

**THE 2020 DEVELOPMENT STRATEGY
FOR THE LOWER SILESIA
VOIVODSHIP**

A GLOSSARY

WROCŁAW, NOVEMBER 2005

A

ABSORPTION CAPACITY - from the regional point of view: the capacity of a given region to utilize effectively the incoming resources, including financial means (mainly support funds and loans). The absorption capacity generally depends upon the social, economic and institutional development of a given region as well as the conditions under which the incoming means are made available.

ACQUIS COMMUNAUTAIRE - all rights, standards and regulations of the Communities (→ European Communities) It comprises legal order, legal principles and case-law. The term has no clear Polish equivalent; however, sometimes it is translated as “the legal achievements of the EU” or “the regulation achievement of the EU”.

AGENCY FOR PAYMENTS - an institution indicated by the government and subject to specific accreditation procedure (in accordance with the → European Commission), responsible for payments within the → European Agricultural Guidance and Guarantee Fund. The Agency for Payments fulfils three principal functions: authorizes, performs and records the payments in accounting books. Occasionally, the Agency for Payments also performs implementation tasks: it verifies projects, organizes biddings, conducts technical check-ups and the like. For instance, the government indicated as the agency for payments within the → SAPARD programme in Poland the Agency for Agriculture Restructuring and Modernization.

AGGLOMERATION BENEFITS - one of the traditional factors determining production location. The possible profit resulting from the location within developed, modern systems of technical infrastructure of an agglomeration permitting connections with other functions and cooperation. Agglomeration benefits result from a joint use of the elements of this system and fuller use of their service capacities. It positively contributes to rational use of production resources and waste, production specialization, easier access to the market, etc.

ANNUAL REPORT – report concerning the implementation of a programme or projects, which is submitted to the paying authority by the fund managing authority as part of multiannual assistance. The annual report is to be submitted within six months after the end of the calendar year. The content of the final report is the same as that of the final report.

ASSISTANCE – methods of assistance offered by the Structural Funds – operational programmes, single programming documents; Community Initiatives or aid for technical (advisory) assistance and innovative activities.

B

BASELINE INDICATORS – indicate social and economic situation of an area or sector at the beginning of public intervention. Owing to the baseline indicators, it is possible to assess the changes in the social and economic situation of a given area or sector resulting from the public intervention.

BENCHMARKING (COMPARING YOURSELF TO THE TOP) - an ever more popular principle and technique of stimulating regional/local development through learning from other persons or institutions which achieved the best effects (are most successful) in solving particular issues (e.g. creating new workplaces, regional promotion, attracting investors, gaining support funds).

BEST AVAILABLE TECHNOLOGY (BAT) – the most effective and advanced level of technology development and methods for running a given type of activity, used as a basis for determining the limits of emission, with the aim of eliminating emission, or, if not feasible, of reducing the emission and its influence on the environment as a whole.

BUSINESS ENVIRONMENT INSTITUTIONS - public and non-public, commercial and non-profit institutions necessary for the functioning and development of market economy. They include financial institutions (banks, stock exchange, funds and others), insurance companies, information agencies, training, consulting and promotion companies. The institutions are thought to be one of the factors determining the attractiveness of a region (city, country) for potential investors. In a broader sense, “business environment” also includes the legal system and institutions.

BUSINESS INCUBATOR - non-profit instrument for supporting the creation and development of new businesses, especially the small and medium ones (SMEs). The principal goal is to provide conditions for the creation and start of the SMEs and to help survive the early phases of the development cycle. The incubator is a definite area, usually in the form of a number of rooms in which production or services may be started under financial conditions for potential business people with good and accepted business plan of the new undertaking. The SMEs located at an incubator may reduce their costs through: joint use of the media, infrastructure, devices, administrative facilities and conference room. They usually have one accountant, one consultant and one secretary office. As the time passes and the SMEs develop, the administrator increases the rent for individual company so that after the defined period (2 to 5 years) the company pays – as a firm and market-prepared company – pays normal commercial rent and let other companies in. The incubator is a tool for inciting economic activity in regions developed poorer. Due to the scientific and IT revolution of the recent years, in more developed countries increasing amounts are forwarded to centres similar to the incubators whose goal is to create innovative and high-tech companies. The purpose of it is to transfer innovations from scientific centres into the practical sphere. There are various scopes and names to it: e.g. technology transfer centre, innovation centres, → technology parks, research parks, → industrial and scientific parks. There are also created the so-called → technopolis, whole complexes in which scientists and entrepreneurs work on innovations for commercial use.

C

CAP - see: Common Agriculture Policy.

CATEGORY (AREA) OF INTERVENTION - an area of intervention of the → Structural Funds useful for the purpose of identification, research and identification of actions. The intervention categories are used to prepare annual reports on the Structural Funds and their loading in order to facilitate the flow of information on various policies. The main intervention areas are: agriculture, forestry, promotion of the adaptation and development of farming areas, fisheries, aid for big enterprises, aid for the SMEs, tourism, transport infrastructure, telecom infrastructure and information society, energy infrastructure, environment, spatial planning and reconstruction, social and healthcare infrastructure.

CENTRAL FINANCING AND CONTRACTING UNIT - established in February 1999 under the supervision of the Office of the Committee for European Integration. It implements certain → PHARE programmes, especially within the scope of institutional development and twinning. Without legal personality, it was located within the structures of the Foundation of the Treasury of the State - Cooperation Fund. The jargon version of its name is built on the first letters CFCU (see-ef-see-you).

CLUSTERS & NETWORKS – groups of cooperating and supporting each other enterprises, mainly small- and medium-sized (→ SME), often connected with universities, other scientific research units or leading companies. According to many researchers, clusters and networks constitute the potential sources of multiplier effects and as such should replace the traditional forms of supporting the regional development. The literature distinguishes between sectoral networks (based on SME functioning in the same sector), horizontal networks (various forms of cooperation between equal enterprises) and vertical networks (for example, the cooperation of suppliers for a global consumer).

COHESION FUND - established as a response to incorporating into the EU structures less developed and peripheral countries (Portugal, Spain, Greece, Ireland) which brought with them a number of problems resulting from development retardation. The aim of the Cohesion Fund was to facilitate the integration of the countries by creating infrastructure networks for facilitating the development on these countries (compensating for the missing infrastructure) and direct relations to the economic heart of the Union. The funds were dedicated only to investments within: 1) environment protection and 2) Trans-European transport network (mainly motorways). Initially, the activity of the Fund was planned for the period from 1994 to 1999 (total budget of ECU 15.1 billion). The Cohesion Fund is not a structural fund (→ Structural Funds) but an economic and political instrument. The European Commission prolonged the activity of the Fund for the period from 2000 to 2006, dedicating EUR 18 billion for its operations. Unlike Structural Funds, the Cohesion Fund: a) covers whole countries, not regions (formal criterion: the GNP below 90% of the EU average); b) finances particular investments, without the need to include them within a framework of larger projects; c) co-finances only large investments (over EUR 10 million).

COHESION see: Economic and Social Cohesion Policy, the Cohesion Fund.

COMMITTEE OF THE REGIONS - one of the latest EU institutions (created in 1994) gathering 222 representatives of the regions of EU member countries (most frequently they are chiefs of regions, city mayors and chairs of local governments). The work of the Committee is divided into eight permanent commissions. The mission of the Committee is to allow the representatives of local and regional communities to participate in the implementation of the EU policy. Under the Maastricht Treaty, during the preparation of regulations and Community undertakings such matters as Trans-European networks, public health, education, youth, culture as well as economic and social cohesion must be consulted with the Committee. It also has the initiative to opine actions within the scope of agriculture and environment protection directly related to cities and regions.

COMMITTEE OF THE COUNCIL OF MINISTERS FOR THE REGIONAL POLICY AND BALANCED DEVELOPMENT - an auxiliary body of the Council of Ministers established in September 1998 by the order of the Prime Minister to coordinate the actions of the government bodies in the sphere of regional development. It is chaired by the minister relevant for the issues of regional development.

COMMON AGRICULTURE POLICY, CAP – introduced by the member states of the European Union in order to increase the efficiency of the agriculture and to support an appropriate standard of living of those working in agriculture as well as to guarantee the continuity of the food supply and favourable prices to the consumers. Although the policy consumes the majority of the EU funds it did not achieve its objectives. Direct subsidies preserved the structure of the EU agriculture, thus limiting its ability to adapt to the competitive environment of the world trade. Since the 80's CAP reform has been carried out (resisted by the influential agricultural lobby). The aim of the reform is to limit the funds for the agricultural production subsidies (surplus production is sold at dumping prices on

the world market, which is irrational from the economic point of view and deviation from the rules of the free world trade). The structure of the subsidies has been changed to increase the competitiveness of the European agriculture. CAP remains the source of many conflicts within the EU.

COMMUNITY INITIATIVES - see: the Initiatives of the European Union.

COMMUNITY INITIATIVES, CI - a form of financial aid of the Structural Funds to achieve the super-national goals. The EU Initiatives are developed on the basis of guidelines set by the European Commission. The guidelines are the supplement of → the Community Support Framework (CSF) and facilitate solving problems of particular importance to the organism of the EU. In the years from 1994 to 1999 the CI accounted for 10 % of the value of the Structural Funds, one p.p. of which was dedicated to the so-called innovative actions.

In the year 2000, the number of CIs was reduced from 13 to 4. These include:

- a. INTERREG – support for trans-border and international cooperation (EUR 4 875 million);
- b. LEADER – support for the development of rural areas, especially for the local pilot actions (EUR 2 020 million).
- c. URBAN – counteracting urban crises in centres suffering or threatened with mass unemployment and other forms of social pathology (EUR 700 million).
- d. EQUAL – cooperation within the scope of assistance in finding employment for social groups particularly exposed to unemployment and exclusion from the labour market (also in the form of international and interregional cooperation of the EU) (EUR 2847 million).

In total, for the period from 2000 to 2006 the sum planned for the CIs amounts to EUR 10.4 billion, i.e. 5.35% → of the Structural Funds. Moreover, 0.65% of the funds is dedicated to innovative actions supporting innovative, super-national undertakings.

COMMUNITY SUPPORT FRAMEWORK - also: Framework Support Programme – The Member Countries applying for support from the structural funds must submit their regional development plan covering the period of fund planning. They may be plans of individual regions or a joint plan of all a country's regions. The European Commission evaluates the plans and starts agreement talks with the interested countries. On this basis, after consulting all involved member countries, the European Commission formulates the Community Support Framework. It describes the development objectives, numerical data, priorities, evaluation and monitoring procedures; next: the forms of assistance, estimated financial plan including financing sources, the scope of assistance. It also defines the principles of coordination with other forms of structural assistance in a given region. See: the Objectives of the EU Structural Policy.

COMMUNITY SUPPORT FRAMEWORK (CSF) - also: Framework Support Programme – member states who wish to apply for support via Structural Funds shall present their regional development plan for the period of fund planning. The plans might be prepared for individual regions or be presented as a common plan for all the country's regions. The European Commission performs the evaluation of the plans and undertakes arrangement negotiations with interested countries. On the basis thereof, upon consultation with all the member states involved, the Commission formulates the common Framework Support Programme. It describes development objectives, figures, priorities, procedures,

evaluation and monitoring results; then it outlines the forms of assistance, the estimated financial schedule indicating the sources of financing and the aid period. It defines also the principles of coordination with other forms of structural aid in a given region. See: EU Structural Policy Objectives.

COMPETITIVENESS OF A REGION - an idea used in two meanings: 1) as a set of features determining the attractiveness of a region as a place of both living and investing; 2) as a token of technological advantage or lower prices of products and services produced in a region compared to analogous products and services available from other regions.

