

# Contents

INTRODUCTION .....	9
<b>CHAPTER 1</b>	
<b>CONCEPT AND TYPES OF LOCAL GOVERNMENT FINANCIAL INSTITUTIONS .....</b>	<b>11</b>
1.1. Concept of Local Government Financial Institution .....	11
1.2. Involvement of Polish Local Government Units in the Sphere of Business Activity .....	14
1.3. Types of Local Government Financial Institutions in Poland .....	22
<b>CHAPTER 2</b>	
<b>ESTABLISHMENT AND OPERATION OF LOCAL GOVERNMENT CREDIT GUARANTEE AND LOAN FUNDS IN POLAND .....</b>	<b>27</b>
<b>CHAPTER 3</b>	
<b>LOCAL GOVERNMENT FINANCIAL INSTITUTIONS IN THE EU .....</b>	<b>35</b>
3.1. Municipal Credit Institutions .....	35
3.2. Local Government Credit Guarantee Organisations .....	51
<b>CHAPTER 4</b>	
<b>LEGAL BARRIERS TO CREATION AND FUNCTIONING OF LOCAL GOVERNMENT FI- NANCIAL INSTITUTIONS RESULTING FROM THE TREATY RULES ON STATE AID .....</b>	<b>59</b>
<b>CHAPTER 5</b>	
<b>ANALYSIS OF ECONOMIC MOTIVES AND EFFECTS OF LOCAL GOVERNMENT FI- NANCIAL INSTITUTIONS FORMATION .....</b>	<b>69</b>
5.1. Models of Local Government Intervention in Conditions for Social and Eco- nomic Development in the Local and Regional Dimension .....	69
5.2. Motives of Local Government Units' Activity in the Financial Market .....	73
5.3. Characteristics of the Current Role of Local Government Units in Creating and Running Institutions in the Financial Market .....	75
5.3.1. Activity of Local Government Units in the Financial Market .....	75
5.3.2. Characteristics of Local Government Loan Funds' Activities .....	76
5.3.3. Activity of Local Government Credit Guarantee Funds .....	83
5.3.4. Wielkopolska Agency for Enterprise Development (WARP) – case study .....	90
5.3.5. Silesian Regional Guarantee Fund as an Example of Activity of a Local Government Credit Guarantee Fund .....	94

**CHAPTER 6****PROPOSALS FOR INNOVATIVE CHANGES IN THE ESTABLISHMENT AND FUNCTIONING OF MUNICIPAL CREDIT INSTITUTIONS IN POLAND .....**

	101
6.1. Reasons for Choosing Municipal Credit Institutions .....	101
6.2. Economic Assumptions for Establishing Municipal Credit Institutions .....	102
6.3. Proposals for Changes in the Municipal Credit Institution Financing Model..	104
6.4. Characteristics of Potential Target Groups for Services Provided by Municipal Credit Institutions .....	108
6.5. New System of Municipal Credit Institutions and State Aid.....	110
6.6. Establishment of Municipal Credit Institutions and Government System Con- straints on Local Government.....	111
6.7. Need for Detailed Regulation of Municipal Credit Institutions .....	112
6.8. Basing the System of Municipal Credit Institutions on Existing Local Govern- ment Loan Funds and Local Government Credit Guarantee Funds .....	113
6.9. Safeguards against the Use of the Planned Municipal Credit Institution Sys- tem by Politicians for Particularistic Purposes .....	113
6.10. Scope of Activities of the Proposed Municipal Credit Institutions .....	114
6.11. Consequences of Recognising a Municipal Credit Institution as a Credit Insti- tution under EU Law .....	117
CONCLUSIONS .....	119
REFERENCES .....	125
LIST OF FIGURES.....	135
LIST OF TABLES.....	135