

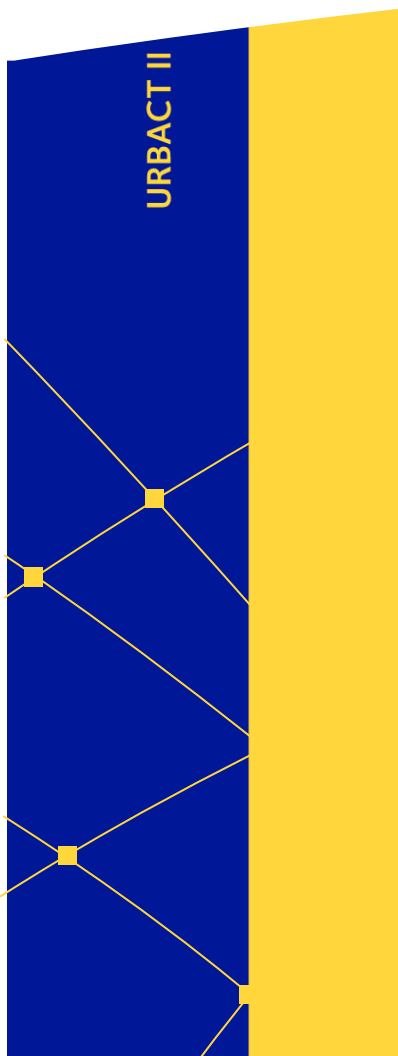


Making financial instruments work for cities

City of Poznań

Local Action Plan

Executive Summary



European Union
European Regional Development Fund

Connecting cities
Building successes



The Executive Summary of Local Action Plan of the City of Poznań concerns local contexts of implementation of the international project “CSI Europe”. The City of Poznań welcomed the offer of participating in the “CSI Europe” network especially that it has been working with the concept of the revolving instruments for urban investments since such possibility appeared within the EU structural funds and in Regional Operational Programme of the Wielkopolska region.

The executive summary will be divided in the following parts:

1. City context and definition of initial challenges linked with participation in the “CSI Europe” project.
2. Description of Poznań Local Support Group.
3. Description of Poznań Local Action Plan objectives and activities, framework for delivery, funding scheme, risk analysis.
4. List of projects selected from the portfolio selected within the City Multiannual Financial Plan with potential eligibility for Financial Instruments.
5. Short description of external analysis ordered in the frame of “CSI Europe” project to investigate possibilities of increasing City influence on selection of FI financed projects.

1) City and regional context and definition of initial challenges linked with participation in the “CSI Europe” project.

Poznań is the largest city in the Wielkopolska region of Poland with a population of approximately 550,000. The City of Poznań already benefited from the JESSICA financial instrument that has been established by the regional Managing Authority - Marshal's Office of the Wielkopolska region, but as the city it has had very little influence on the selection of projects financed within the Financial Instruments schemes. In the years 2007 – 2014, JESSICA was used to support three measures: innovation, business environment institutions in urban areas and revitalisation in urban areas.

In 2014 – 2020 the Regional Managing Authority also opted for use of Financial Instruments addressed to cities as one of the ERDF co-financing mechanisms. However, the specific conditions of allocating the Financial Instruments within the regional programme were postponed due to general European delay in shaping the EU 2014 – 2020 financial perspective.

– Financial Instruments in Wielkopolska Regional Operational Programme 2014 – 2020.

At the moment of preparation of LAP and the external analysis described in point 5 of this Executive Summary, the ex – ante analysis for use of Financial Instruments within the Wielkopolska Regional Operational Programme (WROP) has not been ready yet. However, the WROP already indicates the following areas of intervention where the use of Financial Instruments is previewed with main focus on Investment Priority 9b aiming at support for physical, economical and social revitalisation of impoverished societies. Among the types of projects which would be covered with Financial Instruments within this Investment Priority there are projects resulting from the complex urban regeneration programmes (including cities and their districts), post-military and post-industrial areas with special focus on social problems and projects aiming at regeneration of buildings including their refurbishment or adaptation, objects situated in degraded areas aiming at introduction of new social, educational, cultural and recreational functions. Another projects will cover regeneration of housing estates in their common parts. The WROP will also focus on increase of energy efficiency scheme, so most probably this will be also a very important factor of regeneration projects financed with the FI.



