



Municipal Finance in Poland

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Yerevan, 2025



This publication was developed with the financial support of the European Union and the Austrian Development Cooperation.

Its contents are the sole responsibility of the R2D Syunik project team and do not necessarily reflect the views of the European Union and the Austrian Development Agency.

Introduction

The aim of this paper is to present the Polish structure of subnational administration with its levels and local government units, with an emphasis on financing and sources of revenue, to serve as information and possible inspiration for representatives of local administration in Armenia.

The paper gives a general overview of Poland, the administration divisions of the country, and the distribution of responsibilities among local government units of all levels. Finally, sources of municipal income are elaborated in detail.

The research is based on analysis of secondary data from Polish and international authors and their publications publicized over past 10 years, official statistics and reports by Polish ministries and governmental agencies available on-line.

This publication was developed specifically for the participants of a study visit to Poland (mainly representatives of the Syunik region's public administration) carried out as part of the R2DE Syunik: Recovery, Resilience, Development for Syunik project, co-financed by the European Union and Austrian Development Cooperation and implemented by the Austrian Development Agency (ADA). However, it can be used by anyone responsible for or interested in socio-economic development: Armenian public administration institutions at all levels and in all regions, as well as other interested parties: researchers, students, consultants, etc.

Poland – overview and basic facts¹

Poland, officially the Republic of Poland, is a country in Central Europe, covering an area of 312,696 km² (to compare: area of Armenia is 29,743 km²).

Poland has a population of about 38 million and is the fifth-most populous member state of the European Union (Armenia: about 3 million).

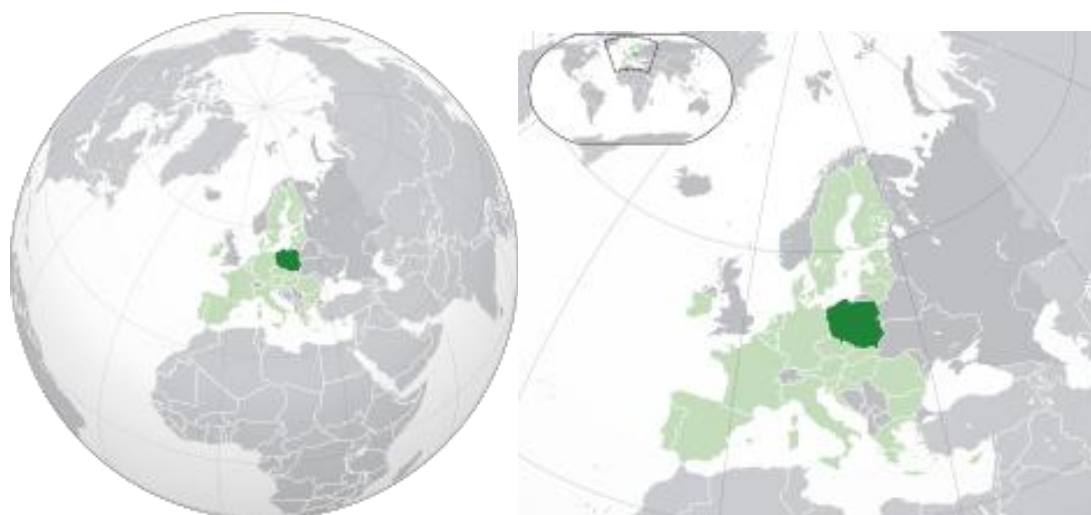
Poland is a parliamentary democracy under the 1997 Constitution. The parliament is bicameral and composed of an upper house, the Senate (*Senat*), and a lower house, the *Sejm*. Neither of the chambers directly represents local or regional authorities.

The head of state is the President of the Republic of Poland, and the government is led by the President of the Council of Ministers (Prime Minister). All ministers are proposed by the Prime Minister, appointed by the President, and approved by the *Sejm*.

Poland is a developed market and a high income economy. Considered a middle power, Poland has the sixth largest economy in the European Union by GDP (nominal) and the fifth largest by GDP PPP (purchasing power parity). At the same time it is the twentieth economy in the world by GDP nominal. It provides high standards of living, safety and economic freedom, as well as free university education and a universal health care system.

Poland is a founding member state of the United Nations, as well as a member of the World Trade Organization, NATO, and the European Union (including the Schengen Area).