CONCEPT OF BALANCING NATIONAL DEVELOPMENT IN SPATIAL SYSTEM - the main strategic thesis of the Concept of the Policy of National Spatial Development accepted in 1999 by the Council of Ministers. It consists in the state's support of the use of varied development resources, chances and predispositions as the main factor for levelling the living conditions in the spatial system.

CONCEPT OF NATIONAL SPATIAL DEVELOPMENT - a planning document prepared by the Government Centre for Strategic Studies in the mode of work on the national development strategy. It defines the natural, cultural, social and economic conditions and the objectives of the spatial policy of the state. Accepted by the Council of Ministers in November 1999. According to the Act of 7 July 1994 – following the acceptance of the Council of Ministers, it becomes the basis for programming super-local public undertakings influencing the spatial development of the country.

CONCEPT OF POLARIZED REGIONAL DEVELOPMENT - one of the ideas of the state's regional policy discussed in the mode of work on formulating it. It consists in acknowledging objective character of the polar growth of interregional variations in the process of transformation of Polish economy. It emphasises the need for supporting the most effective regions whose development will induce the development of other regions. See: Growth Centres.

CONGRESS OF LOCAL AND REGIONAL AUTHORITIES OF EUROPE - created in 1994 on the basis of the European Conference of Local Government. Objectives: supporting the autonomy of local and regional authorities, ensuring influence on the shape of policy, stimulating interregional cooperation. It gathers the representatives of 39 countries - member to the → Council of Europe (572 representatives of self-governments).

CONTROL AND MONITORING UNIT - a unit cooperating with the payment institution, responsible for the control and monitoring of expenditure within the Structural Funds and the aid delivery system.

CONVERGENCE CRITERIA - criteria resulting from the Treaty of Maastricht (the Treaty on the European Union) and defining the conditions of accession of particular member countries to the monetary union. The basic criteria are: 1) low inflation – below 3 %, not more than 1.5 pp. above the average from three countries with the lowest inflations; 2) public debt below 60 % of the GNP; 3) strictly limited currency fluctuations; 4) stability of long-term interest rate; not more than 2pp. above the average from three countries with the lowest inflations; 5) budget deficit below 3% of the GNP.

CONVERSION - here: the process of radical reconstruction of economic structure of a given region, consisting in the substitution of old and economically ineffective areas with new branches and sectors.

CROSS-BORDER COOPERATION – joint cooperation of two countries and other interested local and regional authorities in the matter of the borders and border neighbouring areas.

CROSS-BORDER COOPERATION - see: PHARE CBC

CSF - see: Community Support Framework

D

DECENTRALISATION - transferring of the decision-making authority to a lower, autonomous level of organization (e.g. territorial organization of the country). The transfer of the decision-making authority should be supported by creating proper conditions for using them, i.e. enabling access to resources necessary for using the authority effectively and efficiently. In the regional context, the decentralisation should result from an act, i.e. the common and binding legal regulation and not from an individual administrative decision passed in the mode of authorization. See: Deconcentration.

DECLARATION AT WINDING-UP OF THE ASSISTANCE – a document drawn by an independent unit within the managing institution, containing a recapitulation of the post-control results from the previous years, as well as evaluation of the reliability of the application for the final payment and of legality and correctness of the transactions performed in the period covered with the aid.

DECONCENTRATION - generally: dispersion, horizontal shift of decision-making authority within the same level of organization thorough: a) transfer of decision-making authority in the mode of authorization; final decision-making authority and responsibility rests in the centre; b) for instance – locating a central authority office outside the capital city; despite its location, the office remains an integral part of the central level. See: Decentralisation.

DELIMITATION - dividing the area for specific purposes on the basis of properly selected criteria. In the planning practice, the delimitation is executed on the basis of the territorial scope of the aspects diagnosed, its purpose being the definition of the corresponding scope of relations included in both plans and programmes.

DEVELOPMENT AXIS – a group of national programmes and programmes implemented from the Structural Funds and from the Cohesion Fund, pursuing the main objective of the National Development Plan.

DEVELOPMENT PLAN – for the purpose of the Council of the European Union Regulation of 21 June 1999 introducing general provisions concerning the Structural Funds (1260/99/WE), the term refers to an analysis of the situation prepared by a member state, in the light of the adopted objectives as well as priority needs which facilitate reaching these goals, together with a strategy, scheduled priority measures, their particular goals and respective indicative financial resources. See: EU Structural Policy Objectives.

E

EAGGF - see: European Agriculture Guidance and Guarantee Funds

ECOLOGICAL CORRIDORS - a notion used in natural sciences and urban planning to define spatial relations between the elements of the eco-system permitting the migration of animal and plant species, air circulation, surface and underground water. Spatial planning should protect the ecological corridors determining ecological balance.

ECOLOGICAL DEVELOPMENT - development in line with nature; lasting, stable and balanced; surviving and self-supporting; treated as an antidote to the global civilisation crisis and as an indicator for shaping the future in the long-term perspective. The “eco-” prefix is often abused, mainly for advertising purposes. See: Balanced Development.

ECOLOGICAL HAZARD AREAS - areas distinguished in 1982 by the then Planning Commission of the Council of the Ministers, which concentrated on the sources of natural environment pollution dangerous for the human health and restricting the economic development opportunities. 27 thus defined areas covered about 11% of the country's area, inhabited by almost 1/3 of the population. This kind of research hasn't been repeated ever since.

ECONOMIC AND SOCIAL COHESION POLICY – a policy aiming at reducing disparities in the level of social and economic development existing between regions and countries. The term refers mainly to the regions and to the member states of the European Union.

EFFECTIVENESS (USE OF FUNDS) - an evaluation criterion comparing the amount of outlay for programme implementation (e.g. finances, administration, human resources) with the actual achievements of the programme at the product, result or impact level.

EQUAL - see: Initiatives of the European Union

EQUAL OPPORTUNITIES POLICY - one of the key horizontal community policies implemented within the framework of the → Economic and Social Cohesion Policy in the current planning period of 2000-2006. It refers mainly to promoting equal opportunities for men and women on the labour market (for example by reducing the disproportions in earnings).

EQUITY - see: Venture Capital

ERDF - see: European Regional Development Fund

ESC - see: Economic and Social Cohesion Policy, the PHARE programme: Economic and Social Cohesion

ESDP - see: European Spatial Development Perspective

ESF - see: European Social Fund

ESSENTIAL OBJECTIVE OF THE EU STRUCTURAL POLICY - according to the Treaty of Rome, it is strengthening of consistency and reducing the economic and social disparities between the poorest and the richest regions of the EU. The basic principles of the policy for its implementation are: additionality, partnership, programming and concentration of means. The EU ensures support for actions taken in line with the Principal Objective of the Structural Policy and coordinates its implementation aiming at complete integration within the EU organism. The financing instruments for this policy are Structural Funds and the Cohesion Fund, as well as the European Investment Bank. EU dedicates most of the structural policy funds to regional policy.

EURADA - see: European Association of Regional Development Agencies

EURO - since 01.01.1999 – the European currency which substituted ECU created within the European Currency Fund (1979). Since 01.01.2002 – the only means of payment substituting the national currency in the EU (except for the UK, Sweden and Denmark).

EURO-INFO - European information centres for small and medium enterprises (SMEs). They inform about the functioning of the single market, regulations, support programmes, structural measures, databases etc. There are 12 EURO-INFO centres in Poland.

EUROPEAN AGRICULTURE GUIDANCE AND GUARANTEE FUND, EAGGF - established under the Treaty of Rome, it deals with the transformation of the structure of agriculture and the development of rural areas. The tasks of the fund include: 1. strengthening and reorganization of agricultural and forestry structures; 2. ensuring the conversion of agricultural production and promoting non-agricultural production in rural areas; 3. support in achieving the socially acceptable level of living by farmers, including direct financial support; 4. arousing the awareness of communities living in rural areas in order to protect natural environment, save natural landscape etc. Structural Funds include only a part of the EAGGF, defined as the "orientation", related to the implementation of Objective 1. See: the Objectives of the EU Structural Policy.

EUROPEAN ASSOCIATION OF REGIONAL DEVELOPMENT AGENCIES, EURADA - international organization dealing with regional development. Established in 1991, it associates ca. 150 agencies across the European Union. Since 1996, certain Polish agencies, including → PARR are its associate members. Functions: representing the interests of agencies before the Union authorities, implementation of projects co-financed by the EU, organization of conferences and seminars. The association is located at Brussels.

EUROPEAN CHART OF LOCAL GOVERNMENT- a sort of "local constitution" prepared by the Council of Europe, defining the status of a region. Passed in June 1997 by the Congress of Local and Regional Authorities of the Council of Europe

EUROPEAN CITY OF CULTURE- a title awarded annually (since 1985) to European cities. The title is followed with subsidies for cultural events. Kraków was chosen one in 2000.

EUROPEAN COMMUNITY ENVIRONMENTAL POLICY – a policy whose objective was to safeguard, protect and improve the quality of environment, contribute to the protection of human health as well as to ensure prudent and rational use of natural resources. Moreover, it led to introducing a set of basic principles in the sphere of environmental protection, including:

- principle of preventing ecological damage,
- "polluter pays" principle,
- principle of subsidiarity, according to which the Community takes actions in relation to environmental protection to such an extent, that the particular objectives may be better reached on the community level than on the level of the particular member states.

EUROPEAN DEVELOPMENT FUND (EDF) - established in relation to the Lomé Convention defining the principles of cooperation of the EU with 70 countries from Africa, the Caribbean Isles and the Pacific.

EUROPEAN INVESTMENT BANK, EIB - established under the Treaty of Rome. It finances the economic development of the European communities. The initial capital in 1991 – ECU 57.6 billion, in 2000 – EUR 100 billion. In the years 1990 – 1999 Poland received EIB credits amounting to EUR 2.5 billion.

EUROPEAN REGIONAL DEVELOPMENT FUND, ERDF - established in 1975. Its task is to reduce development disproportions among the EU regions. ERDF co-finances the implementation of Objectives 1 and 2 of the EU Structural Policy (the Objectives of the EU Structural Policy). In particular, the fund supports production investments, infrastructure development, local development initiatives and the SMEs.

EUROPEAN SOCIAL FUND, ESF - established under the Treaty of Rome. It co-finances the implementation of Objective 3 (the Objectives of the EU Structural Policy) in the whole EU; it also supports Objectives 1 and 2; the Fund mainly provides resources for professional training and employment development.

EUROPEAN SPATIAL DEVELOPMENT PERSPECTIVE, ESDP - a study of the perspectives of territorial development and planning of the EU, drawn with a large contribution of the member countries. It also comprises the associated countries. The document is not obligatory; however, it plays an important opinion-creating role in the spheres of public administration and business.

EUROPOL - 1) a city playing a significant role in the European area, important for the functioning of Europe, europolis; 2) the system of police cooperation (the European Police Office).

EUROREG - European Institute for Regional and Local Development at the Warsaw University, it conducts numerous research, information and popularizing activities.

EUROREGION - an institutionalized form of cooperation of borderland regions of two or more countries. It includes establishing common coordination bodies, joint management or agreeing common plans (e.g. land development plan), etc. Territorial bodies organized in the form of euroregions act according to legislation binding for the mother country, so there are no signs of extraterritoriality. In the EU, euroregions were strongly promoted as pilot solutions, preceding and preparing the integration of the member states. In Poland 14 euroregions were created (year 2000): Neisse – Nisa – Nysa, Sprewa – Nysa – Bóbr, Pro Europa Viadrina, Pomerania, Tatry, Glacensis, Karpaty, Bug, Niemen, Baltic, Silesia, Śląsk Cieszyński, Pradziad and Beskidy.