– Initial challenges of the City of Poznań.

The City of Poznań joined the project with main interest in its “Governance and UDF Alignment” Working Group. This area was the most interesting as our experiences from the previous 2007 – 2013 Financial Perspective showed that as the City we had very limited influence on

- selection of urban projects financed within the JESSICA initiative,
- monitoring of these projects’ real influence on the regeneration process.

The City was only obliged to issue certificates for potential applicants once their investment project would be situated at the Regeneration Programme area.

In 2014 – 2020 the City of Poznań is very much focused on increasing its influence on selection and monitoring of the FI funded urban projects.

Participation in the “CSI Europe” enabled to exchange experiences with partner cities in this topic and also to finance the external analysis identifying conditions and structures enabling the municipality to influence use of FI at the regional level.

2) Description of Poznań Local Support Group

At the beginning of “CSI Europe” project implementation it was decided that the ULSG in Poznań would be working through activities of 1). the already functioning municipal Steering Committee and 2). the municipal group working on the “Strategic programme for the City Centre” (included in the City Development Strategy). It was strictly linked with one of main objectives of our Local Action Plan which was to identify municipal projects that could be (potentially) financed within the new EU financial perspective 2014 – 2020 in the frame of Financial Instruments.

The Steering Committee (SC) operating in Poznań City Hall is responsible for approving and planning projects that are to be implemented by the City units and other municipal bodies. Separate meetings of the SC has been organised, relating to the new financial perspective. These are included in ULSG of the “CSI Europe”. The Steering Committee analysed and approved the projects that entered the municipal Multiannual Financial Plan and will be applied for the new EU funding in 2014 – 2020. The list of projects include also projects prepared within the new Strategic programme for the City Centre that had been prepared with participation of local stakeholders.

3) Description of Poznań Local Action Plan objectives, activities, framework for delivery and funding scheme.

The objectives of Poznań Local Action Plan were set at the beginning of the project and were supplemented along its implementation. The amendments resulted from postponed process of settling the rules of implementation of Structural Funds 2014 – 2020 in Poland and Wielkopolska Region.

The objectives of Poznań Local Action Plan are as follows:

- Identification of municipal (urban) projects to be implemented and applied for co-financing within the Financial Framework 2014 – 2020.
- Identification of areas of intervention of Wielkopolska Regional Operational Programme 2014 - 2020 where Financial Instruments could be used.
- Identification of several projects from the municipal list that might be eligible for financing with FI (at least partly). Describing elements that present potential for projects' eligibility for Financial Instruments financing.
- Increasing influence of the City of Poznań on selection of projects that involve urban policy dimension through embedding a separate municipal selection procedure within the application process for FI (in cooperation with the Managing Authority and the future UDF for Wielkopolska region). RESULT: portfolio of ready to implement projects and investors selected at the City level according to local requirements and FI regulations would be presented to the MA and UDF.
- Designing procedure of cooperation City – MA – UDF in the process of selecting FI projects linked with City development.
- Analysing the possibility of creating separate Poznań UDF.

The City of Poznań took the following actions to fulfil the objectives of LAP.

- Several meetings of Steering Committee (Mayor, deputy mayors, directors of municipal units entitled to take decision in the field) where decision on selection of municipal projects for 2014 –

2020 were made. The projects were included in the Multiannual Financial Plan of the City of Poznań.

- Elaboration of Strategy of Development of City Centre district with portfolio of different regeneration projects. The strategy produced several projects that are included in the above mentioned Multiannual Financial Plan.
- Meeting with the EIB (August 2014) to discuss possibilities of using FI in 2014 – 2020.
- Meeting with regional Managing Authority to present proposal on involving the City in procedure of selection of projects to be financed with FI (in order to raise influence on their performance in relation to city development).
- Preparing of external analysis on two issues 1). structure and conditions of a separate project selection procedure at the City of Poznań level to be included in the selection procedure of the FI project at the regional level, 2). structure and conditions of creating a separate UDF for Poznań.

