

# **Action Plan**

## **to Promote Economic Growth**

### **in Prešov Self-Governing Region**

#### **Catching-up regions Initiative III (CuRI)**

November 27, 2020

## **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 and II. 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 (MRC) 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 (NRO<sup>1</sup>) with high unemployment rates, strong labor force emigration, brain drain and population

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

aging. Many investments are of lower added value, they do not 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 130 thousands 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.

As stated in the Economic and Social Development Programme of Prešov Self-governing region, our regional development vision is:

Competitive region attractive for preserved and responsibly managed natural and cultural richness of the region with **high quality infrastructure** for work, enterpreneuring and housing of citizens who do not leave the region, but actively look for ways of social, cultural and economic recovery of its territory potential and thus participate in **improving the living conditions** of all residents of the region without distinction of nationality, age or educational level, health status or gender.

In consistency with the programming documents of wider scope applicable to the SR and EU there were defined for the territory of Prešov region **8 thematic areas of development potential**, which will be implemented as a priority in the territory of Prešov region in the period 2015-2022 and will be fulfilling the vision of PSR development:

- Enterpreneuring & innovation;
- Tourism;
- Technical infrastructure;
- Education;
- Social services & health care;
- Efficient service to public for inclusive life of higher quality and higher participation;
- Development of cultural & creative potential of the region;

- Environmental care.

Cross-cutting priorities are promotion of economic growth, promotion of employment and inclusive society which will be applied in the evaluation criteria for the selection of eligible activities, respectively projects for fulfilment of individual measures and specific objectives of the ESDP PSR.

Among the main barriers related to implementation of activities for fulfilment of individual measures we consider the following:

- Discrepancy between national economic policy and the potential of regions, insufficient targeting of national and regional policies to develop economic potential,
- Lack of managing and sharing spatial information for public
- Insufficient integration of MRC members in the labor market and insufficient living standard of MRC
- Insufficient supplies of drinking water and sewage infrastructure in smaller municipalities
- Untapped tourism investment potential in smaller regions and perspective tourism destinations near protected areas

Discrepancy between primary and secondary school curricula and labor market needs, lack of cooperation between education, research and commercial sectors

**Selected priority areas were elaborated into detailed recommended activities based and following up on CuRI I and CuRI II:**

- Support for development, expanding and improving quality of managing and sharing spatial data
- Integration and improving living standards of MRC by continued support of municipalities
- Completion of drinking water supply and sewerage in smaller municipalities of Snina District
- Development of travel industry in pilot region of Snina and building a trail in Poloniny

- Improve quality of the secondary vocational education in Prešov region,

The Proposed Action Plan for Phase III consist of activities in five areas. The following table summarizes a development potential, main barriers and a goal of each component:

	Potential	Barrier/challenge	Component
I	Better governance, <b>informed decision making</b> , better access to information	Poor geo-infrastructure for managing and sharing spatial information	<b>Geo-infrastructure of spatial data</b> Expanding and improving quality
II	Willingness to systematically approach the Roma issue in the PSK environment, potential cooperation with other self-governing regions dealing with the same issue; support to municipalities	Poor living standard of MRC community, weak access to finance	<b>Improving integration of marginalized Roma</b> Continued support to municipalities with Roma population in the region
III	Increased living conditions and potential in developing travel industry in Snina district	Legislative barriers, weak access to finance, lack of basic infrastructure for developing business activities and increasing the qualitative living conditions of local inhabitants	Piloting <b>construction of basic environmental infrastructure in Snina district.</b>
IV	Attractive conditions for development of <b>tourism and local SMEs</b>	Weak access to finance, low investment in tourism infrastructure	Development of tourism and strengthening the attractiveness of <b>Poloniny Trail</b>
V	<b>Quality labor force</b> for higher value added jobs paying good wages	Mismatch between market demand for and school supply of learning programs	<b>Better quality of VET education</b> Increasing the quality of the educational environment

## 2. List of CuRI III components

### Component I. Geo-infrastructure of spatial data

In CuRI 2nd phase, through technical assistance and capacity building, the PSK GIS team enhanced the geoportal and supported many sectors (tourism, health, local development planning, transport). In the 3<sup>rd</sup> phase, PSK would like to focus on scaling the geo-infrastructure that was implemented during CuRI I, and successfully deployed during CuRI II.