- Location (green: the European Union member states):



¹ See more at: [Poland - Wikipedia](#)

- Neighbours:²



Figures 1.1 – 1.3. Location of Poland in the world and Europe.
Sources: Wikipedia and Encyclopaedia Britannica

- Capital: Warsaw, with population of 1.86 million residents
(Warsaw agglomeration: 3.28 million)
- Official language: Polish
- Currency: Zloty (PLN) 1 USD = ~3.62 PLN
- GDP
(nominal, 2025 estimate):
 - Total: 1 trillion USD (Armenia: 26,258 billion USD)
 - Per Capita: 26,810 USD (Armenia: 8,856 USD)

² See: [Poland | History, Flag, Map, Population, President, Religion, & Facts | Britannica](#)

Did you know that:³

- Frederic Chopin, Nicolaus Copernicus, Maria Skłodowska-Curie, Joseph Conrad, Lech Wałęsa, John Paul II, Roman Polański, Robert Lewandowski, Iga Świątek were/are Polish,
- Poland's constitution was the 2nd in the world (1791),
- Poland has the second oldest university in Europe (Jagiellonian University in Cracow was founded in 1364),
- Poland has 18 Nobel Prize laureates,
- The geometrical centre of Europe is located in Poland, in the village called Piątek (Friday),
- Europe's heaviest animals live in Poland (European bison, up to 920 kg),
- Poland has the world's biggest castle (Malbork),
- There are 16 World Heritage Sites in Poland,
- Poland is world's biggest exporter of amber,
- You can still eat at Europe's oldest restaurant in Wrocław (started in 1275),
- The tallest building of the European Union is located in Warsaw (Varso Tower, 310 m),
- It was the Poles who invented vodka (1405),
- Poles are among the most educated people in Europe. 90% of them complete secondary school and 50% have a degree,
- Polish is considered one of the most complicated languages in the world?

³ See more at: [50 Interesting Facts About Poland - The Fact File](#)

Administrative divisions of Poland

Poland is a unitary state with local government organised at three tiers. Since 1999, the administrative division of the country has been based on three levels of subdivision: 1) voivodeships (provinces or regions); these are divided into 2) *powiats* (counties or districts), and these in turn are divided into 3) *gminas* (communes or municipalities). Major cities normally have the status of both *gmina* and *powiat*.

Poland currently has 16 voivodeships, 380 *powiats* (including 66 cities with *powiat* status), and 2,478 *gminas* (see Figure 2 below).⁴