Local Action Plan framework for delivery, funding scheme, risk analysis.

Implementation of Local Action Plan will be led by the City of Poznań – Poznań City Hall (its administration body) and municipal units, which are the authors of project proposals described in point 4). Funding will be sought within the regionally available Structural Funds (WROP) when it comes to both Financial Instruments part of the projects, and in the City budget when it comes to necessary contribution.

The main risk is that the project do not fit in the Wielkopolska Regional Operational Programme objectives covered with Financial Instruments funding, as the ex-ante analysis is not ready yet. However the general WROP indicates areas of possible use of FI and this is the reference point for the City.

4) List of Poznań urban projects potentially eligible for financing within the Financial Instruments 2014 – 2020

One of main objectives of the LAP was to identify several projects from the municipal list that might be eligible for financing with FI (at least partly). The list below presents short description of project context and their social and FI eligibility contexts.

a) Multifunctional modernisation of the Arena Sports and Entertainment Hall

Short description of project:

“Arena” has been one of main Poznań sports and entertainment hall. The building was constructed in the 60s as the central point of one of municipal main parks. The Arena is a meeting place for Poznań residents and guests at entertainment, sports and children's events, recreational festivals and integration events. This venue is located in park scenery, near a summer swimming pool, tennis courts and large green spaces. Due to its original architectural shape and construction as well as its localisation “Arena” is classified as historical monument.

In order to fully use its potential, the building needs immediate modernisation. Its project was accepted by the Steering Committee. It includes external and internal reconstruction of the building. Implementation of “Arena” project will increase safety, functionality and aesthetics of the entire building and in result – quality of services provided.

Social context:

The building is historical monument and a very significant symbol of Poznań. It is also a very important local meeting point for Poznań society. Additionally, free of charge events would be more often organised for children, youth and other citizens.

Financial Instrument context:

Renovation of the Arena will broaden its commercial use, will enrich the commercial offer of the municipal operator and bring more revenues to be reinvested.

b) Regeneration of Old Gasworks in Poznań for Musical Theatre

Short description of project:

Old Gasworks is the neglected, partly devastated post-industrial area situated in the very centre of Poznań of high architectural value (built in XIX century). The project of its renovation for partly cultural and partly commercial use had been already analysed within the JESSICA funding in 2007 – 2013 but did not succeed eventually. The main problem was the ownership structure – there are 3 different owners of the area and buildings (gas and water distributors for Poznań with partly municipal ownership). There is a preliminary feasibility study of regeneration of Old Gasworks prepared, where JESSICA instrument is enumerated among other sources/schemes of funding. The idea “comes back” in the context of 2014 – 2020 EU perspective. Poznań Musical Theatre presented a proposal to the Steering Committee that the part of Old Gasworks could be use as their official seat and performance venue.

Social context:

Regeneration of buildings highly appreciated for its architecture, situated close to the Warta River. Its regeneration would be an important element of the process of bringing the River back to the City. Which has been implemented for the last previous years. The building is situated in the area of the City Regeneration Programme.

Financial Instrument context:

Situating the Musical Theatre in the Old Gasworks would link this building with culture, education, and creative sectors. Part of the area should be used for commerce and services.

c) Increasing energy efficiency of public buildings in Poznań

Short description of project:

The project assumes reduction of CO₂ and air pollution and increase of renewable energy share in global energy balance of 8 public buildings through their modernisation with use of high energy efficiency techniques and materials. The proposal involves preparation of necessary documentation, obtaining necessary building permits, signing agreements with contractors.



Social context:

The project has a very strong environmental context.

