

Action Plan to Promote Economic Growth in Prešov Self-Governing Region CuRI II

July 9, 2019

Summary

Proposed Action Plan is based on the needs and competences of Prešov Self-Governing Region (PSK) and builds on previous successful activities carried out within CuRI I. The aim of the Proposal is to support inclusive economic growth generating quality jobs in the region by promoting productivity growth in the following factors:

- Ideas. Promoting R&D in priority developing industries is essential to boosting sustainable growth and create innovative ecosystem of the region.
- People. High quality education is a prerequisite for creating good jobs. It is necessary to improve quality of secondary education and lifelong learning, which will unlock the workforce potential, including the potential of the marginalized Roma community (MRK) for a benefit of a local labor market.
- Infrastructure. Data management, addressing environmental burdens in the region, anti-flood and water retention measures and tourism infrastructure.

1. Introduction

Fundamental priority of the PSK is to promote inclusive and sustainable economic growth. In Prešov region, there is the highest number of least developed districts (NRO¹) with high unemployment rates, strong labor force emigration, brain drain and population aging. Many investments are of lower added value, they do not

¹ As defined by Act no. 336 /2015 Coll. on the Support of the Least Developed Districts.

guarantee good wages and their sustainability is often questionable in the context of technological changes.

We emphasize necessity of an inclusive growth. Our goal is to improve **living conditions** of families, young families, seniors and Roma community. A community of more than 114 thousand Roma lives in Prešov region, a large part of which is marginalized without access to adequate education, infrastructure and the labor market. This community represents a pool of labor force, which is one of the region's development potentials, and it is critical to increase its participation on the labor market.

In 9 Action Plans for NROs, the Government has identified a **major development potential** in:

- Improving administration and governance, including creation of partnerships,
- Supporting special crop and livestock production; food, electrical, machinery and chemical manufacturing; and travel industry,
- Building water retention and anti-flood measures,
- Increasing qualification of members of MRC.

According to the same documents, **the main barriers** were identified as follows:

- Discrepancy between national economic policy and the potential of regions, insufficient targeting of national and regional policies to develop economic potential,
- Discrepancy between primary and secondary school curricula and labor market needs, lack of cooperation between education, research and commercial sectors
- Insufficient integration of MRC members in the labor market.

The Prešov Region aims at promoting the following areas:

- Entrepreneurship and innovation,

- Safe and high-quality infrastructure,
- Education,
- Development of social and community services,
- Environmental care and elimination of environmental burdens,
- Travel industry.

Selected priority areas were elaborated into detail recommendations by CuRI I program:

- Ensure that citizens have access to economic opportunities,
- Improve quality of the secondary vocational education,
- Promote innovations by developing technical education and research, enterprising and commercialization of technical know-how,
- Strengthen capacity of public institutions,
- Make use of the region's competitive advantages.

The Proposed Action Plan consist of activities in five areas as were specified in discussions of the CuRI II partners. The following table summarizes a development potential, main barriers and a goal of the component:

	Potential	Barrier/challenge	Component
I	Quality labor force for higher value added jobs paying good wages	Mismatch between market demand for and school supply of learning programs	Improving the quality and efficiency of secondary education in PSK Better measurement of quality and planning of learning programs
II	Attractive conditions for development of tourism and travel industry	Weak governance /coordination, low investment in infrastructure, poor access of SMEs to finance	Increasing the dynamism of region ´s development Proposing financial scheme for SMEs, Poloniny Trail
III	Better governance, informed decision	Poor geo-infrastructure for managing and sharing spatial information	Geo-infrastructure of spatial data Expanding and improving quality

	making , better access to information		
IV	Better project management	Inadequate structure and use of internal and external capacities of PSK to prepare and manage projects	Better project management Guidance towards setting up a project preparation unit within PSK, regional development and spatial planning, strengthening analytical capacities and skills Improving integration of marginalized Roma Piloting 5 schools Piloting construction of basic environmental infrastructure in Snina district. Training and advisory at the Poloniny Trail project

2. List of CuRI II components

Component I. Improving the quality and efficiency of secondary education in PSK

Activities:

I.1 Setting-up quality assurance framework and system for improving VET secondary schools and their study courses

I.2 Optimization system for the secondary school network

I.1 Setting-up quality assurance framework and system for improving VET secondary schools and their study courses²

PSK, like other regions in Slovakia, has in its network a high number of secondary schools, which provide education through learning programs of variable quality and

² (to be piloted/tested on VET schools with the outlook for potential future roll out to the whole secondary schools segment)

quantity that often do not correspond to the needs of the regional labor market and development. As a result, the public financing needed to improve the quality of education and the equipment of schools is spent ineffectively and inefficiently. Faced both with a market demand for a higher value added, as well as brain drain and demographic changes, the PSK needs to improve governance of the secondary school system to make informed and transparent decisions about the school network, the selection of learning programs based on the region's future needs, and to monitor and improve the quality of programs.