EVALUATION – here: with reference to the programmes within the → Structural Funds, pursuant to the provisions of the Council of the European Union Regulation No 1260 of 21 June 1999, one can distinguish three types of evaluation:

- Ex ante (preliminary) evaluation, which shall be performed by the authorities of the member state responsible for preparing the plans. It shall cover analysing the weak and the strong points of the region or of the area, taking into account its demographic features. It defines the expected influence of the planned priority measures, especially in the context of employment, environmental protection, equal opportunities for men and women, with the use, wherever possible, of measurable objectives (indicators).
- Interim (partial, indirect) evaluation, which shall constitute a duty of an institution implementing a particular programme, in cooperation with the → European Commission. It shall cover the evaluation of the first results of the measures taken, their coherence with the preliminary evaluation (checking if the objectives remain valid), as well as transparency and reliability of its financial management and the quality of monitoring and implementation. The evaluation shall be performed by an independent institution and shall be transmitted to a relevant monitoring committee

and to the European Commission no later than on 31 December 2003. It will be used when reviewing the programmes and allocating the financial reserve for the undertakings which offer the best prognoses.

- Ex post (final) evaluation which shall constitute a duty of → the European Commission in cooperation with a member state and a relevant implementing institution. It should lead to evaluating the use of resources, influence, effectiveness and successful character of the measures and of their coherence with the evaluation ex ante. The evaluation shall include conclusions concerning the economic and social cohesion. It shall be performed by an independent institution and, covering the years from 2000 to 2006, it shall be completed by 31 December 2009. The evaluation of → the Community Support Framework (CSF), Operational Plan (OP), and of Simplified Programming Document (SPD) shall be performed by 31 December 2005 in order to enable preparations for the next planning period.

Performing the evaluation is facilitated by a number of evaluation criteria and indicators. The basic criteria include:

1. Relevance: the degree to which the programme objectives are relevant to the changing needs and priorities on the national and on the EU level (does the programme contribute to solving the problem?)
2. Efficiency: how the resources were transformed into direct products (outputs) and results.
3. Effectiveness: to what degree the programme contributed to reaching general and detailed objectives.
4. Utility: if the programme contributed to satisfying the needs of the target groups or of the societies.

There are some other criteria which can be added to those mentioned above, including the sustainability criteria (on the utility level), in the quest for durable changes which may result from the programme.

EVALUATION – HOLISTIC (GLOBAL) - basic tool used in the EU structural policy. The subject of the global evaluation is the whole programme supported by the aid funds.

EVALUATION (FINAL) - the evaluation performed after the completion of the implemented programme; its purpose is to define the long-term effects of the programme, including the amount of funds involved and the effectiveness of aid. The main objective of the final evaluation is, first of all, providing information on the long-term effects of a given programme and formulating conclusions concerning the directions of the structural policy.

EVALUATION (INITIAL) - evaluation done before the implementation of a programme. Its basic purpose is to verify the long-term effects of support, included in the prepared programme documents. The principal objective of the initial evaluation is to improve the quality of the programme documents by inviting a body independent of the programming institution to participate in the programming process. Initial evaluation is to ensure that the funds dedicated to the implementation of the policy of reducing horizontal disparities between particular regions of the EU are used to give best effects possible.

EVALUATION (OF A PROGRAMME) - the estimation of the impact of structural aid of the Community regarding the › objectives and the analysis of its impact on specific structural

problems.

EVALUATION (PERIODIC) - evaluation done during the implementation of a programme. In the case of structural programmes, its performed in the middle of the programming period, its objective being the estimation of the level of achievement of the initially assumed goals in the light of the previous initial evaluation, especially as regards the products delivered and effects achieved as well as defining the accuracy of intentions compared to current social and economic trends. The results of final evaluation are used for possible modifications of programme documents. The information it provides should be used for preparing a programme during the next programming period.

EXCLUSION - here: the process (and/or condition) of exclusion of a community, institutions or areas from development processes. See: Periphery.

EXPANSIVE REGIONAL STRUCTURES - regional social and economic structures characterized by an excess of development components over the decline components. In terms of regional economy, this means the domination of advanced, science-consuming and easy-to-sell production; in terms of demography – large participation of young and well-educated persons. See: Intelligent Region.

EXPENDITURE CERTIFICATION - an action performed within the system of financial control by a payment institution with regard to financial operations made by both managing and intermediary institutions. The purpose of the action is to confirm whether the expenditures made towards the beneficiaries were limited to the period of cost acceptability, made in line with binding procedures and regarded the agreed actions.

EXPERT PANEL - an institutional body composed of independent experts specialising in a domain under evaluation, who, on the basis of the presented documents and data, perform an assessment of the results of the programme or of the project, in the context of particular evaluation criteria.

FEASIBILITY STUDY – a study conducted during the formulation phase of a project which verifies whether a given project may be realised and whether it meets the needs of the beneficiaries; the study should constitute a project plan and it has to contain operational details of the project implementation together with their critical analysis, i.e. commercial, technical, financial, economic, institutional, social and cultural conditions as well as those concerning the natural environment; feasibility study allows the assessment of the financial and economic profitability and as a result, also the usefulness of the project implementation.

F

FIFTH FRAMEWORK RESEARCH, DEVELOPMENT AND PRESENTATION PROGRAMME (the so-called “5th Framework Programme” of the European Communities) – is aimed at improving competitiveness, innovation and know-how development. Poland is also involved in the project.

FINAL BENEFICIARY - a person, an institution or a community (social group) who benefits directly from the implemented assistance.

FINAL BENEFICIARY - in the meaning of the Regulation of the Council of the European Union of 21st June 1999 introducing general rules for Structural Funds (1260/99/EC) it is an institution or business entity, both public and private, responsible for commissioning an

Operation. In the case of support programmes, following Article 87 of the Treaty of the European Union and in the case of support granted by institutions appointed by the member states, the final beneficiaries are institutions granting the support. For example, the final beneficiary is the security fund, not the entity to which the security was granted.

FINAL BENEFICIARY - institutions and business entities, both public and private, responsible for commissioning an operation. In the case of support programmes (following Article 87 of the Treaty and in the case of support granted by institutions appointed by the member states), the final beneficiaries are institutions granting the support. There are two types of final beneficiaries: implementation institutions and final support receivers.

FINAL RECIPIENT – a public or private body filing applications for the implementation of projects which are co-financed from the Structural Funds.

FINAL REPORT - report concerning the implemented aid, which should be submitted within 6 months from the date of the last payment made by the paying authority and contain the information on the achieved progress in the field of economic and social cohesion as well as the input of the Structural Fund, Cohesion Fund, EIB and other applicable financial instruments. The final report concerns, in particular, operational programmes and projects

FINANCIAL ADJUSTMENT - financial adjustment is conducted following the detection of individual or systematic incorrectness and consists in annulling the whole or part of the contribution made by the Community which may be used again after consulting the Commission in another project.

FINANCIAL ASSISTANCE – acc. to the Act of 12 May 2000 on the principles of supporting regional development: subsidies for current tasks as defined in the Act of 26 November 1998 on public financing.

FINANCIAL CONTROL - mechanisms and measures ensuring proper functioning of the process of collecting and disposing of public funds. Financial control comprises executive control and audit.

FINANCIAL ENGINEERING - also called financial assembly. It consists in linking various financing sources and methods for the implementation of a given project.

FINANCIAL INSTRUMENT FOR FISHERIES GUIDANCE, FIFG - a structural fund established to meet the needs of fishery, supplementing the fund established in 1993. It deals with promoting structural changes in this sector.

FINANCIAL MONITORING - monitoring of the management of the Structural Funds resources granted for the implementation of programmes and projects; it is the basis of the evaluation of fund spending.

FUNDUSZ MIKRO (THE “MIKRO” FUND) - established in 1994 by the Polish – American Enterprise Fund to support small business in Poland. It grants small loans (5 – 30 thousand zlotys) to companies employing up to 10 persons or loans for groups of mutually guaranteeing entrepreneurs.

G

GEOGRAPHIC INFORMATION SYSTEM, GIS - a set of computer applications permitting the management of spatial database in connection with data referring to objects

in space. Thus, spatial information can be processed in order to: gain new information, perform comprehensive spatial analyses or create maps or reports presenting easy-to-read spatial relations of the described events. The components of the whole GIS usually are:

1. integrated digital database with information on spatial objects;
2. hardware, applications and system personnel.

The GIS were designed to collect, store, manage and analyse information about objects in space. Spatial location is an element necessary for the performance of proper analyses.

GEOGRAPHICAL ENVIRONMENT – man's natural environment. Geographical environment consists of natural environment and anthropogenic environment created as a result of human actions. All the elements of the geographical environment are interconnected and influence each other.

GLOBAL RESOURCE INFORMATION DATABASE, GRID – financed by UNEP (United Nations Environment Programme). GRID has three facilities in Europe: Arendal, Geneva, Warsaw. GRID employs → Geographical Information Systems and teledetection. It processes and provides access to the spatial information on the environment in the global or regional scales.

GLOBALIZATION - a trend towards tightening social, economic, ecological and other types of relations on a global scale. For enterprise management and in regional development programming, globalization means planning an operation strategy taking into account widely understood external conditions in the global dimension. Globalization is mainly induced by the accelerated information flow.

GROWTH CENTRES - development centres gathering modern industry sectors, numerous business and service institutions. They are characterized by dynamic innovation processes. They are expansive areas with mobilizing and creative impact on the development of regions located around them. Most often, these are large urbanized areas.

H

HORIZON - see: the Initiatives of the European Union.

HORIZONTAL OBJECTIVE - defined for all projects executed within one programme.

I

IMPLEMENTING AGENCY, IA - an institution appointed by the government (in the PHARE Financial Memorandum), responsible for the implementation of a given PHARE programme in line with the procedures and guidelines of the European Commission. The IA is responsible for preparing the programming and planning documents, reporting to the Commission (and the government), bidding supervision, financial administration etc.

IMPLEMENTING INSTITUTION - a public or a private body responsible for commissioning to the final receiver (through bidding or contest) the implementation of an investment project or service.

INNOVATION - in economic literature: (1) a process comprising the creation of an idea, the research and development work, production, marketing and popularizing goods,

services etc. (2) goods, services or ideas perceived by the receiver as qualitative novelty in corresponding markets.

INNOVATIVENESS - the capacity of enterprises to create and implement innovations and the actual ability to introduce new and modernize old versions of products, new or modified technological and organization and technology processes.

INSTRUMENT FOR STRUCTURAL POLICIES FOR PRE-ACCESSION, ISPA - a financial instrument developed by the → European Commission in 1998 to support 10 countries from the Central and Eastern Europe preparing for the accession. It was modelled on the → Cohesion Fund; it is dedicated for large investment projects, over EUR 5 million. The support comprises actions for natural environment and adaptation of the communication and transport networks to the European standards. The annual budget of ISPA programme to be executed from 2000 to 2006 is EUR 1.04 billion. The funds are to be divided in proportion to the country population, area and the GNP per capita. The instrument is parallel to the → SAPARD (Structural Adjustment Programme for Agriculture and Rural Development) and → PHARE, integrated within the framework of → Accession Partnership. The Polish share for the ear 2000 was EUR 351 million.

INSTRUMENTS FOR REGIONAL DEVELOPMENT - regulations and formalized actions supporting regional development. They usually include the following instruments:

1. financial instruments: a) direct: grants, “soft” credits (with lower or subsidized interest), tax and para-tax concessions, subsidies for enterprises; b) indirect: bank guarantees, third-party securities, capital shares;
2. development of technical infrastructure;
3. development of “soft” infrastructure (institutional business environment), support mainly for: a) information and consultancy availability, b) training; c) R+D (research plus development), technology and innovation transfer;

INTELLIGENT REGION – a new anthropomorphic concept of distinguishing of the fastest developing regions which are characterised by the most effective use of the internal and external resources due to a high innovation rate; close cooperation of the regional institution networks, and their participation in the creation and implementation of development strategies and external cooperation networks (worldwide); easy access to information and state-of-the-art technologies of its processing; best international expertise. The concept emphasizes the importance of information in the creation of the competitive advantage of one region over the other in the globalising world. See: Networking and Benchmarking.