Financial Instrument context:

The main revenue of the project will be savings in energy consumption – decrease of payments for energy use that are paid from the municipal budget.

d) Increasing energy efficiency of Poznań palm house “Palmiarnia”

Description of project:

Poznań “Palmiarnia” is one of the largest palm houses in Poland and in Europe. It was constructed at the beginning of 20th century. Currently it has 4600 m² and 46 000 m³ cubic volume, with 10 exhibition halls. It includes the aquarium section, where the visitors can admire the collection of exotic fish. Several thousands of plants representing 700 species of subtropical and equatorial countries form the botanical collection. “Palmiarnia” is a very important centre combining education and leisure for the citizens of Poznań and the Wielkopolska Region.

The project objective is to limit heat loss through improvement of thermal efficiency improvement, exchange mechanisms of airing. It will result in better protection of the collection of plants, financial savings, limiting energy losses, limiting the amount of repairs, improvement of aesthetics and comfort of visiting.

Social context:

Social benefits of this project involve, on the one hand - improving conditions for the palm house collection and on the other - improving comfort of visiting for the visitors.

Financial Instrument context:

Reduction of energy losses result in financial savings – the surplus might be used for further investments.

e) Modernisation of Old Market Square surface (floor)

Short description of project:

The project involves reconstruction of the Old Market Square surface (floor) with necessary infrastructure reconstruction – its first step is archaeological research. Main objectives of the project are to improve accessibility to cultural attractions of the Old Market Square for people with disabilities and improve the quality of services in the field of culture for residents and visitors. The purpose of the project is to increase the attractiveness of the main City attraction (after the Cathedral) – the Old Market Square with the monuments and archaeological objects which are located on the Old Market surface and adjacent streets. Bearing in mind that Old Market Square is one of the most attractive places to visit in Poznań, revamping of historical cobbled surface will have a positive impact on the increasing availability for visitors.

Social context:

The project is aiming at increasing availability of the main tourist attraction of the City to disabled visitors and improving the quality of services in the field of culture for residents and visitors. In longer perspective it has strong socio-economic context – the purpose of the project is to enhance the position of Poznań as the international center of culture and art, increasing its international importance in the European metropolitan network.

Financial Instrument context:

Modernisation of Old Market will open its surface to more different commercial cultural events and will enable more competitive rent of commercial space. Revenues could be used for further investments.

6. Short description of external analysis ordered in the frame of “CSI Europe” project to investigate possibilities of increasing City influence on selection of FI financed projects.

In order to analyse the possibilities of increasing influence of the City of Poznań on selection and further monitoring of urban projects financed within the regional Financial Instruments, the external analysis was ordered within the scope of “CSI Europe” financing.

There are two objectives of the analysis:

- to design the model of setting and further operating the UDF for Poznań within 2004 – 2020 perspective,
- to design the system that would allow the City of Poznań to select the portfolio of urban projects funded by the Financial Instruments available for cities within the Wielkopolska Regional Operational Programme 2014-2020 (WROP 2014 – 2020).

Objective 1 - concept of creating the UDF for City of Poznań – includes designing a “roadmap” indicating various stages required to create the Fund and design of the fund management structure, the flow of finance and project selection procedure indicating the system, legal and procedural conditions for the formation of the Fund.

Objective 2 - designing a system that allows the City of Poznań to select urban projects’ portfolio. Analysis includes among others the systemic, legal and procedural conditions of the selection procedure carried by City of Poznań in the framework of implementation of the ERDF at the regional level in 2014 – 2020. It also presents the proposal of management structure of Financial Instruments at the regional level with regards to the role of the City of Poznań acting as the entity selecting the EU project portfolio and transferring selected projects to the UDF. Additionally, the analysis propose the conditions that the projects selected within such procedure should fulfil in order to comply with the relevant EU regulations, and also indicators and conditions, which these projects must fulfil from the point of view of the city's development. Additionally, the concept analyses other issues related to realisations of urban projects’ selection procedure in particular methods of implementation of the selection process, as well as the principle of risk-sharing between the City and other parties involved in the implementation of FI in region.