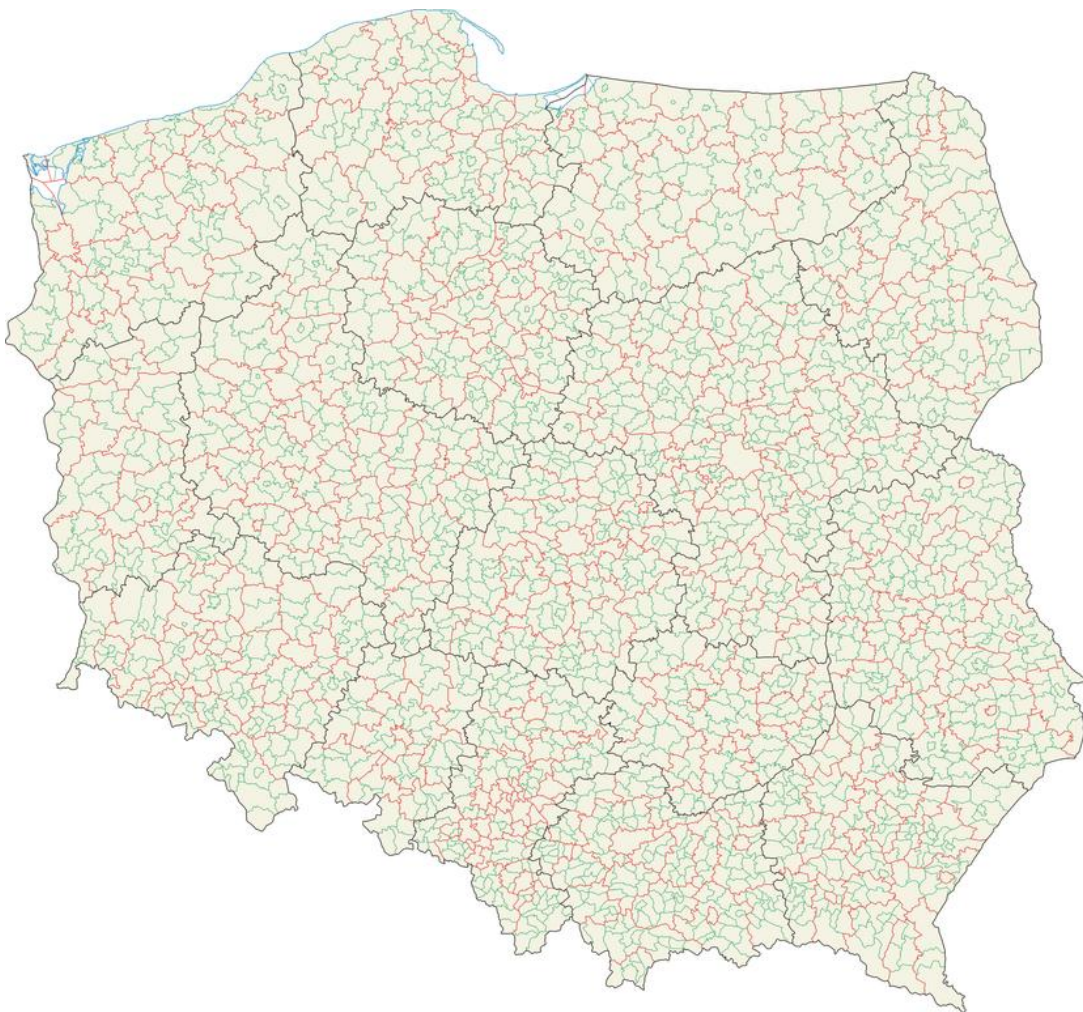


Figure 2. Map of Poland with the voivodeships/regions (black), powiats/districts (red) and gminas/communities (green).

Source: Basic information about Poland - Civil Service - Portal Gov.pl (www.gov.pl)

⁴ Poland's Civil Service. Basic information about Poland. Available at: [Basic information about Poland - Civil Service - Portal Gov.pl \(www.gov.pl\)](http://www.gov.pl).

The principle of decentralisation is enshrined in the Constitution. Moreover, the Constitution describes the principles underlying local government: local self-government units possess legal personality and have property rights. They have the right to associate in order to fulfil tasks of common interest.

Local government units (LGUs) have legislative powers for areas of local interest. The residual competences lie in the municipalities – in other words, they perform all the tasks of local government not reserved for other units of local government.

The Prime Minister exercises supervision over local government units, whose short characteristics are the following:

Voivodeships (Regions, Provinces)⁵

Poland is currently divided into 16 provinces known as voivodeships. Legally they are called "I tier units". Administrative authority at voivodeship level is shared between a central government-appointed governor, called the voivode (usually a political appointee), an elected assembly called the sejmik, and an executive board chosen by that assembly. The leader of that executive is called the *marszałek* (marshal).

Powiats (Counties)⁶

Each voivodeship is divided into a number of smaller entities known as *powiats* (counties), which are legally "II tier units". The number of *powiats* per voivodeship ranges from 12 to 42. They include two types of administrative divisions:

- 314 *powiats* proper (known as land counties). Land counties have an elected council, which elects an executive board headed by the *starosta*.
- 66 cities with *powiat* status (city counties). In city counties the functions of these institutions are performed by the city's own council and directly elected mayor. The administration of such a city functions both as a *powiat* and a municipality.

Gminas (Communes, Municipalities)⁷

The "III tier units" are 2,478 *gminas* (also called commune or municipality). A *powiat* is typically divided into a number of *gminas* (between 3 and 19), although the city counties constitute single *gminas*. A *gmina* has an elected council as well as a directly elected mayor). A *gmina* may be classed as:

- 302 urban municipalities (consisting of a town),
- 642 urban-rural municipalities (consisting of a town together with its surrounding villages and the surrounding countryside),
- 1,533 village or rural municipalities (not containing a town).

⁵ Wikipedia. The Free Encyclopaedia. *Administrative divisions of Poland*. Available at: [Administrative divisions of Poland - Wikipedia](#).

⁶ Idem.

⁷ Idem.

