

1. CPS Data

Country: Poland

CPS Year: FY09

CAS/CPS Period: FY09 – FY13

CPSCR Review Period: FY09 – FY13

Date of this review:

2. Executive Summary

- i. This review examines the implementation of the FY09-FY13 Poland Country Partnership Strategy (CPS) of FY 09 and the CPS Progress Report (CPSPR) of FY11, and assesses the CPS Completion Report (CPSCR). The CPS was for IBRD only; this review focuses on the IBRD's assistance program.
- ii. The CPS objectives were organized under four pillars: (i) social and spatial inclusion (improve labor supply, enhance labor market competitiveness, increase the efficiency of the educational and health sectors, and improve the technical capacity of regional governments to facilitate the internal convergence among regions); (ii) public sector reform (improving public financial management systems); (iii) growth and competitiveness (infrastructure and business regulations); and (iv) regional and public goods (facing climate changes challenges and safeguard of financial sector). The CPSPR reaffirmed the CPS objectives, but called for the partnership between Poland and the Bank to be increasingly coordinated around Poland's EU role, for programs with sub-national governments to be given more emphasis, and for advisory services to be provided on a fee-for-services basis.
- iii. IEG rates overall outcome of the CPS as *moderately satisfactory*, concurring with the CPSCR. Under all four pillars, Bank support contributed to good progress toward some CPS objectives, but rarely fully achieved any. In the social sectors, resource allocation and utilization efficiency improved in public hospitals; employment of older worker increased thanks to reforms of the early retirement and unemployment benefits and the pension systems, although their impact on labor market competitiveness is unknown; a major law on higher education was enacted and preschool enrollment increased, but there is no information on the implementation of the law and the impact of these achievements on skills mismatch in the labor market. On internal convergence, there are indications that the technical capacity of regional governments improved, although it is not entirely clear how the Bank's knowledge support contributed to this outcome. In public financial management, although the implementation of performance-based budgeting is still a work in progress and Poland did not meet the fiscal deficit target, progress is being made in strengthening the public financial management system and its fiscal consolidation has been impressive since 2010. In the transport sector, good progress has been made in road rehabilitation and maintenance, but uneven in strengthening sector governance at national and regional levels. In private sector development, there was good progress in regulatory reforms and increasing R&D resource allocations, but the commercialization of R&D products was slow. In climate change areas, some progress was made in expanding renewable energy and increasing energy efficiency, but most of the CPS targets were only partially achieved, while the establishment of anti-flood systems was delayed. Finally, in the financial sector, progress was made in improving banks and credit unions regulations with good results in bank capital and liquidity positions. However, the institutional capacity of the regulators needs to be further strengthened and their powers and functions need to be better defined.
- iv. IEG rates IBRD performance as *satisfactory*, above the CPSCR rating of *moderately*

CPSCR Reviewed by:	Peer Reviewed by:	CASCR Review Coordinator
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satisfactory. The CPS objectives were consistent with Poland's development objectives. The areas of engagement were in line with the CPS objectives. The Bank showed flexibility and responsiveness by focusing on development policy loans as the global crisis emerged, which provided quick disbursing financing to the budget at attractive rates. Relevant risks were identified and the Bank had a clear strategy on how to respond to external economic shocks and political shocks. The AAA program was well designed and supported the DPLs and policy dialogues. The quality of project supervision was adequate and the quality of the portfolio was better than the ECA regional average. The Bank was a relatively small player in Poland and its engagement was correctly placed within the broader framework of complementary and support of the EC program. No significant safeguard and fiduciary issues needed to be addressed. On the downside, as recognized by the CPSCR, the CPS results matrix did not provide a strong framework for monitoring and evaluation.

- v. The CPSCR provides a number of lessons and recommendations related to the delivery of knowledge services and on the approaches the Bank can take to best deliver such services. IEG endorses these lessons, but notes that the experience of the CPS in Poland highlights the need to put in place mechanisms for systematic planning, management and evaluation of AAA and TA programs. For example, information could be provided on the key recommendations of AAA and TA assistance and the extent to which these recommendations have helped policy makers with decision-making or been adopted as government policies (see IEG's "Knowledge-Based Country Programs: An Evaluation of World Bank Group Experience" and Management's comments). This is a Bank-wide M&E issue, but impedes the effective incorporation of the contribution of knowledge services in the results matrix.