Outcomes

- A design and support for initial set up of a quality assurance framework and system.
- Training of school directors to implement a school improvement planning process in line with the anticipated quality assurance framework and system.

Time plan

September 2019 – August 2020

I.2 Optimization system for the secondary school network

PSK needs to plan development of a network of secondary schools in line with current and especially future needs of the regional labor market. It is necessary to improve local capacities to estimate future demand for graduates based on the existing and new data sources, including questionnaires and more intensive communication with the commercial sector. PSK will involve its new analytic capacity that is being built within new “Smart PSK” project. The World Bank will provide training, expert advice and guidance.

Outcomes

- A design of the school optimization system in the PSK, which responds to the needs of the labor market.



- Capacity building to implement school optimization system.

Time plan

September 2019 – August 2020

Component II. Increasing the dynamism of region 's development

Activities:

II.1 Proposing financial scheme for SMEs

II.2 Poloniny Trail

II.1 Proposing financial scheme for SMEs

This sub-component is to be developed in complementarity with CuRI at Banska Bystrica region

Two activities are expected in this subcomponent, led by the World Bank:

- Review of the bottlenecks for access to finance for SMEs in the Prešov region and analysis of legal possibilities for development of financial scheme for SMEs.
- Based on the results of the review, identification of the best suitable financial scheme for SMEs support through ESIF.

Time plan

Review and analysis

September – February 2020

Financial scheme identification

March – August 2020

II.2 Poloniny Trail



Poloniny trail is a practical measure of social and economic development of Poloniny National Park, which was defined by CuRI I recommendations. The particular goal is to improve complex infrastructure and services (technical service, thematic cultural, historical and gastronomical “culinary” heritage) for cyclists, hikers and horse riders to create an ambitious product line on the basis of an endogenous potential of the territory and thus help to support development of the selected territory.

The PSK will engage local partners and coordinate implementation of already approved complementary projects financed by Interreg V-A, coordinate activities related to the financing from ESIF and supervise quality of proposed cycling paths in line with its Strategy of a cycling tourism development.

The WB will lead the following works: detail elaboration of project objectives into proposals of particular technical measures on the path, identification of possible investments along the path and their prioritization, spread of good practices.

Outcomes:

- detailed elaboration of the project concept into the level of design of specific technical measures on the route for different user groups and identification of other induced investment measures, including documentation for submission of the proposal to suitable OPs
- completion and prioritization of investment needs for the establishment of the Poloniny Trail on the basis of CuRI I
- design of the Poloniny Trail tourism product
- participation on public debates and discussion with representatives of local communities, explaining technical and practical details of the proposal
- Identification of financial resources for implementation of the identified investment needs

Time plan



Technical parameters specification of the Poloniny Trail project

September – December 2019

Identification and preparation of small induced investments

January – March 2020

Documentation for Poloniny Trail project proposal, as per standards of suitable OP´s

January – August 2020

Component III. Geo-infrastructure of spatial data

Continuing CuRI I assistance in building geo-infrastructure for management and sharing of spatial information of PSGR.

We need to continue building capacity of the operational team by further training our existing staff. The team would administer and construct regional geo-infrastructure, with the aim of supporting the management of individual departments of PSK and improving the awareness of citizens, public institutions, organizations and business. Three to five employees will be continuously trained to be able to make data transformation to spatial information and knowledge. The Section will use automated data collection and a network of local and national partners to respond to the needs of other PSK Sections to help them use data efficiently for informed decision making.

The main goal is within the next three-year horizon ensure that regional infrastructure of spatial information is used daily by all PSK departments and other public and private sector. The key performance indicator includes

- count of data published on geopresovregion.sk,
- count of district data providers,
- count of covered priority thematic areas (as identified in the proposal).

Particular activities include:

Trainings for project management, GeOrchestra management, web mapping and data analyses, integrations and other processes,

Study visits of regions where SDI is deployed to Prešov region,

Set up new workflows to integrate data on the platform,

Integration at the national level:

- Availability of Prešov geodata on Slovak and EU open data catalog,
- Automatic data integration of national level statistics including national address register

Creating applied data files to support collection, integration, analysis and communication of data in priority sectors (see below), improve decision making and strategic process planning,

Ensuring the sustainability of rSDI in PSK (Regional Spatial Data Information),

Analyze the possibility of moving geOrchestra to g-cloud,

Creating partnerships with strategic organizations.