Distribution of tasks and powers

Together with the Constitution of 1997, a number of other legal acts in detail set out the territorial organisation and division of powers (in chronological order):⁸

- Act on Municipal Self-Government from 1990,
- Act on Regional Self Government from 1998,
- Act on County Self-Government from 1998,
- Act on the Three-Tier Territorial Organisation of the State from 1998,
- Act on the Revenues of Local Government Units from 2003,
- Act on Voivodes and Governmental Administration in Voivodships from 2009,
- Act on the Metropolitan Association in the Silesian Voivodship from 2017.

On the basis of the provisions of the above acts, division of responsibilities among the central administration and local government units making the three tiers of the system (with an extensive list of areas of responsibility) is as given below.

As it can be observed, some tasks or assignments run by local government units of all levels are their own sole responsibilities, while the other are delegated (and funded) by the government.⁹

Central level

State authorities are responsible for:

- Foreign policy;
- Defence and security;
- Management of the national budget;
- Money;
- Justice;
- National public transport;
- National roads;
- Some cultural institutions;
- Enforcement of EU law;
- Education; and
- The Statistical office.

⁸ European Committee of the Regions. Available at: [CoR - Poland \(europa.eu\)](http://www.europa.eu).

⁹ Idem.

Regional level

Regional authorities (the voivodship level) are responsible for own tasks in the following areas at the regional level:

- Economic development;
- Employment and labour market policy (tackling unemployment);
- Protection of employee claims in case of employer insolvency;
- Public transport and public roads;
- Telecommunications;
- Health care and health promotion, specialised health services, medical emergency and ambulance services;
- Culture and heritage, including protection of monuments;
- Planning (spatial development, water management, land amelioration, maintenance of hydro-installations);
- Modernisation of rural areas;
- Education, including higher education (running post-secondary schools, some secondary schools and vocational schools, teacher training colleges, voivodeship libraries; initiating the establishment and financing of higher education);
- Social welfare;
- Sport and tourism;
- Consumer rights protection;
- Defence;
- Maintenance of public order;
- Environmental protection; and
- Family support and the foster care system.

Furthermore, regional authorities are responsible for certain assignments delegated by the central government, for example:

- Selected tasks of national defence (of regional importance);
- Selected social issues (incl. support for associations of veterans);
- Tasks of geodetic and cartographic issues (incl. monitor changes in land use and grading);
- Permits for wholesale trade in alcoholic beverages;
- Selected tasks of transport issues (control of medical examinations, issuance of license for driving examiners and supervision of state examinations);
- Records of agricultural producer groups and the controls of these groups;
- Selected tasks within the water law (including the exercise of ownership rights in relation to public waters owned by the state treasury, keeping records of water, water management facilities and reclaimed land);
- Tasks in the field of environmental protection (including for the generation and storage of hazardous substances etc.);
- Selected tasks related to tourism (such as keeping a register of tour operators and travel agents and controlling the entrepreneurs operating in this field; conducting cases related to the hotel quality certification system, keeping their records and control.

Intermediate level

County authorities (the *powiat* level) are responsible for own tasks in the following areas at the supramunicipal level:

- Sport and tourism;
- Cadastre, cartography, and geodesy;
- Real estate management, architecture and construction administration;
- Water resources management;
- Agriculture, forestry, and inland fisheries;
- Cooperation with NGOs;
- Education (secondary education, i.e., post-elementary schools, vocational and special schools);
- Protection of the environment and nature;
- Health care and health promotion (general responsibility for the operation of public health service institutions; health promotion);
- Consumer rights protection;
- Social welfare (services that extend beyond municipal boundaries; maintenance of *powiat* facilities and public utilities);
- Family support and the foster care system;
- Support to the disabled;
- Child protection (running tutelary and educational facilities, including orphanages);
- Employment (*powiat* labour offices; tackling unemployment);
- Public transport and public roads (road building and maintenance at the *powiat* level);
- Telecommunications;
- Defence;
- Maintenance of the public order and civil security;
- Flood protection, Fire protection;
- Culture, including protection of monuments.