INTERREG - an EU initiative to support the cooperation of border areas of two member countries, also aiming at levelling the development disproportions between the regions on both sides of the border line. Interreg also covers similar actions in regions of member countries bordering on the → PHARE beneficiaries, strictly coordinated with the → PHARE CBC (Cross-Border Cooperation). See: the Initiatives of the European Union.

INTERVENTION AREA - particular thematic issue within the intervention categorization of the Structural Funds, constituting an area of social and economic activity, e.g. farm investment, services for the tourist industry or road construction.

ISPA - see: Instrument for Structural Policies for Pre-Accession

K

KNOW HOW - the part of knowledge concerning the production of goods and services not protected by patents, licenses or other legal protection measures. It comprises elements of the experts' art and knowledge related to a particular product or technology.

KNOW HOW FUND - the Know-How Fund for Poland was established in Great Britain in 1989 to develop democracy in Poland and to switch into market economy. In the 1990s, the average annual support of the fund amounted to ca. £ 10 million (PLN 55 million). One of its actions is the apparently regional Polish and British Enterprise Project (PBEP) implemented in the Lubelskie and Białostockie Voivodships.

L

LAND DEVELOPMENT CONDITIONS – a decision made by a commune head or a mayor in response to the application of an interested party concerning the construction permission, which under the building law, has to be obtained from the appropriate authority. The decision specifies the type of an investment project, requirements resulting from the spatial development plan and other applicable regulations as well as the requirements concerning technical infrastructure and the well being of the third parties. The decision does not grant the rights to the land and may be issued more than once for the same land.

LEADER - see: the Initiatives of the European Union.

LEVERAGE EFFECT - the effect consisting in the growth of the involvement of the private sector financing certain actions following the launch of public means for their implementation. From the point of view of the → Structural Funds, it is a highly desirable effect.

LOCAL POTENTIAL - the internal potential of a given region. Economic development is promoted mainly by two concurrent actions: a) developing the local potential; b) attracting external investors.

LOCAL SPATIAL DEVELOPMENT PLAN - a commune regulation defining the possible use of terrains for different purposes in the whole of the commune or its part. It also regulates the principles of using the protected objects, the principles of using infrastructure facilities and the local conditions and principles of building up and dividing the terrain into building plots. It is the basis of issuing building and land development decisions.

M

MAASTRICHT - see: the Treaty of the European Union

MACROECONOMIC EFFECT - the effect of the realization of programmes co-financed within structural funds on macroeconomic indexes.

MACROREGION - as has been agreed: a large region; in Poland: an area of several Voivodships, delimited for the purpose of planned spatial development of the country. Initially (in the years 1972 - 1975), there were three macroregional problem areas (seaside, southern and north-eastern). In 1975 the country was divided into 8 macroregions. The Ministry of Regional Development and Building Industry currently relies on the division into 10 macroregions, maintaining a regional development office in each of

them. See: Regional Development Office.

MANAGEMENT INTERMEDIARY INSTITUTION - a public or a private body or services subject to relevant management or payment authorities to which the managing institution delegates certain rights.

MANAGING COMMITTEE OF THE COUNCIL OF EUROPE FOR LOCAL AND REGIONAL ISSUES - a forum of cooperation of ministers (ministries) related by their competition to local government. See: Council of Europe.

MANAGING INSTITUTION - an institution or a public or a private body appointed by the member country at the national, regional or local level or by a member country itself, if it has the aid management function, responsible for directing and supervising the process of implementation of a certain document.

MATERIAL MONITORING - monitoring of the progress of implementation of programmes and projects through a system of indexes defined in the programming documents.

MODEL OF MODERATE POLYCENTRIC CONCENTRATION - the model of deployment of manufacturing potential and the → Regional Development, forming the corresponding policy of the state in the 1970s and 1980s. The main features of the model are multi-polar concentration of manufacturing settlement and factors, ensuring a relatively equal level of social and economic development of Poland and counteracting excessive concentration, especially in the Katowice and Warsaw agglomerations.

MONITORING - a process of systematic collection and analysing qualitative and quantitative information on project implementation: the whole programme. The information collected in the system may refer to both the financial and the material aspects of the implementation. The purpose of monitoring is to ensure the compliance of the implementation of the projects and the programme with previous implementation assumptions. A good monitoring system permits earlier detection of threats related to the proper and timely implementation of a project or a programme. On the basis of the information collected, after the implementation stage, it is possible to evaluate the projects and the programme according to the criteria set out before. Monitoring is usually the responsibility of the programme (project) managing institution.

MONITORING COMMITTEE - an entity established by the → European Commission together with the beneficiary monitor a given programme. Its task is to prevent biased evaluations, develop the success (failure) criteria in advance, prepare the methods of programme evaluation, define the frequency and scope of partial and final analyses. Analogous monitoring committees are established at lower levels, e.g. regional monitoring committees. According to the executive orders to the Regional Development Support Act, the committees are created at the national (led by the minister relevant for regional development) and the Voivodship level (led by a Governor).

MONITORING COMMITTEE - an entity established by the EC together with the beneficiary in order to evaluate and supervise a given programme. Its task is to prevent biased evaluations, develop the criteria and methods of programme evaluation, frequency and scope of partial and final analyses.

MONITORING INDICATORS – defined at four levels:

INPUT INDICATOR: refers to the resources organised by the beneficiary during project implementation. Although in the majority of the cases the input refers to

financial resources it also denotes human, material or organisational resources engaged in the subsequent phases of project implementation. The majority of the indicators may be quantified within the framework of a monitoring system. When we refer to the financial aspect of the project implementation, the indicators are used for the financial monitoring of the project implementation progress. Non-financial indicators, on the other hand, determine, for example, the number of people or organisations engaged in the project implementation. Because of the uniform characteristics of this indicator for all types of projects it is not included in the tables presented in the following parts of this study.

OUTPUT INDICATOR: refers to particular activities carried out within a given project. In other words, they describe all the material goods and services a beneficiary obtains during project implementation from the financial sources allotted to a given project. They are measured in physical or financial units (e.g. the length of a built road, number of SME, which obtained advisory assistance, the average size of granted land).

RESULT INDICATOR: refers to the direct and immediate effects of a project. Deliver information on the changes which occurred due to the project implementation to the direct beneficiaries of the assistance. The indicators may be in the form of physical indicators (travelling time reduction, reduction in the environmental pollution, number of newly created workplaces) or financial indicators (the amount of the invested private capital, reduction in the transportation costs, reduction in the price of telephony services etc.).

IMPACT INDICATOR: refers to the consequences of a given project which go beyond the immediate effects for the direct beneficiaries. The measurement of such effects is a rather complicated one and clear cause and effect relations are hard to find. The measurement of the effects is carried out on two levels: the direct beneficiaries and individuals and organisations that remain outside the range of the direct impact of a project. In the first case, the measurements are carried out within the area of the project implementation at some time after its accomplishment. In the second case the measurements concern medium- and long-term effects which go beyond the direct beneficiaries. The indicators used for the monitoring of projects should also meet the following criteria:

1. Accuracy – the indicator should be adapted to the character of the project and expected effects of project implementation.
2. Measurability – every indicator should return numeral values, which facilitates the verification after the implementation phase
3. Credibility – the indicator should be defined in such a manner which facilitates its possible verification.
4. Availability – the indicator should be easy to generate.

N

NATIONAL DEVELOPMENT PLAN (NDP) – a programming document being a planning basis for particular areas of structural intervention, as well as for integrated operational programmes of the horizontal and regional character. It contains the proposed objectives, measures and the scope of intervention performed by the Structural Funds and the Cohesion Fund, aimed at diminishing disparities in the social-economic development

existing between an accession state and the European Union. On the basis of this document an accession state makes arrangements with the European Commission within the scope of the Community Support Framework.

NATIONAL INITIATIVES, NI - main form of financial aid paid from the Structural Funds, an operation programme initiated at the national level. An initiative of a member country may be accepted by the Union only if it is in the form of the Community Support Framework(CSF). Another way to present an initiative of a member country is to prepare a Single Programming Document.

NATIONAL INNOVATION SYSTEM, NIS - a combination of production, science and technology subsystems as well as institutional solutions and relations between them which characterizes the level of innovativeness of a given country. Above all, it comprises two elements: institutions from the sphere of science and technology, enterprises and organizations from the sphere of industry and services dealing with technology and production activity, implementation and commercialization of new solutions (including R&D firms) as well as institutions and organizations implementing innovative policy and influence the course of innovation processes. Among the aforementioned elements of the NIS, there are varied planning, information, legal, organization and financial relations. Current NIS are characterized by: long-term scientific research, high innovativeness of enterprises and effective relations between science and industry.

NATIONAL STRATEGY FOR ENVIRONMENTAL PROTECTION FOR THE YEARS 2000-2006 – a strategy adopted on 27 July 2000 by the Committee of the Council of Ministers on regional Policy and Balanced Development, containing main objectives related to implementing balanced and sustainable development in its ecological dimension.

NATIONAL STRATEGY FOR REGIONAL DEVELOPMENT (NSRD) – pursuant to the provisions of the law of 12 May 2000 on the Rules for Supporting Regional Development; a document in the form of a resolution of the Council of Ministers, determining the conditions, objectives and directions of support granted by the State for → Regional Development.

NATIONAL TRANSPORT DEVELOPMENT STRATEGY FOR THE YEARS 2000-2006 – a strategy defining the pursuit of even development of transport as regards its technical, spatial, economic, social and environmental aspects.

NETWORKING – an increasingly popular technique for improving the competitive standing of a region by organising a wide network of contacts and cooperation (and therefore enabling access to the latest information) within the regional, national, European and even worldwide structure. See: Business Entities' Cooperation Networks (Networks and Clusters).

NOMENCLATURE OF TERRITORIAL UNITS FOR STATISTICS (NUTS) – a unified scheme of territorial division of the European Union member states introduced in 1988. NUTS is a five-level hierarchic classification, where three regional levels (NUTS 1-3) and two local levels (NUTS 4-5) can be distinguished. For practical reasons the NUTS nomenclature is based mainly on administrative units existing within the member states. Presently the NUTS nomenclature divides the European area into 78 regions of the NUTS 1 level, 211 regions of the NUTS 2 level and 1093 units of NUTS 3. The local level (NUTS 4) is determined only for some of the EU member states (1029 units). NUTS 5 includes 98433 units of the basic level. The NUTS classification is the basis for performing regional economic calculations and for regional statistics in the social-economic dimension. The

NUTS classification is also used for the purpose of the regional policies of the EU. Regions which benefit from the funds from the → Structural Funds are classified on the basis of the NUTS statistics: the less developed regions are determined on the basis of NUTS 2 (the same applies to sparsely populated regions). The crisis centres are delimited on the basis of NUTS 3. The Nomenclature of Territorial Units for the Purpose of Statistics (*nomenklatura jednostek terytorialnych do celów statystycznych, NTS*) has been introduced in Poland pursuant to the provisions of the Council of Ministers Regulation of 13 June 2000.

Number of NUTS units in the European Union	Number of NUTS units in Poland
NUTS 1 - regions of the same type as the German lands: 78	NTS 1 1 (the whole state)
NUTS 2 - regions of the same type as the German Regierungsbezirk: 211 Voivodships	NTS 2 since the beginning of 1999 – 16 “new “ Voivodships
NUTS 3 - regions of the same type as the French departments: 1093	NTS 3 since 13 June 2000 – 14 sub-regions
NUTS 4 - local units of the same type as British county (present only in some EU states): 1029	NTS 4 since the beginning of 1999 – 308 districts and 65 cities having the status of districts, a total of 373
NUTS 5 - local units of the same type as German Gemeinden: 98 433	NTS5 Communes: 2 489

A

study on the basis of information collected by the author and on information obtained from the Ministry of Regional Development and Construction.