Time plan

September 2019 – August 2020

Roadmap of selected spatial and statistical data with benefits for PSK:

Thematic group	Spatial data	Statistical data and other non-spatial data	Benefits for PSK
Tourism	Trails (biking, hiking, horse-riding), pilgrimage sites, wooden churches, tourism organizations, UNESCO heritages, accommodations.	Capacities, performance and revenues of accommodation facilities, average price for accommodation.	Spatial overview of tourism, better quality of planning and decision-making process, better targeting of investments and material for communication.

Infrastructure	Road, railway, sewage, electricity and water networks and main facilities	Main characteristics for 1st, 2nd and 3rd class roads, character, equipment and technical status of stops.	Planning improvement of public and individual transport system, optimization of boarding points through spatial overview and information, which have not been collected and structured so far.
Social and Health care	Social services facilities, hospitals, ambulances, emergencies, pharmacies, sport facilities.	Address points population, overview of incapacity of work, sickness insured population, expenditures on pensions, employees on risky work places, employees in health care sector and their age structure, students of medicine at high schools and universities	Clear and simple options for searching various types of social services and their visualization, information about healthcare coverage of a territory for better health care management, better targeting of a campaign of hiring medical staff
Education	Schools	School's performances, statistics and budgets.	Territorial information on school buildings, higher quality of education, overview of changes in supply and demand on labor market, effectiveness of school optimization, improvement in education management.
Roma Issues	Location of Roma settlements in PSK	Roma population statistics, targeted surveys, access to basic infrastructures.	Improved creation of policies and targeted decision making

Component IV. Better project management

Guidance towards setting up a project preparation unit within the PSK. The set-up of this unit will be financed through the OP EPA for smart region. This unit should not

serve only the PSK Office, but also support the municipalities in priority projects identified under CuRI. This covers mainly project documentation, design, tendering, etc. Activities will focus at:

IV.1 Guidance towards setting up a project preparation unit within PSK (in close cooperation with beneficiary towns and municipalities)

IV.2 Improving integration of marginalized Roma

IV.3 Basic environmental infrastructure in the Snina district.

IV.4 Poloniny Trail

IV.1 Guidance towards setting up a project preparation unit within PSK

The activity will include the provision of WB expert services to build

- project management capacities, including delivering training to PSK staff who will work in the field of project management, project preparation and implementation,
- capacities in the regional development and spatial planning, and the delivery of training in this area, including the WB methodology for TOR preparation and possibly also of the methodology to monitor and evaluate the public procurement process,
- the Institute of Development in the context of OP Effective Public Administration.

WB delivers also following training (follow-up to CuRI 1 outcomes):

- Short-term training to develop PSK's ability to identify schools and prepare future initial investment packages for structural fund investments

Time plan

September 2019 – August 2020

IV.2 Improving integration of marginalized Roma



About 28 % of the Slovakian Roma population, 114 thousand people, live in the PSK. However, their employment rate is low, living conditions often inadequate and access to public infrastructure, including education, low. Different measures were adopted to improve integration of the Roma minority on the national and municipal level; however, results are often limited. At the same time, all prognoses agree that Roma importance for the local economic and social development will rise.

The PSK will create an internal capacity to assist municipalities with large share of marginalized Roma population and other partners, especially Roma Plenipotentiary, to create their Local Integration Plans which will be financed from ESIF. The PSK will assist municipalities both in preparation and implementation phases.

PSK will pre-select the pilot municipalities and ensure a written commitment on cooperation. PSK will as well ensure a fully functioning internal team to support this component. On basis of these two pre-conditions, the WB will provide expert advisory and guide preparation of the Local Integration Plans in maximum three municipalities.

Time plan

September 2019 – August 2020

IV.3 Basic environmental infrastructure in the Snina district

Further development of activities – construction of basic environmental infrastructure stemming from the results of the feasibility study (FS). The role of the WB will be to provide expert supervision to the preparation of project documentation and financing. This engagement is dependent on the PSK's ability to secure finances for the further development of this project.

Time plan



Finalization of feasibility study	September 2019
Starting preparation of project documentation	
	As of October 2019
Preparation for public procurement	as of October 2019
Preparation and approval of changes to spatial plan	
	As of December 2019

IV.4 Poloniny Trail

The Poloniny Trail represent very concrete plan to improve cooperation with local communities and their efficient involvement into the project implementation. Trainings, workshops and study trips based on sharing knowledge and experiences, at presence of World Bank experts, PSK employees and local people, will create common platform for better understanding and cooperation with emphasis on specific task.

The World Bank will provide training, expert advice and guidance.

Activities:

- Training and capacity building of PSK on basis of the Poloniny Trail example, spread the methodology across PSK:
 - Presentation of success stories – case studies on tourism development in similar destinations abroad (Peer2Peer and study visits)
 - bringing experts for specialized training courses (Peer2Peer and study visits)

Time plan September 2019 – August 2020