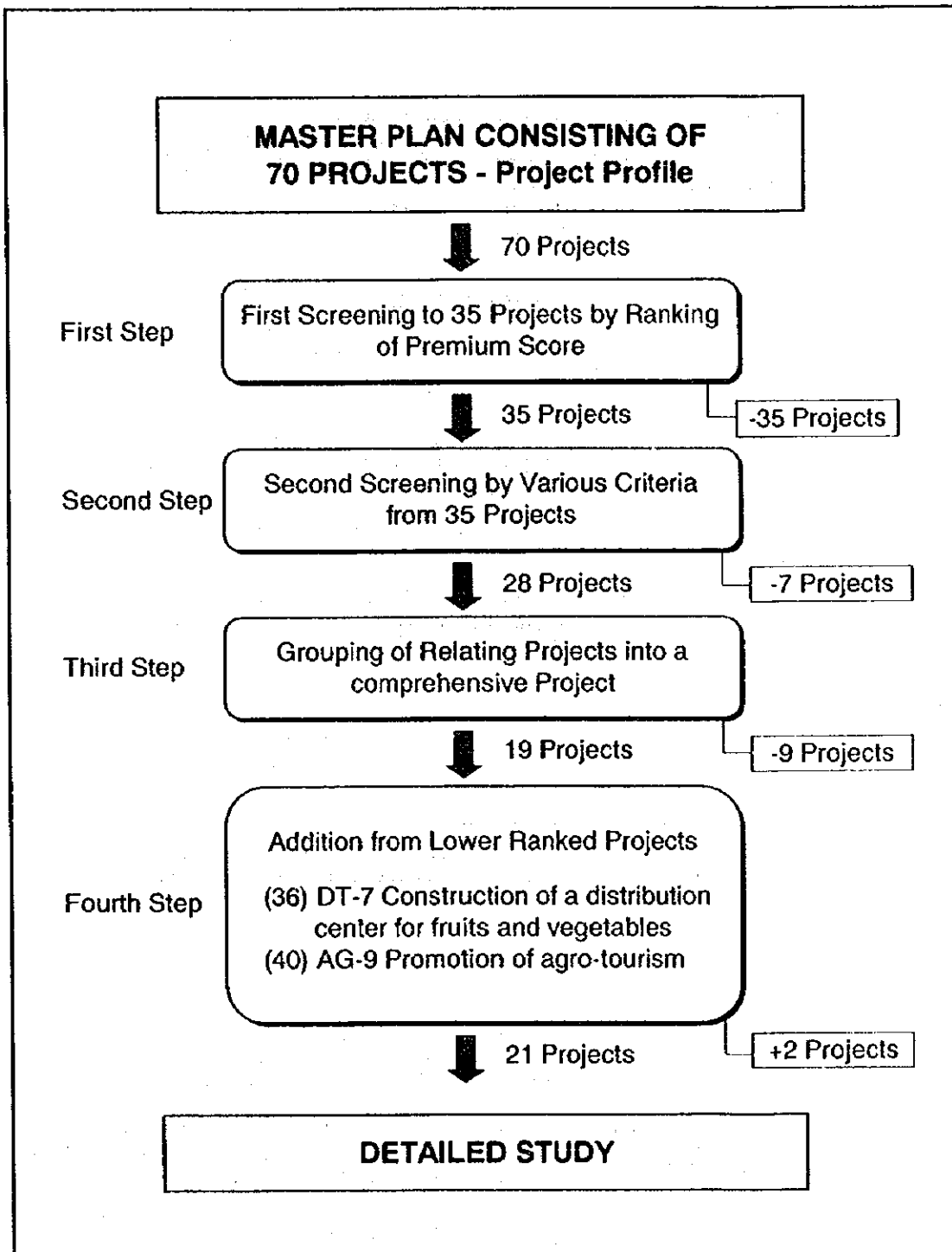


Table 5.2-1 PRIORITY PROJECTS SELECTED FOR DETAILED PROJECT STUDY

Ser. No.	New No.	Ranking		Project Title
I. AGRICULTURE				
1.	PAG-1	(14)	AG-1	Strengthening of agriculture technologies in Konin
		(38)	AG-2	Strengthening of experimental activities on agricultural technologies
		(38)	AG-2	Strengthening of agriculture technology schools in Koscielc
2.	PAG-2	(16)	AG-3	Establishment of comprehensive irrigation management system
3.	PAG-3	(2)	AG-5	Promotion of group sales activities
4.	PAG-4	(40)	AG-9	Promotion of agro-tourism
II. THREE KEY INDUSTRY				
5.	PKI-1	(28)	KI-11	Promotion of aluminum down stream industries
		(32)	KI-12	Construction of an aluminum radiator factory
		(20)	KI-13	Construction of an aluminum foil lamination factory
		(9)	KI-14	Construction of an aluminum foil work factory
		(4)	KI-15	Construction of an aluminum sheet work factory
		(4)	KI-15	Construction of an aluminum construction materials factory
6.	PKI-2	(11)	KI-8	Promotion of heat utilization industries
		(3)	KI-9	Construction of a cold warehouse for agricultural products
		(43)	KI-10	Construction of a "Heat Industrial Park"
		(7)	KI-6	Construction of a greenhouse park
7.	PKI-3	(7)	KI-6	Master plan study for utilization of underground water
III. INDUSTRY				
8.	PID-1	(1)	ID-1	Establishment of a one-stop investment service center
9.	PID-2	(8)	ID-2	Construction of a Konin woodworking industrial park
10.	PID-3	(12)	ID-4	Establishment of SMEs supporting system
		(5)	ID-6	Re-education of managers on management and production technologies
		(27)	ID-7	Execution of traveling clinic services for SMEs
		(29)	ID-8	Movement of diffusion for TQM* Kaizen(Improvement)*
		(24)	ID-5	Establishment of an SMEs consulting center
11.	PID-4	(24)	ID-5	Establishment of financing assistance scheme for new entrepreneurs
12.	PID-5	(31)	ID-10	Organization of "Economic Forum 2010"