Furthermore, country authorities are responsible for certain tasks delegated by the central government, for example:

- State Treasury property management, compensation for property taken for public roads and railways;
- Regulation of the legal status of real estates;
- Collection, handling, updating and sharing of district and district's geodetic and cartographic repertories;
- Environmental protection and agriculture (including the conduct of the land merging procedures and land exchange, reclamation and protection of agricultural land, issuing a decision declaring the forest to be protective or depriving it of this character, issuing a decision on conversion of forest to agricultural land, approval of projects of geological operation, decisions within water law);
- Tasks of national and civil defence;

- Tasks assigned to the field of economy and transport (including keeping a register of enterprises conducting drivers training centres, keeping a register of entrepreneurs engaged in vehicle inspection station and the implementation of supervision of vehicle inspection stations, issuing licenses for road transport operations, etc.).

Local level

Municipal authorities (the *gmina* level) are responsible for own tasks in the areas of:

- Spatial planning;
- Real estate management;
- Municipal green areas, municipal cemeteries, marketplaces;
- Local public transport;
- Municipal roads, streets, bridges, and public squares;
- Traffic organization;
- Telecommunications;
- Protection of the environment and nature, zoning;
- Supply of electricity, gas, heating, and water;
- Water and sewage works, landfills and waste management
- Health care (primary healthcare services);
- Social welfare, including care units;
- Family support and the foster care system;
- Maintenance of gmina facilities, public utility facilities, and administrative facilities;
- Housing;
- Culture, including management of municipal libraries and other cultural institutions protection of monuments;
- Sport and tourism, including recreational areas and sport facilities
- Education (kindergartens; elementary education);
- Public order and civil security;
- Flood protection, fire protection.

Furthermore, municipal authorities are responsible for certain tasks delegated by the central government, for example:

- Civil status (such as civil registration status, issuing a decision on the first and last names);
- Civil registration (including registration events);
- National defence (including keeping a register of pre-recruits, conduct defence exercises and trainings, planning and preparation of medical cover for defence needs, keeping control of subordinate units in this area, etc.);
- Civil defence (including the preparation and updating of civil defence plans, the plan for protection of monuments, evacuation plans, the creation of civil defence formations and supply them with equipment, technical means, uniforms, conducting exercises, training of civil defence formations and population of common self-defence, etc.);

- Receiving applications and distribution of identity cards;
- Assistance for veterans and other entitled persons who are in the difficult material conditions;
- Selection of lay judges for district courts;
- Keeping records of economic activities;
- Issuing licences for the sale of alcoholic beverages;
- Services for people with mental disorders;
- Proceedings in matters of public assemblies;
- Organisation and conduct of agricultural censuses;
- Licensing of road transport by taxi, the issuance of permits to transport people within the municipality;
- Voter registers, administration and execution of tasks related to the organisation and conduct of elections or referendums;
- And others.

The municipalities (3rd, the lowest tier) bear the main responsibility for local development, including spatial planning, real estate property management, housing, social services, early childhood care, primary and secondary education, sports, culture and environmental protection. Municipalities also manage infrastructure, including roads, water supply and waste collection. They also perform “commissioned” (delegated) tasks required by law or through individual agreements – regarded as “state-level tasks” with dedicated funding and closer oversight.

From a budgetary perspective, municipalities depend less on national government transfers than counties and regions and, thus, have more scope to levy taxes and use their own resources for their initiatives.¹⁰

¹⁰ Kulesza, M., Sześciło, D., *Local government in Poland* in: *Local Government in the Member States of the European Union: A Comparative Legal Perspective*, available at: [\(PDF\) Local government in Poland \(researchgate.net\)](#).

Sources of municipal incomes in Poland

Subnational governments are responsible for a third of all public expenditures in Poland.

With more than 80% in 2018, the budgets of municipalities and cities with county status (the lowest, local level) account for the largest part of total public spending managed at the subnational level, reflecting their higher number of tasks (Statistics Poland, 2019).

Pursuant to the Act on the Revenues of Local Government Units, sub-national governments benefit from three sources of revenue:

- 1) own revenue,
- 2) general subsidies from the state budget, and
- 3) targeted (earmarked) subsidies (grants) from the state budget.