In Slovakia, especially in the Prešov Region, we see a lack of GIS and data management awareness in the public sector. Digitization (including Open Data) is one of the eight main topics of the published government strategy document “Modern and Successful Slovakia”. It relates to the EU Recovery Plan and is in line with the new EU programming period 2021-2027. We would like share the skills and knowledge developed during CuRI I & II with other municipalities in the Prešov region, and offer them our platform as a space for sharing open data and cooperation. We will share our tools (including technical documentation) and experience with other regions and those at the national level in an effort to contribute to the development of Open Data and the digital economy in general in Slovakia.

During the pilot Community Mapping activity (focused on communities with significant Roma populations), we discovered the potential of open source mapping workflows (both remote and field mapping) and the many applications of such data for urban planning. In cooperation with other local communities in the PSK region, we plan to expand this type of mapping activity to achieve better targeted data-led regional development planning.

In order to achieve these objectives, PSK and other local partners (such as municipalities) need support to scale training and implementation in these activities. With better multi-regional capacities, we will increase work efficiency and the quality of map and analytical outputs.

To further develop the capacity of the PSK GIS team, the PSK has the ambition to apply for several of ESIF calls to improve and streamline digitization (including Open Data). We would appreciate technical and methodological assistance from the World Bank and the European Commission and we will also encourage municipalities to apply for some of them.

With technical support from World Bank, this 3rd phase is an opportunity to take the challenges addressed locally during phase 1 and 2, and scale them as a key long-term initiative for the development of the entire country.

Some of the challenges in achieving this goal are: i) a lack of available base data from existing official sources (buildings, roads and other critical infrastructures) in the areas of the region where investments are needed; ii) a lack of standardized low-cost data sharing mechanisms and tools between data providers and data users (a lot of public money is still invested in purchasing and using data created for public purposes); iii) the lack of awareness on GIS and related digital government issues amongst senior management, which restricts our abilities to channel investments and implement GIS and digital projects successfully.

### **Activities and outputs:**

#### **Activity I.1: Geospatial data collection**

##### **Outcomes:**

- Trainings and guidance on the methodology and problem statement, ensuring data collected will respond to the needs identified.
- Trainings and guidance on data collection tools and digital platform (openstreetmap)
- Support with building a network of local mappers in strong cooperation with University of Prešov

Timeplan: January 2021 – December 2021

#### **Activity I.2: Scaling-up the adoption of the geoportal**

##### **Outcomes:**

- Technical support with scaling-up the adoption of the geoportal by regional and national stakeholders including municipalities, companies, universities and public authorities.
- Outreach to local and national stakeholders to promote tools and approaches prepared under the CuRI and encourage their take up by other entities

- Series of trainings for external stakeholders on how to contribute to and access GeoPrešovregion.sk platform and data
- Support to compilation of high-value datasets for the Region (in accordance with the new EU and INSPIRE Directive)

Timeplan: January 2021 – December 2021

### **Activity I.3: Scaling-up of digital skills**

#### **Outcomes:**

- Trainings and support to the PSK, local, regional and CuRI partners in order to improve their GIS and data analytics skills.
- Improve training documentation and deliver experience and know-how in cooperation with PSK GIS team
- Participation in P2P exchanges and events at national and EU level
- Support identifying investment opportunities and digital skills capacity building opportunities
- Act as „Open Data in public sector „advisory

Timeplan: January 2021 – December 2021

### **Component II. Improving integration of marginalized Roma (MRC)**

About 30 % of the Slovakian Roma population, 130 thousand people, live in the PSK. During CuRI II., pilot activities were carried out in six municipalities including Roma communities (Dlhé Stráže, Ostrovany, Varhaňovce, Čičava, Varadka and Krivany). There were updated LDPs of 6 municipalities, the team prepared a list of projects and after their assessment and prioritization we prepared investment packages for each of 6 municipalities. The special integrated call has been launched in October 2020.

In CuRI III. PSK plan to continue in support of pilot municipalities and focus on the list of projects that could not be funded under the integrated OPHRE call, such as primary schools, social housing and social enterprises.

## Activities and outputs:

### **Activity II.1: Continued support for the 6 pilot municipalities (in line with Phase II)**

The PSK will continue with support to the 6 municipalities until all eligible applications are submitted (during the duration of CuRI III). PSK internal team will play a communication, coordination and promotional role and also will identify funding sources (ESIF, PSK's own resources) for investment projects that were not included into the first integrated call for pilot municipalities.