IV. PHYSICAL DISTRIBUTION AND TRANSPORTATION				
13.	PDT-1	(26)	DT-1	Construction of a distribution center for construction materials
14.	PDT-2	(10)	DT-2	Construction of a service area for long distance drivers
15.	PDT-3	(36)	DT-7	Construction of a distribution center for fruits and vegetables
V. TOURISM				
16.	PTR-1	(25)	TR-4	Development of hot spring resources
VI. LAND USE AND INFRASTRUCTURE				
17.	PLD-1	(17)	LD-7	Betterment of transportation infrastructure
		(22)	LD-8	Expansion of connecting roads among main cities
		(50)	LD-10	Improvement of access roads to trunk roads
		(33)	LD-6	Rehabilitation of bridges connecting gmina roads
18.	PLD-2	(33)	LD-6	Supply of a low cost housing
19.	PLD-3	(21)	LD-12	Construction of a centralized waste treatment and disposal facilities
20.	PLD-4	(30)	LD-13	Construction of industrial parks for general use
VII. MANPOWER DEVELOPMENT				
21.	PMP-1	(6)	MP-1	Establishment of the schools for higher education

5.3 Third Step: Consolidation and Addition of Projects

After 7 projects were dropped from the original list of 35 projects, remaining 28 projects were reviewed and when those of a similar nature as well as those having close relations were identified they were consolidated into a single group. The DPS will be carried out for each group.

Finally, the lower 35 projects in the rankings were reconsidered and 3 projects were added to the final list: (38) AG-2 Schools in Koscelec; (43) KI-10 Green house park; and (50) LD-10 Municipality (Gmina) bridges. Then the Team selected additional 2 projects among the lower half group which would be consolidated to a selected project as a part, namely (40) AG-9 Agro-tourism; and (36) DT-7 Agriculture products distribution. As a result, DPS will cover 33 projects out of 70 long-list projects in total, or 21 projects if one group of projects is counted as a single project.



JICA