NTS – see: Nomenclature of Territorial Units for Statistics

NUTS – see: Nomenclature of Territorial Units for Statistics

O

OBJECTIVES OF THE EU STRUCTURAL POLICY - precisely defined tasks (objectives) serving the purpose of achieving the principal objective, i.e. the social and economic cohesion of the European Union. According to the concentration principle, the resources of the structural policy may only be dedicated to actions within the objectives specified in an order of the Council of the European Union. The number and the definitions of the objectives underwent several changes. For instance, in the 1994-99 planning period, the

following objectives were specified:

- Objective 1 - promotion of structural development and adaptation in weaker-developed regions;
- Objective 2 - restructuring of regions in which industrial activity collapses;
- Objective 3 - counteracting long-term unemployment and enabling young people their professional start;
- Objective 4 - enabling employees the adaptation to changes in industry and production system;
- Objective 5a - acceleration of the adaptation of agricultural structures within the → Common Agricultural Policy;
- Objective 5b - assistance in the structural development and changes in rural areas;
- Objective 6 - promotion of structural development and adaptation in regions featuring low population density.

As of the year 2000, the number of objectives was reduced to three.

- Objective 1 - structural development and adaptation in weaker-developed regions; it is a regional objective comprising, *inter al.*, the former objectives 1 and 6;
- Objective 2 - economic and social transformation of areas with disturbed economic structure (industrial, agricultural, urban and fishing-dependent areas; it is also a regional objective comprising, *inter al.*, the former objectives 2 and 5b;
- Objective 3 - modernization of the education, training and employment systems and policy; this is a horizontal objective supporting the HR development on all EU member states.

ON-THE-SPOT CHECK - control of financial operations of the Funds and the management and control systems at the project location.

OPERATIONAL OBJECTIVE - a precisely estimated objective within a particular area of actions used to achieve a detailed objective. These objectives are presented as calculated per product (e.g. providing training to persons suffering from long-term unemployment).

OPERATIONS – a project or action undertaken by the final beneficiaries of the aid (a synonym of a project).

P

PARTNERSHIP – including of relevant levels of the national and community authorities, as well as regional and local institutions, which are best acquainted with the needs and the opportunities for the region, in the process of decision-making and of their implementation. It is one of the principles for implementing the Structural Funds.

PAYMENT INSTITUTION - one or several national, regional or local institutions or bodies appointed by the country to prepare and submit payment motions and receive payments from the Commission. In Poland, the payment institution will be the Ministry of Finance.

PERFORMANCE RESERVE – funds in the amount of 4% of the sum granted to a given member state (region) from the Structural Funds at the beginning of the programming period within the framework of the EU structural policy. The funds are used to support those programming documents which, based on the standard set of criteria determined by the European Commission and a given member state, produce the best results in relation to the degree of objective accomplishment, management quality and progress of the financial implementation.

PERIPHERY – areas situated far from the development centres, with poorer level of economic development, obsolete infrastructure, often under-invested. The peripheral regions are not among the regions where innovations are developed and their development is conditioned by the ability to absorb innovations from the outside (from the central areas). Such regions usually have single or very scarce and specific development opportunities (resources). As a rule they also tend to lack sufficiently developed relations between economy and science. See: Exclusion.

PHARE – one of the European Union assistance programmes for the countries of the Central and Eastern Europe. Initially, in 1989, the assistance was directed to the first post-communist countries (Poland and Hungary, and that is where the name comes from: Poland Hungary: Action for Restructuring of Economies). In 2000 the programme covered 11 countries of the Central Europe, including Lithuania, Latvia and Estonia. The phases of the aid under PHARE were as follows: I) the years 1989-1991 – mainly humanitarian aid (food, medicine, etc.); II) the years 1991-1993 – mainly consulting and training aid; III) the years 1991-1997 – the aid was to a large degree investment-centred (regional and sector aspects); (IV) the years 1997-1999 – the aid was directed for the needs related to preparing for the European integration (Acquis Communautaire and investments, mainly in infrastructure). PHARE constitutes a separate budget line of the European Commission. Some of the resources are transmitted to the beneficiary states in the form of national PHARE allocations and are subsequently managed by the institutions of these states. Such management is only partially decentralised, most of the decisions require approval of the officials of the European Commission in Brussels or of the national agencies of the European Communities. The yearly PHARE budget for Poland in the years 1990-1999 amounted on average to about 200 million ECU, i.e. about 800 million PLN. A part of the PHARE budget is not transmitted for individual national programmes and remains under the management of the European Commission in the form of the so-called PHARE Multicountry and numerous so-called horizontal programmes, dedicated for all the countries participating in the programme. Since 2000 PHARE, together with ISPA and SAPARD, is totally subject to the priorities of the Accession Partnership. The PHARE expenditure for Poland was also increased. The programme's allocation in 2000 amounted to 484 million EUR. The legal basis for the programme is outlined in the following European Commission Directives: 3906/89, 753/96, 1266/99.

PHARE CBC (Cross Border Cooperation) – a programme of cross-border cooperation, initiated in 1994 and used for financing projects, mainly investments, situated at the borders of the → PHARE countries and the European Union member states. In case of Poland it is mainly the border with Germany, but also sea borders with Denmark, Sweden and Finland (Baltic CBC). The programme's resources amount to an average of 53 million EUR a year. PHARE-CBC is strongly related to the internal programme of the European Union → the Interreg. The programme is coordinated by the Ministry of Interior and Administration.

PHARE ESC – see: PHARE – Economic and Social Cohesion.

PHARE ESD (PHARE Economic and Social Cohesion) – a programme aimed at reducing the delay and the inequalities in development of the regions by promoting business activity, solving social problems related to the labour market, restructuring and developing infrastructure. The total allocation for the PHARE 2000 ESC assigned for national actions amounts to 130 million EUR. Implementation of this programme is performed in 5 Voivodships: Lubelskie, Subcarpathian, Podlaskie, Silesian and Warmińsko-Mazurskie. 27 programmes are co-financed in this way and the projects involve the SME sector, human resources development and developing infrastructure related to business activity. General responsibility for implementing PHARE 2000 ESC rests on → the Polish Agency for Regional Development.

PHARE MULTICOUNTRY – a part of the PHARE resources not allotted directly to a particular recipient state, however it can only be used on the basis of common agreement of all the countries which benefit from the PHARE programme. PHARE Multicountry is mainly donor-driven (demand-driven). There exists also a Coordination Committee composed of the representatives of all the recipient states. The Committee is presided in turn by particular countries, during a one-year term. Currently the programme is also being referred to as PHARE Multibeneficiary.

PHARE PROGRAMME - ECONOMIC AND SOCIAL COHESION (PHARE ESC) – regional development programme whose objective is to reduce the impediments and inequalities in the development of the regions by promoting economic activity, solving social problems related to the unemployment and economic reorganization as well as by the infrastructure development. The above mentioned activities should result in the diminishment of the differences between particular regions and level up their competitiveness.

The total fund allocation for the nationwide activities within Phare 2000 Programme – Economic and Social Cohesion is EUR 130 million. Phare 2000 activities take place in 5 Voivodships: Lubelskie, Subcarpathian, Podlaskie, Silesian, Warmińsko-Mazurskie. The programme is used to co-finance 27 regional projects devoted to the development of small and medium enterprise (SME) sector, development of human resources and the development of the infrastructure required for the functioning of the enterprises.

The main responsibility for the implementation of Phare 2000 Programme lies on → PARR (Polish Regional Development Agency).

PHARE-INITIATIVE – a programme for mitigating social and regional effects of restructuring of coal-mining industry and of the steel industry, in particular of the scheduled important employment reduction and related costs of social cover. The programme could dispose of aid funds amounting to 30 million EUR (20 million EUR for the mining industry and 10 million for the steel industry). The programme was completed on 31 December 1999. Currently a PHARE-Initiative II Programme is being prepared. The programmes are managed by the Polish Agency for Entrepreneurship Development (previously: the Polish Foundation for Promotion and Development of SME).

PHARE-INRED (Integrated Regional Development) – was created on the basis of the works of the Task Team for Structural Policy, completed in 1997. Four integrated pilot programmes for regional development were prepared in the course of these works. They included:

- Programme for Rural and Agricultural Development of the Małopolska Region;
- Regional Programme for Restructuring Economy and Counteracting Unemployment

in the Voivodships of the Northern Poland;

- Programme for the Restructuring and Development of Economy in the Katowickie Voivodship
- Eco-development in the “Sprewa-Nysa-Bóbr” Euroregion.

After the territorial reform and on the basis of a decision of → the European Commission and of the Polish government, the main beneficiaries of the Phare-INRED Programme were to be the local governments in the following Voivodships: West Pomeranian, Pomeranian, Warmińsko-Mazurskie, Kujawy-Pomerania, Małopolskie, Świętokrzyskie, Subcarpathian, Lubuskie, and Silesian.

The INRED programme has been scheduled as a financing source for implementation of the objectives of the programmes which were also considered important by → the European Commission. The programme's budget was defined at the level of 30 million EUR (15 million EUR from the budget of the European Commission, the remaining funds from national public sources).

The general objective of Phare-INRED was to prepare the Polish regions for efficient and effective use of → the Structural Funds. Such preparation meant developing adequate skills and abilities within the institutions which were to make decisions concerning the opportunities of using European aid in the future. Therefore it involved mainly the transfer of knowledge and experience enabling efficient planning, implementing and monitoring activities according to the requirements of → the European Commission. The indirect objective of the programme consisted in promoting cooperation of regional institutions, as one of the basic conditions of efficient use of → the Structural Funds is a network of institutions cooperating in the view of the region's development.

The programme involves investment actions (152 communal infrastructure projects), which contribute to the development of the regions and enable gaining practical experience in implementing projects co-financed by the → European Commission. The programme was coordinated and implemented by → the Polish Agency for Regional Development. Within the framework of all the projects a significant figure of 158 contracts were signed for a total amount of 14.94 EUR (99.6% of the allocated funds).

PHARE-RAPID (Rural Areas Programme for Infrastructure and Development) – the main objective of the project was to reduce discrepancies by supporting infrastructure development in the selected regions whose social-economic development was retarded with respect to the national average. The programme was composed of three projects: 1) developing regional strategies and institutions; 2) co-financing for small projects for infrastructure and public utility structures; 3) developing and evaluation of the regional development. The programme was implemented in 10 former Voivodships (Łódzkie, Katowickie, Wałbrzyskie, Rzeszowskie, Suwalskie, Olsztyńskie, Krośnieńskie, Nowosądeckie, Piotrkowskie, Sieradzkie). General coordination of the programme was run by → the Polish Agency for Regional Development in Warsaw, and in the particular Voivodships – the local Agencies for Regional Development under the supervision of the regional authorities. In the former Krośnieńskie, Nowosądeckie, Piotrkowskie, and Sieradzkie Voivodship the coordination was handled by the → Foundation of Assistance Programmes for Agriculture (FAPA) in Warsaw and its regional centres. The duration of the programme: from 1 September 1996 till 31 December 1999; the preliminary budget of the programme amounted to 20 million EUR. Due to the flood of July 1997 5.05 million EUR was transferred to the so-called PHARE “flood programme” – Programme for

Reconstruction of Damages Caused by the Flood. The programme allowed for implementing 163 small investment projects. The final result consisted in developing 10 regional development strategies for the former Voivodships, which were later partially used during the works on the strategies for the new regions.