- PSK will: quantify the projects that could not be financed from the first round of the OP HR PA 6 integrated call and identify funding sources for these investments
- WB will: provide technical input to the project documentation to the ESIF funding applications

#### Outcomes:

- prepared project documentation, and public procurement for all eligible projects of the 6 pilot municipalities (that were not included into the first integrated call for pilot municipalities) through PSK Regional Development Agency within a defined CuRI III time frame
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Timeplan: January 2021 - December 2021

## **Component III. Basic environmental infrastructure in Snina district**

This component is a continuation of activities from CuRI I and CuRI II - construction of basic environmental infrastructure based on the results of the revised feasibility study.

The purpose is to provide the 28 municipalities of the Snina district, which lack basic environmental infrastructure with optimal alternative technical solutions for drinking water supply and wastewater management.

The concerned area includes 4 valleys of the region: Pčoliné and surroundings, Ublianska dolina, Uličská dolina and Zbojská dolina. Drinking water supply will be solved in 24 municipalities with a population of 5007 and sewerage in 28 municipalities with a population of 6,825.



The output will be a technical proposal (project documentation) of a decentralized solution of these activities with respect to legislation for public water infrastructure, the existing condition of the region (size and demography of municipalities, NP Poloniny, PLA Vihorlat protected areas NATURA 2000) and the state of existing water infrastructure.

The project "Supplying municipalities with drinking water, including drainage and disposal of wastewater in the Snina district" will have all the characteristics of a public water supply infrastructure, either as a whole or divided into valleys. These are the joint use of water resources and systems of drinking water supply and wastewater disposal at least at the municipal level.

WB will provide expert opinion on the project documentation and financing developed by PSK.

### **Activities and outputs:**

#### **Activity III.1 Construction of basic environmental infrastructure in Snina district**

Outcomes:

- Finalization of a study of the use of groundwater for drinking purposes in selected valleys of the Snina district.

Timeplan: January 2021

- Preparation of terms of reference (ToR), to be commented on by the WB, for the selection of a consulting firm to design water and wastewater supply systems in the Snina area.

Timeplan: January 2021

- Selection of a supplier for the design of the WSS systems.

Timeplan: January 2021 – April 2021

- A consulting firm to design the water and wastewater supply systems is hired and engineering studies of the WSS systems are completed.

Timeplan: April 2021 – December 2021

## Component IV. 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 infrastructure for cyclists, hikers and horse riders and create an ambitious product line on the basis of an endogenous potential of the territory and thus help to support local economic development of the area.

During the second year of CURI Initiative, the project helped identify the core loop with the length of 90 km from a wide network of existing small trails in the area, as suggested by Output 3. Considering the complex nature of the trail development, the identified loop was split into three stages, of which 2 stages are deemed to be constructed until June 2023, while the preparation for Stage 3 will advance in 2021 and will be proposed for financing in the next programming period. The detailed implementation schedule is described in Output 4, prepared in 2021.

During the reporting period, Terms of Reference for all sections has been finalized and public consultations have been successfully completed with all stakeholders at multiple occasions. The designer for the first stage (16 km) has been hired and the design preparation works are currently ongoing. The selection of the designer for the second and third stages is currently underway. The first project proposal for the selected trail section and small infrastructure at multiple locations has been submitted to ENI CBC in early 2020.

The biggest challenges seen during the preparation for Stage 1 was the land settlement issues. The proposed alignment showed that over 1,000 private landowners are concerned, and resolution of the issue will require substantial time and resources. In further work with the designer, the trail was realigned, where possible. PSK is currently hiring a lawyer to start the resettlement process and all property related matters are scheduled to be completed by March 2021. The lesson learned from this experience was already taken forward into the second and third stages. The early screening of land ownership showed that vast majority of land parcels for the second stage belong to the state agencies, while for the third stage, the land ownership resolution will be a fairly lengthy process due to a high number of private owners. This has been duly reflected in the work program, which can be seen in Output 4.

As noted above, the entire loop has been split into three stages considering the complexity of preparatory works and to ensure timely implementation. In the third year of CURI Initiative, the component will continue with the implementation of the identified interventions as follows:

### **Activities and outputs:**

#### **Activity IV.1. - Stage 1: Construction of a 16-kilometer section**

The first stage includes two sections with a total length of 16 km. The implementation of the referenced sections is underway. The plan is to finalize the project documentation and submit a funding application for a financial contribution by November 2021. Successful application will be made possible by putting together the project documentation (design), obtaining the territorial decision and building permit, resettlement of property and legal matters, and obtaining environmental clearances (EIA and NATURA 2000). According to the agreed workplan, all works related to the preparation are scheduled for completion in May 2021 and the procurement process is scheduled to start in June 2021, with the construction works to commence in February 2022 and to be finished by the end of 2023.