3. *WBG Strategy Summary*

Overview of CAS/CPS Relevance:

Country Context:

1. The CPS period coincided with a time of economic slowdown, spurred by the global crisis. Poland's economy was affected negatively by developments in European countries and by a worsening in business and consumer confidence. Nevertheless, the Polish banking system has remained largely unaffected from the external turmoil despite substantial foreign ownership and a high share of foreign-currency denominated mortgages. Poland was the only EU country which avoided a recession in 2009 and whose economy grew the most between 2009 and 2012, although growth weakened significantly in 2012 reflecting the further deterioration in the external economic environment. This good performance reflected strong fundamentals and decisive counter-cyclical policies. The floating exchange regime played a stabilizing role, while broadly adequate international reserves and a precautionary flexible credit line with the IMF boosted market confidence. Poland's per capita income increased from 56 to 64 percent of the EU average, although the fast rate of poverty reduction that the country experienced until 2008 has slowed to a halt and the poverty rate has remained somewhat stable since 2009.
2. Under the overarching objective of rapid convergence towards EU living standards, the 2008 Convergence Program Update of the Government identified as its main objective over the medium term the creation of conditions for high economic growth, while limiting the adverse impact of the crisis. To achieve this, it envisaged: (i) reduction of the fiscal burden to raise disposable income and consumption; (ii) encouraging persons over 50 years to participate in the labor force and thus contribute to economic growth; (iii) a change in the structure of public expenditure and enhance its efficiency to support innovation and develop the country's infrastructure; (iv) liberalization of the economy to limit the obstacles to the development of entrepreneurship; and (v) limitation of fiscal imbalances and the general government debt. In line with the Europe 2020 strategy, Poland's

National Reform Program of 2011 built on the Convergence Program and promoted smart growth (an economy based on knowledge and innovation); sustainable growth (promoting a resource efficient, greener, and more competitive economy); and inclusive growth (high employment ensuring economic, social, and territorial cohesion).

Objectives of the WBG Strategy:

3. The CPS objectives were organized under four pillars: (i) social and spatial inclusion (improve labor supply, enhance labor market competitiveness, increase the efficiency of the educational and health sectors, and improve the technical capacity of regional governments to facilitate the internal convergence among regions); (ii) public sector reform (improving public financial management systems); (iii) growth and competitiveness (infrastructure and business regulations); and (iv) regional and public goods (facing climate changes challenges and safeguard of financial sector). The CPSPR reaffirmed the CPS objectives, but called for the partnership between Poland and the Bank to be increasingly coordinated around Poland's EU role, for programs with sub-national governments to be given more emphasis, and for advisory services to be provided on a fee-for-services basis.

Relevance of the WBG Strategy:

4. **Congruence with Country Context and Country Program.** The CPS addressed the key challenges facing Poland. It was well aligned with the main economic objectives of the Polish government and the country's efforts to derive full benefits from EU membership. The strategy was flexible, providing additional budget support through two new DPLs after the CPSPR to deal with the impact of the crisis and to create vehicles for policy dialogue in key sectors within a stronger EU context.

5. **Relevance of Design.** The CPS was designed to cover the key objectives over the medium term and the definition of the CPS objectives was done accordingly. The choice of instruments was appropriate to achieve the stated objectives, except that in some instances the Bank's interventions were too limited in scope to achieve the expected outcomes (e.g., achieve more internal convergence among regions). There was a good synergy between the AAA and the lending program with the former covering the main policy issues. One area where the WB was less responsive to the interests of the authorities was in helping the country explore options for Public Private Partnerships (PPPs) to help finance the large infrastructure investment program and limit the fiscal liabilities that sub-national entities may incur in financing infrastructure projects.

6. **Strength of the results framework.** The CPS results matrix, as updated in the CPSPR, presented a reasonably clear results chain linking WB activities to CPS objectives and to the Government's objectives. However, the CPS objectives tended to be very broad; consequently some of the outcome indicators, which were appropriate for measuring achievement of the stated objectives, did not reflect the Bank's contribution. This is especially problematic given the relatively modest size of Bank assistance vis-à-vis the level of EU involvement. Moreover, some outcome indicators had a target year beyond the end of the CPS period, which does not permit a complete assessment at this time.