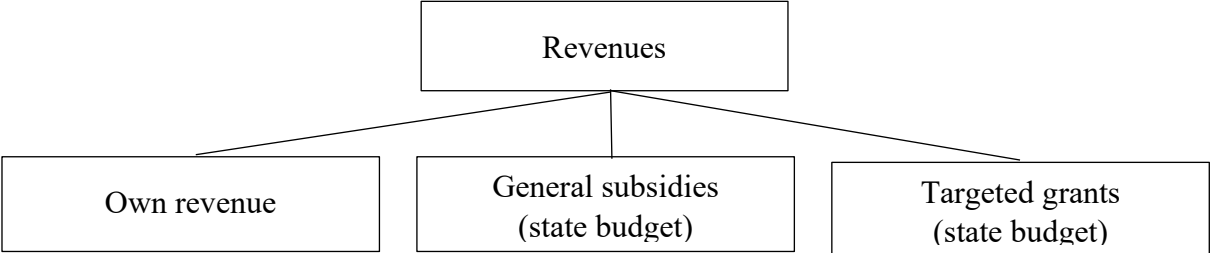


Figure 3. Sources of revenues of Local Government Units.
Source: own on the basis of the Act on the Revenues of Local Government Units

In practice, the municipalities’ most important role is to plan their own income, which represents less than half of their overall revenue, around 44% of the total revenue. Government subsidies provide roughly 22% of the income, while about 34% is derived from grants, which include the EU transfers (2018).

To compare: ten years earlier, in 2008, the share of own revenue was 55%, while general subsidies made 25%, and grants - 20% of the total revenues of LGUs (Ministry of Finance, www.mf.gov.pl).

Poland became a member of the European Union in May 2004 and - indeed - the European funds, which include in the earmarked grants, changed the proportions considerably.

In 2008, the overall revenue of local government units amounted to 143.7 billion zloty (30.1 billion Euro), while in 2018 – to 251.8 billion zloty (52.9 billion Euro). Three years later, in 2021, it was 333.4 billion (70 billion Euro).

LGUs consume a considerable part of the total state budget as they carry out a sizeable part of the governmental tasks. The total state budget (expenditures) in 2018 was 457.3 billion PLN

(to compare: 669.4 in 2023). Total revenues of LGUs were 251.8 billion. 56% (subventions and grants) of this makes 141 billion. Therefore, the share is 30.83% (141 billion / 457.3 billion)¹¹.

Own revenue

The catalogue of municipal revenues is extensive, and includes income from local taxes and administrative fees, and from the municipality's assets (e.g., the sale of real estate), income earned by the municipality's subsidiaries (e.g., commune-owned companies), and income from financial operations (such as interest on loans). Tax revenues are also derived from property, agriculture, forests, transport, inheritance and gifts, and civil law transactions. There are also several administrative fees included in local budgets such as the stamp duty, trade fairs, or dog fees.

The amount of local taxes and fees is specifically determined by each municipality, and must comply with the framework set by national legislation. A separate category of local income is a share in income tax revenues including personal income tax (PIT) and corporate income tax (CIT).

Specifically, sources of own revenue of municipalities are:¹²

1. Income from:
 - property tax,
 - agricultural tax,
 - forest tax,
 - vehicle tax,
 - personal income tax,
 - tax on dogs,
 - inheritance and donation tax,
 - tax on civil law entities;
2. Income from:
 - stamp duty,
 - market charge,
 - local charge,
 - administrative charge,
 - service charge,
 - other municipal incomes paid due to separate regulations;
3. Income collected by municipal budget units and incomes from municipal companies;
4. Income from municipal possessions;
5. Inheritance, bequests and donations to the municipality;
6. Income from fines specified in separate regulations;

¹¹ Data taken from: Ministry of Finance - www.mf.gov.pl, Supreme Audit Office - www.nik.gov.pl, Statistics Poland - stat.gov.pl.

¹² Trojanek, M., *Sources of Municipal Incomes in Poland – Current State* in: *Journal of International Studies*. Available at: <https://www.jois.eu/files/TrojanekMV3N1.pdf>.

7. Share in incomes for the state budget in connection with government administration tasks and other tasks basing on proper regulations;
8. Interest rates from loans granted by municipality unless separate regulations agree otherwise;
9. Interest for late payment due being municipal incomes unless separate regulations agree otherwise;
10. Interest of bank deposits;
11. Subsidies from budgets of other local government units;
12. Share in incomes from personal tax derived from tax payers being municipal residents;
13. Share in incomes from corporate tax derived from tax payers having their registered offices in the municipal territory;
14. Other incomes due according to separate regulations.