PHARE-RAPID PROGRAMME (Rural Areas Programme for Infrastructure and Development) – the main objective of the programme was the diminishing of the regional differences by supporting the infrastructure development of the regions whose social and economic development is lower than the country's average. The programme consisted of three projects: 1) creation of regional strategies and institutions; 2) co-financing of small infrastructure projects and public facilities; 3) preparation and assessment of regional development. The programme was implemented in 10 Voivodships of that time (Łódzkie, Katowickie, Wałbrzyskie, Rzeszowskie, Suwalskie, Olsztyńskie, Krośnieńskie, Nowosądeckie, Piotrkowskie, Sieradzkie). The overall coordination of the programme was carried out by → PARR (Polish Regional Development Agency) in Warsaw, whereas the coordination in individual Voivodships by appropriate → Regional Development Agencies which were under the supervision of the regional authorities. In the former Krośnieńskie, Nowosądeckie, Piotrkowskie and Sieradzkie Voivodships the coordination was performed by the Foundation of Assistance Programmes for Agriculture (FAPA) in Warsaw and its regional branches. Programme duration: from 1 September 1996 to 31 December 1999; programme's initial budget: EUR 20 million. Due to the flood of July 1997, EUR 5.05 million was reassigned to the so-called Phare "flood fighting programme" - Flood Damage Reconstruction Programme. 163 small infrastructure projects were accomplished within the programme. As the final outcome of the programme, 10 strategies for the regional development of the former Voivodships were created, and subsequently, partly incorporated in the strategies for the development of the new regions.

PHARE-STRUDER 2 PROGRAMME – the main objective of the programme, which was implemented in 1999-2000, was the support of the processes which aided the economic development of the regions which were particularly affected by the economic reorganization effects. The programme consisted of three projects: 1) institutional development, strategic planning, training courses; 2) subsidies for infrastructure projects; 3) programme management and consultancy. The programme's initial budget was EUR 13 million, but it was reduced by EUR 5.3 million which was reallocated to so called Phare "flood fighting programme" - Flood Damage Reconstruction Programme. Phare-STRUDER 2 programme encompassed 14 former Voivodships: Łódzkie, Katowickie, Wałbrzyskie, Rzeszowskie, Suwalskie, Olsztyńskie, Piotrkowskie, Sieradzkie, Krośnieńskie, Nowosądeckie, Koszalińskie, Elbląskie, Łomżyńskie and Zamojskie. Programme administration: the same as for Phare-RAPID. Coordinated by → PARR (Polish Regional Development Agency). As part of the programme 86 small infrastructure projects were accomplished, training courses for local and regional officials conducted and several publications released and the programme itself was subject to monitoring.

PHARE-STRUDER PROGRAMME (Structural Development of Selected Regions) – the programme was carried out in 6 former Voivodships: Łódzkie, Katowickie, Wałbrzyskie, Rzeszowskie, Suwalskie, Olsztyńskie. The programme ended on 31 December 1996. It was coordinated by → PARR (Polish Regional Development Agency), regional coordination was conducted by → Regional Development Agencies supervised by the provincial authorities. Phare-STRUDER programme included a number of complex, complementary to each other, support measures. Some of them ceased to function after the funds were expended before the end of 1996. However, a number of them, e.g. Guarantee Fund and equity capital, are still functioning and will continue to do so in the following years. For example:

- Subsidy Fund (closed) – 1051 investment projects were subsidized; The total amount of subsidies was EUR 30.6 million. 11 000 permanent workplaces were created.
- Guarantee Fund – the aim of the Fund is to provide the support for entrepreneurship by guaranteeing loans for small and medium-sized enterprises (→SME) whose investment projects are realised in the Voivodships encompassed by STRUDER Programme. In 1996 the project for the decentralisation of the fund was presented to → the European Commission.
- Regional Investment Funds – their aim was to support the development of selected regions by providing them with the capital for small and medium enterprises in the form of minority interests (up to 49%) or loans. STRUDER Programme is currently the biggest and most complex regional development programme in the Central Europe.

POLAND A AND POLAND B – in the interwar period this term reflected the discrepancies between better developed areas of the Western and partially Central Poland (A) and the remaining part situated to the east from the Vistula (B). The term can be still found in certain publications, for example in the publications of the Central Statistical Office (GNP according to Voivodships). The borders between Poland A and Poland B tend to remain the same. The level of differences can be approximately expressed with a 2:1 proportion.

POLSKA 2000 PLUS – a logo included in a series of publications by Central Planning Office, related to the works on the Concept of National Spatial Development. The methodology used and the orientation as regards the content refers to the series of similar studies entitled “Europe 2000 Plus”. “Polska 2000 Plus” logo was used in 4 successive reports prepared by the Central Planning Office. The concept was developed into an actual document: National Spatial Development Policy Concept prepared by the Government Centre for Strategic Studies and adopted by the Council of Ministers on 6 October 1999.

PRINCIPAL OBJECTIVE - an objective defining the perspective in which the support is to be granted, including overall support strategy and certain detailed objectives.

PRINCIPLE OF ADDITIONALITY– regulates → Structural Funds. States that the funds granted by the → European Commission constitute only a part of the funds allocated for a given programme (project) by the appropriate state authorities (regional, local).

PRINCIPLE OF CONCENTRATION – regulates → Structural Funds. States that the financial intervention, in order to produce the desired results, should be concentrated on several precisely specified objectives and not widely dispersed. See: EU Structural Policy Objectives.

PRINCIPLE OF PARTNERSHIP – regulates → Structural Funds. Enforces the use of multiannual development programmes and other planning documents which contain any information necessary for an efficient and effective objective achievement in decision making process.

PRINCIPLE OF PARTNERSHIP – regulates → Structural Funds. Obligates appropriate authorities and institutions to close cooperation with the → European Commission in the preparation and implementation of procedures pertaining to the funds.

PRIORITY - for the purpose of the Council of the European Union Regulation of 21 June 1999 introducing general provisions concerning the Structural Funds (1260/99/WE), the term refers to one of the priorities of the strategy adopted in the Community Support

Framework, or of the aid; each priority is assigned with a financial contribution from the Structural Funds, from other financial instruments and relevant financial resources of the member state, as well as with a set of defined objectives.

PROBLEM AREAS – in the strategic spatial planning: the distinguished areas of concentration of phenomena and processes which are to be influenced. On the national scale, the method of problem areas has been first used in the series of works performed by the Council of Ministers, completed in 1990 by means of adopting a Long-term National Spatial Development Concept. The Government Centre for Strategic Studies has recently developed a new draft of a document dealing with the problem areas.

PROGRAMME (OPERATION) DOCUMENTS - documents in the form of development programmes or plans, developed for the sake of spending the means initially granted (allocated) to a given area or sector by the European Commission within the Structural Funds. They specify, *int. al.*, the objectives and the directions of spending the funds on the basis of the analysis of the current situation and development trends for a given area or sector, the criteria and methods of implementing particular projects, persons and institutions responsible for performing certain tasks and the estimated value and diversification of funds accounting for co-financing from all available budget sources. Such documents include sector operation programmes and the National Development Plan.

PROGRAMMING – as stated in the Regulation of → The Council of the European Union of 21 June 1999 introducing general regulations concerning → Structural Funds (1260/99/WE), the term denotes the process of planning, decision making and financing which is divided into several implementation phases, and which is based on a long-term cooperation of → the Community and the member states for the achievement of defined aims. See: EU Structural Policy Objectives

PROGRAMMING PERIOD – a period of validity of the programming documents which constitute the basis for applying for the European Commission's assistance. The current programming period covers the years 2000-2006.

PROJECT – the smallest, logically separable, unit of the support programme. For example the creation of → Business Incubator, conducting a specific training course, financing of a study tour etc. As part of → Phare 2, it also refers to the broader idea of the project fiches, where each fiche encompasses not a single project but a whole range of interconnected projects.

PROJECT SELECTION COMMITTEE - an entity established by the managing institution in order to opine and consult the selection of projects qualified for support of the Structural Funds

PROMOTION OF REGION – activities of individuals or institutions whose aim is to present the advantages and opportunities of a region to the potential “clients” of the region (entrepreneurs, scientists, institutions). The aim of these activities is the presentation of such information about the region which would attract intellectual and financial resources to the region, thus positively influencing the innovative and restructuring processes. Similarly to the product promotion, the promotion of a region should contain not only the advertisement of the region but also a certain dosage of canvassing and public relations. The selection of appropriate form and content of the promotional material is of prime importance and should be tailored to the needs of the target recipient of the material, e.g. an entrepreneur will look for the information on the economy of the country and investment opportunities and he will find the information on the landscapes rather useless, which on

the other hand, might be of vital importance to the individuals looking for some recreational areas and sightseeing opportunities during their holidays. See: Region

PUBLIC AID – the amount of funds from the state budget allocated for supporting investments of business entities, in particular offered in the form of: subsidies and tax relieves, recapitalisation, loans or credits as well as sureties and guarantees granted on the most preferential conditions offered on the market. It can also take the form of direct or indirect aid for entrepreneurs, offered from the resources of the public bodies (for example local governments), as well as from the resources of the public bodies offered through the agency of other bodies (for example public bodies or private bodies indicated by the state). Within the meaning of Articles 87-89 of the Treaty, public aid offers a given enterprise an economic advantage, which would have been impossible to achieve with in the same conditions for business activity. Some of the less evident examples of transactions fulfilling this condition include for example a situation, where an enterprise has a privileged access to infrastructure, without paying any fee for it.

PUBLIC-PRIVATE PARTNERSHIP – cooperation of the public (state) sector with the private sector. It is a concept propagating the need for the closest possible cooperation between these both sectors in order to achieve optimum progress and development of the country (region). According to it the market economy and private entities are the main carriers of development, and the administration should perform its service function towards the society, and not its authoritative one. The measure of implementation of this concept is the level of NGO and private sector participation in performing the tasks typical for the state administration.

Q

QUALIFIED COSTS - costs which are reasonably justified or – in particular – those which meet the criteria of legitimacy set by the managing institution.

R

RATES OF CO-FINANCING – expressed in percentage, the maximum share of the public funds required for the co-financing of an undertaking (investment). The rates of co-financing are based on many factors but mainly on the financial capabilities of the public bodies which offer the financial help. According to the Legal Act of 30.06.2000 on the principles of the admissibility and monitoring of the public help for enterprises, the term: support ceiling is used.

REGION – during the formation of the Assembly of the European Regions it was assumed that the notion of region denotes a territorial unit which is directly subordinate to the central authorities and possesses its own political representation. Before 1999 Polish Voivodships did not match the definition. The term of region was used to describe either the regions whose identity was shaped by common history (e.g. Moose, Śląsk, Poorer) or to refer to Voivodships. Since the territorial organisation reform, 16 new Voivodships administered partly by the state and partly by regional authorities have matched the criteria of the Assembly of the European Regions. It may be assumed that, from a long-term perspective, a region may be recognised as a fully developed one if it has 4 features: a) common economic interests and centripetal economic integration; b) elected political representation; c) social bonds based on a sense of common identity; d) direct subordination to the central authorities. The term region also denotes a more general idea of, for example, part of the world (e.g. Middle East).

REGIONAL DEVELOPMENT – the notion denotes the increase in the economic potential of a region and a permanent improvement in its competitiveness and the standard of living of its inhabitants, which results in the social and economic development of a country.

REGIONAL DEVELOPMENT ASSISTANCE – acc. to the Act of 12 May 2000 on the principles of supporting regional development: a set of activities performed by the council of Ministers and government administration for the sustainable social and economic development and natural environment preservation. Conducted in cooperation with local government units and social and economic partners.