7. **Risk Identification and Mitigation.** The CPS identified three types of risks: economic (external and financial vulnerability); political (a reduction in the Government's willingness to push for more radical reforms); and institutional (low technical and administrative capacity), which it anticipated to be low to moderate in likelihood and impact and for which it proposed appropriate mitigating measures. However, the potential impact of scaled-back and/or delayed Bank programs on results was not discussed. The CPSPR reconfirmed the relevance of these risks, but did not have an explicit discussion of any even though to some extent all were materializing. As expected, the Bank responded to the economic risks with additional DPLs, while the institutional weaknesses resulted in delays and poor achievement of the relevant CPS objectives.

Overview of CAS/CPS Implementation:

Lending and Investments:

8. At the start of the CPS period, seven IBRD investment projects in infrastructure for an amount of \$1,975 million were ongoing, including the first of three DPLs in support of public finance management, employment and private sector development, which was fully disbursed. The Odra River Basin Flood Protection was the only one still ongoing at the close of the CPS period, with \$133 million (out of approved project amount of \$184 million) remaining to be disbursed. During the CPS period, four DPLs were approved and fully disbursed for a total amount of \$4,737 million to support employment and entrepreneurship, public finance management and employment/private sector development, energy, and administrative reform. Another DPL in support of administrative reform is expected to be approved before the end of FY 13. At the same time, eight investment projects were dropped; the CPSCR noted that this was due to the Government's focus on crisis mitigation reforms and its limited investment capacity. The amount of Bank lending that has materialized is somewhat larger than the CPS expectations, increasing Bank exposure in Poland by about \$7 billion. Six Trust Funded projects totaling \$68.7 million, all in the climate change areas, completed Bank financing during the CPS period.

9. The Bank portfolio declined from four to one project during the CPS period, with the Odra River Basin Flood Protection loan (FY07) as the only project in the portfolio in FY13. The mid-term review of this project dated September 26, 2011 considered it at risk. The small portfolio size does not allow meaningful comparison with peers. IEG reviewed the completion reports of four projects that exited during the CPS period, and rated the development outcomes as *moderately satisfactory* in the three infrastructure projects and *satisfactory* in the first of the three DPLs. Notwithstanding the small sample size, this represents a better success rate than 78 percent of the ECA regional average.

Analytic and Advisory Activities and Services

10. The IBRD delivered 13 Economic and Sector Works (ESW) and 9 Technical Assistance (TA) tasks. Four more TA tasks are scheduled to be delivered by June 2013. All of the EWS work was delivered by 2011, the year of the CPSPR, and covered some aspects of the DPLs - infrastructure, energy and private sector development. Six of the 9 completed TA tasks were also delivered before the CPSCR and also addressed sectors covered by the DPLs. The four TA tasks scheduled for delivery in June 2013 are in the areas of climate change, public administration and private sector. The AAA program benefitted from a strong dialogue with the authorities, with the specific focus of each piece altered to reflect changing circumstances and some projects dropped. Information on the impact of the AAA is lacking; a cursory look at some of the major reports suggests that sound recommendations were given based on good analysis; the CPSCR notes that performance in the dissemination of AAA products has been mixed. A study on Housing Finance (FY09) and a TA on Toward a Stronger Contract Enforcement (FY13) were delivered on a fee-for-services basis, but as the CPSCR recognizes, the development of Reimbursable Advisory Services (RAS) has been relatively limited due to the competitive bidding requirements by Polish procurement regulations and the fiscal constraint resulting from the crisis. It appears that the AAA pipeline has dried up after the approval of the DPLs and that some opportunities may have been missed to continue to engage the Government.

Partnerships and Development Partner Coordination

11. The WBG was a relatively small player in Poland with its \$6 billion during the CPS period: IBRD's annual lending amounted to at most 7 percent of EU grants, and a fraction of the European Investment Bank operations with marginal contributions from IFC and MIGA. As a result, the WBG engagement was largely placed within the broader framework of complementarities and support of the EC's program, and centered on knowledge sharing on issues of particular importance and relevance to Poland and the EU. There was also collaboration with the IMF on macroeconomic issues and on the monitoring of the Polish economy.