Municipalities are the only subnational tier with the power to tax. The property tax is the most important among these taxes (5.5% of total subnational revenue in 2018 for municipalities) (Statistics Poland, 2019).

The amount of the local taxes and fees is determined by each municipality but must comply with frameworks and remain under the tax rate ceilings determined by national legislation. Shared tax revenue at the LGU level comes from the share in personal income tax (20% of total subnational revenue in 2018) and corporate income tax (4% of total subnational revenue in 2018) (Statistics Poland, 2019). Shares of income taxes are redistributed to all three levels of subnational government according to a fixed percentage of the total proceeds collected within the territory of the jurisdiction. Municipalities receive the largest share of the personal income tax transfer and regional self-governments receive the largest share of the corporate income tax. Accordingly, there is an incentive for municipalities to increase their populations and for regional authorities to foster business.

State budget subventions

In order to supplement insufficient own revenues, local governments are equipped with external sources, general subsidies and non-earmarked transfers, that come from state budget. Both general transfers and targeted grants can be defined as payments remitted from the state budget or local government in order to finance or fill in missing funds for tasks.

General subsidies form a complex legal and financial mechanism for continued support of local economies with funds from the central budget. The most important objective for granting subsidies to municipalities is to support the implementation of municipal tasks related to public education, i.e., maintaining schools and financing teachers' salaries. The subsidy is calculated according to a complex, multi-component algorithm described in the Act on Revenues of Local Government Units. The most important feature of the subsidy system is its preference for assisting weaker communities, so more subsidies are granted to municipalities with lower tax revenues. This mechanism has become an instrument of the cohesion policy and raises concerns in wealthier regions and municipalities that are reluctant to support less developed areas.

A general subsidy is a non-returnable, free-of-charge type of resource transferred from the state budget to the local government budget. In Polish law, the subsidy is defined as a transfer from state budget to local budgets that should supplement the shortage in local units' incomes. Its main purpose of functioning is to equalize the financing situation of local governments.

The characteristic features of a non-earmarked transfer are:

- non-refundable – a properly transferred general subsidy is not refunded to the state budget by the local authorities. However, this does not preclude the return of wrongly collected transfers,
- free-of-charge – local government does not have to provide any services to the Treasury in exchange for general subsidies from the state budget,
- general in character with freedom of disposal – the general subsidy may be spent on any assigned task without specifying the purpose,
- supplementary character – a general subsidy is a source of income that supplements own revenues.

According to the Polish Constitution, a general subsidy is a guaranteed source of revenue for local government units. It occurs immediately after own income, which means that its share in the local government unit's total income should not be higher than the level of own income, but it is essential because of the degree of independence available in its spending. It should be more important in the total amount of income than targeted grants, which are listed third in order of importance in the Constitution.

The general subsidies (22% of total subnational revenues in 2018) consists of four main shares: education, equalisation, balancing and regional. Despite these delineations, Local Government Units may spend these subsidies at their own discretion – they are not tied to a particular purpose. The education share is by far the largest, accounting for over 17% of total subnational revenues in 2018 (Statistics Poland, 2019). It covers educational expenses, including teachers' salaries. The equalisation share is allocated to all subnational governments with below-average tax capacities.

The second type of transfer funds that local governments in Poland receive from the state budget is **targeted (or earmarked) subsidy/grant**.

In contrast to general subsidies, targeted grants are a more flexible form of support for specific tasks performed by municipalities. Some examples of grant objectives are:

- financing tasks assigned to municipalities by national legislation;
- financing tasks performed by local governments under agreements with national government authorities; and
- funding for the removal of direct threats to security and public order, flood and land slide recuperation, or damage caused by other natural disasters.

Given the broad spectrum of these objectives, grant allocation depends on the robustness of the state budget and the probability of one-off events that would force central government to effect immediate relief to affected areas.¹³

Table 1 below gives a comparison between the two types of transfers from the state budget:

General subsidy	Targeted grant
Spent for any purpose, associated with current activity of LGU	Spent for a special purpose as indicated in the application form
Decision on allocation of the money is made by the local authorities	Decision of the funds' allocation is made by the institution that transferred the grant
It is transferred monthly	It is transferred in one rate (investment grant)
It depends on the income level of LGU	It does not depend on LGU income but investment costs
It does not have to be returned to the state budget if it is not totally spent	The remaining sum of money has to be returned to the budget of the institution that transferred the grant
It equalizes the income situation of LGU within the country	Grant spent contrary to the purpose must be obligatorily returned to the institution that transferred the grant
It is calculated according to objective rules	It is calculated according to the investment cost analysis (investment grant)
The use of the subsidy is subject to control in context of legality	The use of the grant is subject to control in aspects of legality, appropriateness, reliability and economy

Table 1. General subsidy and targeted grant – a comparison.