REGIONAL DEVELOPMENT STRATEGY – the concept of systemic work and rational allocation of the resources for long-term development of a → Region; also a document specifying the methods for the realisation of the mutually agreed upon objectives. The document should contain: 1) description and diagnosis of the current state of affairs; 2) SWOT analysis of the region; 3) formulation of the strategic objective (it has to be both anticipated by the local community and feasible); 4) specification of the intermediate objectives; 5) specification of the methods and resources needed for the accomplishment of the objectives, identification of the role-players (individuals, institutions) who are responsible for individual tasks; 6) monitoring method selection and progress assessment, strategy modification mode in case of important unforeseen circumstances. The strategy is therefore a token of the determination of the local community to accomplish common objectives as the absence of the cooperation rules out any chances of success. Therefore, it is important for all institutions, groups of interest: authorities and various level administration officials, trade unions, employers' associations, scientists, political parties, non-governmental organisations, industrial chambers, development agencies etc. and not only for the experts to take an active part in the process (even in the form of a discussion). Regional development strategy is supposed to serve all the inhabitants of a region, therefore, the democratic process of discussion and cooperation of the parties in question is of the prime importance as a single group may thwart the effort of the others if they decide that they have not been informed on or consulted about the strategy or that the strategy does not respond to their needs nor reflects their interests. It is of vital importance to separate the expert phases of the work (especially → SWOT and other analyses) from those containing the social discussion and to select the final option from among the ones prepared by the experts. See: Regional Development.

REGIONAL INNOVATION SYSTEM – a collection of interconnected institutions of a given region, which support the innovation processes and technological progress in the economy.

REGIONAL INVESTMENT FUNDS, RIF – regional financial institutions, created in order to facilitate privatisation and economic restructuring. Equity capital, loans and guarantees constitute the typical financial instruments of RIF. See: Venture Capital

REGIONAL MARKETING - ordered set of actions (derived from the idea of the so-called 5-element marketing mix), comprising *int. al.* active promotion and distribution of regional resources, including the Regional Megaproduct, in order to satisfy the needs of both external and internal consumers and manufacturers (investors) in return for the → Regional Development. See: Regional Promotion.

REGIONAL MEGAPRODUCT - an ordered offer of interrelated resources or products produced by carefully employed regional production factors and resources, the consumption or the use of which is connected with a given region.

REGIONAL PLANNING – the term commonly refers to growth planning and spatial development of a region. According to the Polish experience the issues related to regional planning were covered by successive laws on spatial planning (of 1961 and 1984), and its functions were reduced in such a way that they referred exclusively to the issues of spatial development of the Voivodships. This led to an unfavourable phenomenon: dividing the strategic planning within a Voivodship into two aspects: social-economic planning (known as territorial planning) which was performed by different institutions and by different methods than the spatial planning for the given Voivodship (referred to as regional planning). The new Law of 7 July 1994 on Spatial Planning does not include the term “regional planning” in the context of spatial plans, and therefore enables using this term in its wider sense, covering social, economic, natural, cultural and spatial aspects of regional development. It thus creates an opportunity to speak a “common language” in relation to the issues of regional development planning while discussing them with other European countries.

REGIONAL POLICY – conscious and intentional activities of public bodies aimed at regional development - that is the optimum use of the region’s resources for the purpose of durable economic growth and increasing its competitiveness. The literature differentiates between the interregional policy run by central public administration bodies with respect to the regions, usually oriented at managing interregional development disparities, and the intraregional policy run by regional public administrative bodies with the aim of pursuing their own objectives, on the basis of their own resources and their own responsibilities.

In order to avoid doubts in relation to the terminology, a term “policy of regional development” is often used to cover both inter- and intraregional policies, as well as activities aimed at strengthening the position of the regional level within the overall territorial organisation of the state.

REGIONAL POLICY DIRECTORATE-GENERAL (DG Regio) - former Directorate General XVI. A department of the European Commission responsible for the reduction of the social and economic disparities between European regions. The task of DG Regio is also the allocation of resources from two main EU funds:

the European Regional Development Fund (ERDF) and the Cohesion Fund

for the needs of the development of regions being a part of the member countries.

REGIONAL RESTRUCTURING – in general: the change of its structure, mainly economic one, in order to optimise the use of its resources in relation to the internal and external demand. The economic restructuring involves the changes in the social and political structures and in the regional elite. Therefore it often induces the groups facing the loss of their importance (incomes, prestige, influence) to oppose the changes and often to take countermeasures which neutralise the changes. The regional restructuring may be of spontaneous character (adaptation to the changing environment without the assistance of the authorities) or enforced by the decisions resulting from the state intervention (restructuring plan).

REPAYABLE ASSISTANCE – a type of a financial contribution granted by the Community within the framework of offering assistance in implementing programmes or projects. It concerns mainly activities aimed at supporting entrepreneurship, including the Small and Medium-sized Enterprises, its objective being to stimulate investment in the private sector (leverage effect).

REPORTING – reporting conducted by the managing authority concerning the progress of programme implementation or the projects which are co-financed from the supporting funds.

RESULTS – direct and immediate effects of an implemented programme or a project. The results provide the feedback on the changes that took place for the support beneficiaries due to programme or project implementation

S

SAMPLE CHECK - control of a representative sample of operations of the value of at least 5% of allowable expense.

SCIENCE AND INDUSTRY PARK – an undertaking associating the scientific potential and the manufacturers of the region. Its material basis is usually an allotted plot of land and the participants include universities and other scientific and research centres as well as local and regional governments, → Agencies for Regional Development, banks, private and public enterprises.

An initiative referred to as a science and industry park must fulfil the following conditions:

- maintain formal and operational relationships with a university or other higher education institution;
- encourage the establishment and development of knowledge-based companies;
- participate and manage the transfer of technologies and skills related to running economic activities to the entrepreneurs in the region.

In the countries of Western Europe and in the United States science and industry parks are considered very good tools for regional development.

SECTORAL OPERATIONAL PROGRAMMES – operational programmes created and managed by appropriate government departments which carry out horizontal tasks relating to the complete social and economic sectors.

SINGLE EUROPEAN ACT - an arrangement of countries – members to the European Communities and binding as of 1st July 1987 – reforming the main treaties of the Communities and containing a statement that by 31st December 1992 at the latest, a single market will be introduced (the Internal Market) – which was completed on time.

SINGLE PROGRAMMING DOCUMENT, SPD - a document prepared by the government of the country applying for financial aid from the → Structural Funds within the framework of the member country initiative. On the basis of the → Community Support Framework (CSF) the SPD is either accepted by the → European Commission → National Initiative. The document combines the functions of the Community Support Framework (CSF) with a previously separated phase of preparing operation programmes of the Structural Funds, containing the principles and the scope of functioning of the EU aid. The preparation of the SPD shortens the planning procedure. The SPD must feature the same information as the CSF along with the accompanying operation programme. See: National Initiatives; Structural Funds: Programming Paths.

SME - small and medium enterprises. According to the Law on Economic Activity dated as of 19.11.1999, a small entrepreneur is one who – in the previous turnover year – employed

fewer than 50 employees and whose net revenue on sales of goods, products, services and financial operations did not exceed the PLN equivalent of EUR 7 million or whose assets in the balance for the previous turnover year did not exceed the PLN equivalent of EUR 5 million. According to the Act, a medium entrepreneur is one who is not a small entrepreneur and who – in the previous turnover year – employed fewer than 250 employees and whose net revenue on sales of goods, products, services and financial operations did not exceed the PLN equivalent of EUR 40 million or whose assets in the balance for the previous turnover year did not exceed the PLN equivalent of EUR 27 million.

SPATIAL DEVELOPMENT – the method of land utilisation for various purposes. Spatial development is subject to spatial planning and corporal rights (the usage of the land, natural environment preservation, protection of the objects of a significant cultural achievement, public roads, water economy and others).

SPATIAL PLANNING – actions leading to preparing land development plans and specification of building and land development conditions. The term covers assessment (diagnosis) of spatial development of land, running pre-planning studies, preparing projects and plans, determining the specifications of building and land development conditions, monitoring implementation of the land development plans. The legal basis for spatial planning is included in the Law of 7 July 1994 on Spatial Planning (as amended). Currently a new law on spatial planning and spatial development is being drafted.

SPECIAL ECONOMIC ZONE, SEZ – selected areas where special favourable conditions are created for investments and business operating. The extent of the facilities as well as the period during which the conditions are binding is, as a rule, precisely specified, mainly due to the World Trade Organisation (WTO) requirements. SEZs are created in poorly developed regions, the ones which require thorough → Restructuring and also in the regions with special predispositions towards dynamic development (e.g. Shanghai). In Poland, the legal basis for SEZ is constituted by the Act of 20 October 1994. On this basis 17 SEZs were created: Suwałki, Katowice, Legnica, Łódź, Wałbrzych, Kostrzyń-Słubice, Słupsk, Tarnobrzeg, Warmińsko-Mazurska, Mazowiecka, SEZ EUROPARK Mielec, Starachowice, Tczew, Żarnowiec, Krakowski Park Technologiczny, Częstochowa SEZ oraz Kamiennagóra SEZ. Because of the adaptation of the Polish regulations concerning public support to the norms of the EU, the number of the concessions available in SEZs was reduced. Under the Legal Act of 30.06.2000 on the conditions for admissibility and monitoring of public aid for entrepreneurs, from 1.01.2001 an entrepreneur operating within the zone may obtain an income tax concession of 65% of the investment costs he incurred.

Currently there are 15 SEZs (Mazowiecka and Częstochowa zones were liquidated).

STANDARD OF LIVING – identifiable and measurable part of the widely understood living conditions; it defines the level of satisfaction of the material and non-material needs by means of stating the amount of acquired goods and services and by defining a common consumption fund in a given time and space.

STRATEGIC DIRECTIONS FOR REGIONAL COUNTRY DEVELOPMENT – a document prepared by Government Centre for Strategic Studies (RCSS) in March 2000 which, together with → The Concept of the Spatial Development Policy constitute the basis for “Poland 2025 - A Long-term Strategy for Sustained Development” – a document prepared by RCSS

STRATEGIC OBJECTIVE - an objective defined in a broader perspective regarding a sector, region or country, to which the realization of a project is to contribute. Strategic objectives are presented as calculated per influence (e.g. reduction of unemployment among persons suffering from long-term unemployment).

STRUCTURAL ASSISTANCE – a method of co-financing projects using the resources of the Structural Funds.

STRUCTURAL FUNDS - financial resources of the EU for restructuring and modernization of economy in member countries through intervention in key sectors and regions (improvement of structure). The funds are as follows: the European Regional Development Fund, the European Social Fund, the European Agricultural Guidance and Guarantee Fund and the Financial Instrument for Fisheries Guidance. Acquiring the so-called Delors Packages, the budget of the Structural Funds was doubled twice. For the period of 1994-1999 it was ECU 141.5 billion, 2000-2006 – according to Agenda 2000 – it is EUR 183.6 billion plus EUR 58.07 billion reserved for the new member countries (after their accession). From the year 2000 → the European Commission reformed the SF. See below and also: the Objectives of the EU Structural Policy, Initiatives of the European Union, Structural Funds: Rules.

STRUCTURAL FUNDS OPERATIONAL PROGRAMME – it covers actions which are to be taken within the prescribed period within the framework of the → Community Support Framework. The operational programme is composed of three parts: I) summary statistical data and technical, administrative and financial information describing the programme; II) detailed description of the scope and implementation of the programme (diagnosis, aim, operational objectives and proposed action strategies, sub-programmes, stages, criteria for programme selection); III) principles of financing from the point of view of the European Union (information about necessary expenditure, the cost of the programmes and their stages, indicating the sources and the methods of resource transfer, defining competent authorities on all levels of the project implementation, managing finances, monitoring, promotion and providing information).

STRUCTURAL FUNDS: AID LEVELS - EU aid levels are varied and since 01. January they are: a) in the case of for-profit infrastructural projects:

- 50% in countries covered by the → Cohesion Funds;
- up to 40% of total costs in other regions of Objective 1;
- 25% in the area of Objective 2.

The above rates may be increased by 10% if aid is spent on financial engineering and this 10% does not have the form of direct aid.

b) in the case of investments in enterprises:

- 35% in the regions of Objective 1.
- 15% in the area of Objective 2.