WB will provide expert supervision and professional assistance to PSK in:

- Providing support in achieving the interim milestones listed below, leading to the preparation of project documentation to apply to ESIF in programming period 2014-2020

Outcomes:

- Design of the first stage of the trail (documentation for building permit) – January 2021
- All the clearances (Territorial, EIA, NATURA2000) obtained – February 2021
- Building permit issued - May 2021
- Tender documentation for construction works prepared – September 2021
- Project proposal to the financing authority submitted – 2021

### **Activity IV.2. – Stage 2: Modernization of the local tertiary roads**

Modernization will apply to the trail sections located between Starina water reservoir and formerly displaced village Ruské (approx. 16 km). Currently, the trail is in a poor condition. The preparation process is underway with the public procurement process to select a designer being commenced. The selection is scheduled to be completed by December 2020. The preparation of the design documentation will require 5 months. In parallel, the lease contract will be signed with the owner of the road – LPM Ulič, š.p. Environmental clearances (EIA and NATURA2000) will be also obtained by September 2021. A project proposal for funding will be ready for submission by November 2021.

WB will provide expert supervision and professional assistance to PSK in:

- Providing support in achieving the interim milestones listed below, leading to the preparation of project documentation to apply to ESIF in programming period 2014-2020

Outcomes

- Design of the second stage of the trail (documentation for building permit) finalized – May 2021
- Land resettlement issues solved – May 2021
- Environmental clearances obtained – September 2021
- Construction work notice issued - July 2021
- Tender documentation for construction works prepared - November 2021
- Project proposal to the financing authority submitted – November 2021

### **Activity IV.3. - 3. stage Poloniny trail**

The third stage covers the preparation of the project documentation for new sections located between the villages Runina - Ruský Potok, Ruský Potok - Uličské Krivé, Kalná Roztoka - Stakčín, Stakčín - Stakčín with a total estimated length of about 24 km for new sections and 32 km of the existing trails.

The preparation process for this stage will take several years, considering the complexity of the terrain and expected land ownership issues. The development of a technical study is a part of the design elaboration assignment that will assess critical sections from the various criteria and propose the final layout of the new sections, scheduled for completion by August 2021, followed by a phased delivery of the design documentation for individual sections and small infrastructure elements.

Other tasks related to the preparation and implementation of the activities designated for this stage go beyond 2021. The detailed description of each step and their respective milestones are listed in Output 4.

WB will provide expert supervision and professional assistance to PSK in:

- Overall management of the tasks related to the preparation of the technical study and its assessment for completeness.

Technical study for the trail alignment is finalized – August 2021

### **Component V. Improving the quality and efficiency of secondary education in PSK**

PSK will continue increasing quality and labor market relevance of vocational schools in its responsibility so as their graduates meet the needs and demands of the labor market reflecting challenges and changes related to transition towards Industry 4.0. Using the outputs developed by the World Bank experts in previous phases (model of synergic investment packages for 5 pilot schools built on analysis and data collected in phase I; standards, requests

and recommendations included in Quality Assurance Framework in phase II) the PSK, under the guidance, methodological support and advisory of the World Bank, will develop and design synergic investment packages for max. 12 secondary VET schools in the PSK. The designed packages and list of schools, where these packages will be implemented, will reflect the data/lessons learnt from previous two phases of CURI in PSK and previously identified secondary VET regional network optimization needs. By implementation of the packages, the selected schools will fulfil the aim of Quality Assurance Framework in terms of increased vocational education quality thanks to modernization of educational infrastructure; supported close cooperation with labor market actors/other relevant stakeholders and study programs' improvement.

### **Activities and outputs:**

#### **Activity V.1 Increasing the quality of educational infrastructure in VET secondary schools**

##### Outcomes

- A design of investment packages for max. 12 secondary vocational schools (based on the prioritized list created in the 1<sup>st</sup> phase of CuRI and the outcomes of 2<sup>nd</sup> phase) consisting of the reconstruction of premises and purchase of new equipment, support for the cooperation with regional SMEs and revision of study programs in terms of their quality and labor market relevance. The packages will be designed on the basis of the quality assurance framework (outcome of the 2<sup>nd</sup> phase).

PSK will develop the packages with the methodology acquired in previous phases. WB will advise PSK by commenting on the packages and providing methodological support.

Time plan: January 2021 – December 2021