Source: Świrska, A., Marciniuk-Kluska, A., *Selected issues of the local finance system in Poland*.

Targeted grants are non-refundable, free-of-charge transfers of funds and are related to the realization of public interest. This transfer of funds is intentional, which means that the transferred money has to be spent on a specific task. Targeted grants are provided by the state or another local government to a local government.

The Act on Revenues of Local Government Units, which establishes the rules for the transfer of earmarked grants from the state budget, enumerates transfers for:

¹³ Kulesza, M., Sześciło, D., *Local government in Poland in: Local Government in the Member States of the European Union: A Comparative Legal Perspective*, available at: [\(PDF\) Local government in Poland \(researchgate.net\)](#).

- tasks of government administration and other tasks commissioned/assigned by law,
- tasks performed by local authorities under agreement with government agencies, immediate removal of threats to public safety and order, effects of floods and other natural disasters,
- financing or co-financing own tasks,
- carrying out tasks under international agreements (for counties, the Act also lists specific targeted grants for the execution of tasks demanded by the guard and inspectors).

In practice, by provisions of law, earmarked grants empowering government budgets have been expanded by intentional fund earmarked grants and earmarked grants for the fulfilment of contractual agreements between local government units and government agencies or other local government units. Target earmarked grants are awarded to local government units that perform tasks assigned by the government or other commissioned tasks. It should be noted that these targeted grants must be returned to the state budget in case of that the commissioned task is not completed.

This final group of targeted or earmarked grants (34% of total subnational revenues in 2018) are therefore related to the LGU responsibilities that have been delegated to LGUs; the most important being provisions for social assistance. Grants from the EU are included under targeted grants.

Welcome to Poland!



R2D Syunik: Recovery, Resilience, Development for Syunik project

R2D Syunik: Recovery, Resilience, Development for Syunik project is implemented within the Resilient Syunik Team Europe initiative* in cooperation with local governments and co-financed by the European Union and Austrian Development Agency. The overall objective of the project is **to enhance recovery and resilience of micro, small and medium enterprises (MSMEs) and sustainable small-scale communal infrastructure in Syunik.**

Within 5 years of implementation (2023-2027) and with 11M EUR of budget the project focuses on the following goals:

Outcome 1: Improved business environment for MSMEs and enhanced private sector competitiveness:

- Strengthening business, managerial, technical and idea generation capacities (including green/circular economy, sustainable and inclusive capacities) of startups, MSMEs and social enterprises.
- Increasing access to financial services and consultancy to support the above processes.
- Enhancing availability of non-financial services supporting business development.

Outcome 2: Improved availability of sustainable green communal infrastructure:

- Supporting development of bankable and sustainable communal infrastructure projects in the communities of the Syunik region.
- Providing financial support to sustainable and green communal infrastructures.

Outcome 3: Intensified multi-stakeholder coordination for regional development in Syunik.

The Action's approach is based on the broad involvement of national, regional, and local stakeholders. On the national level, official administrative structures and institutions are involved in the steering and implementation of R2D Syunik. The regional administration and the local communities of Syunik are the main partners for all three Outcomes. The project strives to interact with all other relevant stakeholders in areas such as business development, innovation, sustainable development, education, training, public services, and environmental protection.

The direct target groups of the Action are individuals, businesses, communities, and the regional administration in Syunik, while indirect target groups are the general population as well as all other businesses operating in the region.

* The Resilient Syunik Team Europe initiative is the joint undertaking of the European Union, the European Investment Bank, the European bank for Reconstruction and Development, EU Member states - Austria, Czechia, Estonia, Finland, France, Germany, Lithuania, the Netherlands, Poland, Sweden, and Switzerland also joining as an external partner. The initiative aims to contribute to the sustainable socioeconomic development of the Syunik region.