The share may grow by 10% if the aid applies to SMEs (→ SME) and is not done in the form of direct aid. See: the Objectives of the EU Structural Policy.

STRUCTURAL FUNDS: PRINCIPLES - norms acquired by the European Commission in

1989, regulating the actions of the Structural Funds. There were 4 basic principles specified:

the Concentration Principle, the Programming Principle, the Partnership Principle, and the Additionality Principle.

See also: the Principle of Subsidiarity, Structural Funds.

STRUCTURAL FUNDS: PROGRAMMING PATHS - a member country may – in agreement with the → European Commission – use two programming paths: the classical and the simplified one. The simplified path is recommended especially for programmes not exceeding EUR 1 billion, run within Objective 2 and 3 (the Objectives of the EU Structural Policy).

The Classic Path

1. The Government submits to the Commission a development plan agreed at the regional and national level. The plan includes:

a) the description of the current situation (development disproportions and loopholes, funds already involved, previous EU aid and its results); b) the description of a strategy appropriate to complete development priorities and goals, accompanied by quantitative information and initial evaluation of expected results of particular types of actions;

c) overall financial statement summing up both national and Union funds dedicated to the completion of particular priorities.

2. Negotiations with the European Commission

3. As a result of negotiations and on the basis of the above plan, the European Commission specifies → the Community Support Framework (CSF) defining the financial liabilities of the Commission towards the main elements covered by the plan and monitoring, dates.

4. Through national and regional arrangements, on the basis of the CSF, the government presents to the Commission a draft of the Operative Programme (OP).

5. Negotiations with the European Commission

6. The Commission accepts the Operative Programme defining in detail the types of funds and actions.

7. A supplementary planning document (indicating beneficiaries and a detailed division of funds among the actions). Addressed to the knowledge of the Commission.

The Simplified Path

1. The Government submits to the Commission – agreed at the regional and national level – a draft of a single programming document containing: a) the plan (the diagnose, the strategy, main development axes of the region); b) the draft of the operative programme (funds and detailed operations).

2. Negotiations with the Commission

3. The Commission accepts the single programming document covering:

a) the Community Support Framework (the diagnosis, strategies, main elements, monitoring); b) the operative programme.

4 A supplementary planning document (indicating beneficiaries and a detailed division of funds among the actions). Addressed to the knowledge of the Commission.

The simplified path does not mean a reduction of the scope of information required and only the reduction of programming phases.

STRUCTURAL FUNDS: THE REGIONAL VS. THE HORIZONTAL OBJECTIVES - a regional objective means that programming and programme management refers only to specified regions (as meant by NUTS), meeting certain criteria. A horizontal objective means that planning is possible for the whole area of the European Union (without regional or national limitations). In the years 2000-2006, Objectives 1 and 2 of the Structural Funds are regional, while Objective 3 is horizontal (counteracting unemployment). See: Structural Funds, the Objective of the EU Structural Policy.

STRUCTURAL UNEMPLOYMENT – permanent dominance of the workforce supply over the workforce demand, resulting from the structural incompatibilities, most often in the form of inappropriate, in relation to the demand, professional qualifications of the unemployed. Contrary to the unemployment caused by poor economy, structural unemployment is characterised by low flexibility; effective counteracting the structural unemployment most often requires extensive → Restructuring of the affected areas.

SUPPORT AREA – pursuant to the provisions of the law of 12 May 2000 on the Rules for Supporting Regional Development: an area distinguished due to existing development problems, subject to particular actions undertaken by the Council of Ministers, government administration and local government units. The borders of such an area cannot cross the district borders.

SUPPORT FOR PRE-ACCESSION MEASURES FOR AGRICULTURE AND RURAL DEVELOPMENT, SAPARD – EU support programme for the accessing countries, which aids the activities aimed at the modernisation of agriculture and rural areas. Its principal objective is the facilitation of the integration process of the agricultural sector with the EU by speeding up the acquisition of EU → *Acquis Communautaire* in the field of agriculture, by stimulating the development of rural areas as well as by the restructuring of food economy. These undertakings will facilitate an unobstructed integration of the candidate countries into the system of → Common Agricultural and Structural Policy of the EU. SAPARD programme has officially started in 2000 and will last for 7 years. The budget for 10 candidate countries is EUR 500 million per year. SAPARD is parallel to → ISPA programme and → Phare, which are integrated within the framework of → the Accession Partnership. The responsibility for the programme lies on the shoulders of the Minister of Agriculture and Rural Development and → Agency for Agricultural Development and Modernisation

SUPPORT PROGRAMME – acc. to the legal act of 12 May 2000 on the principles of supporting regional development: the government order specifies the scope, method and conditions under which the state supports the provincial programmes, and the ministerial tasks based on the provincial contracts and pertaining to appropriate Voivodships.

SUSTAINABLE DEVELOPMENT – long-term social and economic development of a permanent nature which does not negatively influence the environment in which it takes place. See: Eco-development

SUSTAINABLE REGIONAL DEVELOPMENT – traditional objective of the regional policy in Poland and many other European countries; the substance of the policy was to counteract the interregional disparities recognized as “excessive” or “unjustified”. Practically, this meant efforts to balance the development of regions and aiming at the optimization of the use of space and other resources of a country.

SWOT ANALYSIS - here: a method used for developing a Region Development Strategy, permitting the analysis of the advantages and disadvantages of a region against the chances and threats created by the environment. SWOT is an abbreviation of *Strengths, Weaknesses, Opportunities and Threats*. The SWOT method comprises both the internal and external analysis of the social and economic standing of a region. The internal analysis consists in evaluating the strengths and the weaknesses, i.e. the potential of the region. The external analysis gives the possibility of learning about the opportunities and threats to the further development of the region connected with the processes in the environment. The SWOT analysis must take into account local, regional, national and global factors and determine what type and how big their influence on the region is.

SYNERGY EFFECT - here: a process consisting in the fact that the social and economic effect of several interrelated and combined projects is stronger than the sum of the effects of the projects implemented separately.

SYSTEM OF PROTECTED AREAS – a system of interconnected areas which are valuable because of their natural qualities, various methods and legal regulations are used to preserve these areas. The system of protected areas also encompasses → Ecological Corridors. The notion used in plans and programmes for the preservation of the natural environment and in spatial development.

T

TASK FORCE FOR REGIONAL DEVELOPMENT IN POLAND (TASK FORCE) - a joint initiative of the Polish government and the → European Commission. The team worked in the period from September 1995 to July 1996 and prepared a number of fragmentary studies (work groups), a diagnostic report and the final report (An Outline of the Regional Development Strategy in Poland) containing a number of recommendations for the Polish government. See: Task Force for Structural Policy In Poland.

TASK FORCE FOR STRUCTURAL POLICY IN POLAND (Task Force II) – a joint initiative of the Polish government and the → European Commission. The team worked in the period from September 1996 to August 1997, the effect being studies on various aspects of structural policy. The final report (Structural Policy in Poland in the Light of Integration with the EU) covers the analysis of the actual state of affairs and the recommendations for the government. Like the → Task Force for Regional Development in Poland, it gathered the representatives of the government, self-government, science, business, national and foreign experts.

TECHNOLOGY PARK – an institution whose goal consists in focusing innovative and technological activities and enabling matching of companies in order to develop cooperation. The parks constitute an important element of the process of restructuring and modernising the regions. They support economy by means of: creating working places for highly qualified staff, offering the companies cheap office, research and production premises as well as professional consulting services. The most efficient technology parks operate in networks, which enables exchanging experiences and information.

TECHNOPOLIS – innovation facilities, grouped together on a small area, high-tech companies along with the required infrastructure and supporting institutions.

TEN (Trans-European Networks) – Trans-European transportation networks (main lines embracing the European continent). TEN is connected with the programme for the expansion and modernisation of the European transportation network, which is currently being discussed, with significant involvement of the European Union, among the member states.

THE ASSEMBLY OF EUROPEAN REGIONS – established in 1985, the organization gathers the representatives of over 200 European regions (not only the EU). Its main objectives are to strengthen the political representation of the regions within the European authorities and to develop international cooperation.

THE COMMITTEE FOR SPATIAL DEVELOPMENT OF THE COUNTRY, CSDC - a scientific committee established in 1958 at the presidium of the Polish Academy of Sciences; it boasts remarkable scientific and publishing achievements (over 300 books); at present, it gathers 44 members appointed by the president of the Polish Academy of Sciences.

The EDF divides its subsidies and cheap loans for business investments in these countries. Not to be mistaken for the European Regional Development Fund.

THE EUROPEAN COMMISSION - the body of the EU equipped with the right of legislation initiative and the authority to coordinate the Communities' actions, control the application of the Community law and treaties acquired by the Communities. At present, it comprises 20 Commissioners elected for 5 years and 36 units. In an everyday sense, the term covers not only the body itself but also the giant bureaucracy instrumentation (ca. 20 thousand people) working for the implementation of the tasks delegated to particular Commissioners.

THE PRINCIPLE OF SUBSIDIARITY – means that the citizens, organized in various systems, govern their own issues within legal limits and the state only such actions that the citizens cannot do themselves. The principle of subsidiarity requires balance between the most untied citizens' activity and the intervention of the state (for "common good"). It was introduced under the treaty of → Maastricht under the pressure of regions afraid of excessive role and influence of the Union, especially the → European Commission. The principle limits the scope of the Union's authority. It says that as regards domains excluded from the sole jurisdiction of the Union (i.e. which are not restricted for the Union under a treaty), the Union will only take action when the intended objectives cannot be achieved sufficiently at the member state level and therefore it is better – due to the scope or results of the actions – that they be achieved at the Union level.

TRANS-EUROPEAN INNOVATION NETWORKS – interactive networks connecting business clusters on the whole territory of Europe. They are characterised by the absence of any hierarchy and they not always act on the purely commercial basis. Innovation networks stimulate the exchange of information and technologies. The creation of the networks involves two processes:

1) interactive innovation creation, where both business and science may mutually influence the process on the input and output basis. An important element of the interaction are → SME;

2) grouping of the companies into tightly-knit networks within which the cooperation and the exchange of the technologies takes place. In other words: the areas of the highest economic growth → Growth Centres.

V

VENTURE CAPITAL – financial resources allocated for the development, offered to the businesses in the form which does not incur debts. In the majority of the cases the resources are in the form of equity capital which allows the investor to bring in the capital to an enterprise and at the same time become a business partner, thus obtaining the rights to inspect the company and participate in decision making and profit sharing. Venture capital is offered by highly specialised institutions which look for the enterprises with good prospects but suffering from the lack of funds. After the capitalization, the investor usually leaves the enterprise selling its share to the remaining business partners or on the capital market. Such a venture presents a high risk, however, it also constitutes an opportunity for high revenues.

PROVINCIAL CONTRACT – according to the Act of 12th May 2000 on the Principles for Supporting Regional Development: a contract between the Council of Ministers and the provincial self-government regulating the scope, conditioned and measures to implement:

1. tasks resulting from the provincial programmes which were granted government support,
2. tasks within the supervision of relevant ministers, which are supported by the provincial self-government .

Following the execution of the contract by the minister (the government party) and the Voivodship's marshal (the self-government party) the contract and any changes thereto require the approval of both Voivodship's parliament and the Council of Ministers.

VOIVODSHIP DEVELOPMENT STRATEGY – acc. to the Act of 12 May 2000 on the principles of supporting regional development: a programming document prepared by Voivodship authorities in accordance with the requirements specified in the Act of 5 June 1998 on Voivodship authorities and in the Act of 7 July 1994 on spatial development (with later amendments).

PROVINCIAL PROGRAMME – acc. to the legal act of 12 May 2000 on the principles of supporting regional development: the programme mentioned in article 11, section 5, article 18, paragraph 2 and article 41 section 2 paragraph 4 of the legal act of 5 June 1998 on Voivodship government and article 54d, section 1 of the legal act on spatial development.