Safeguards and Fiduciary Issues

12. There was no safeguards and fiduciary investigations.

Overview of Achievement by Objective:

Pillar I: Increase Social and Spatial Inclusion

13. **Improve labor supply incentives and enhance labor market competitiveness.** The CPS targets of increasing the employment rate from 60 percent (2010) and labor force participation rate among population aged 54-64 from 37 percent (2010) were partially achieved: the employment rate remained stable at around 60 percent during 2008-12 and the labor force participation rate increased to close to 40 percent in 2011. The Government took a number of policy initiatives to support these developments such as a tightening of early retirement benefits, a new program to promote employment of workers older than 50 years old; changes through legislation in unemployment benefits to make them less generous; and more flexible working arrangements. Another policy target of bringing special-scheme pensions in line with the main pension system was also met. These policy initiatives were in line with the recommendations of the first series of DPLs on labor market issues and the Public Finance Development series of DPLs. They were supported by strong Bank analytical work, in particular by the Public Expenditure Review (PER) (FY10) ESW. The Concluding Statement of IMF 2013 Article IV mission of May, 2013 welcomed these steps to improve the labor market conditions and the ongoing comprehensive effort to ease access to a number of regulated professions with a focus to remove entry barriers for the youth, the most affected by unemployment. The latter was not contemplated under the CPS. It is not clear what has been achieved in enhancing labor market competitiveness.

14. **Achieve efficient and accountable educational system.** The CPSCR reports that a Higher Education Law which covers all the key areas (such as pro-quality financing system and a definition of a catalog of free of charge education services provided to students by tertiary schools) was enacted in 2011, which was an important step towards building an efficient and accountable educational system, but it is not known how the law is being implemented. The target of increasing preschool participation rates was also met as Poland managed to increase preschool participation rate from 75 percent in 2008/09 to 97 percent in 2011/2012. However, it is not clear to what extent the reforms effectively addressed the problem of labor skills mismatch in the labor market that was identified in the CPS. The WBG supported this objective by the Employment Entrepreneurship and Human Capital Development PL2-PL3 (FY9-10) and with an accompanying package of TA, particularly on higher education.

15. **Improve efficiency in allocation and use of resources in the health sector.** The CPS emphasis was on improved efficiency of hospitals and rationalized service delivery to allow allocation of resources towards primary and preventive care. This would be measured by increasing the percentage of hospitals covered by diagnostically related groups (DRG) systems and the number of hospitals corporatized under the Commercial Code by end-2010. Although no baselines were established, the targets were met and/or widely surpassed. Financial incentives were given to local governments that decided to convert their poorly performing public hospitals into corporate entities operating under the Commercial Code. The WBG helped to formulate and implement these reforms through the DPL2 and DPL3 of the first DPL series and through technical assistance.

16. **Support internal convergence.** Two qualitative indicators were proposed and the CPSCR reports that both have been fully achieved: debt and asset management in local governments improved as reflected by Bank staff assessments of medium-term debt management strategies for selected bigger cities; and technical capacity of selected regional governments increased as evidenced by the EC's proposal to further decentralize EU funds in Poland. The WBG supported these efforts through studies, TA, and policy dialogue, but it is not clear to what extent the Bank's activities have influenced policy because by and large the reports show only methodological recommendations of Bank staff. Minutes of meetings with Polish officials or memoranda of these meetings discussing the technological improvements that have been made under Bank advice would have been needed to

make such assessment by IEG. The CPS envisaged Bank support in this area to be provided on a fee-for-service basis, which has been constrained for reasons mentioned above.

17. IEG rates the outcome of IBRD assistance under Pillar I as *moderately satisfactory*. Bank support contributed to improved efficiency in the allocation and use of resources in public hospitals. By addressing early retirement and unemployment benefits, flexible working arrangement, and special-scheme pensions, greater incentives were created for older workers to remain in the labor force, although it is not clear how this helped enhance labor market competitiveness. A major law on higher education was enacted and preschool enrollment increased, but there is no information on how these achievements contributed to addressing the skills mismatch identified in the CPS as a key issue in education. There appears to have been an improvement in the technical capacity of regional governments which would permit to advance further internal convergence although the caveat remains that it is not entirely clear how the Bank's knowledge support contributed to the capacity enhancement in sub-national governments.

Pillar II: Public Sector Reform

18. **Improve Public Financial Management systems.** As part of the process to increase the effectiveness and efficiency of public spending, an amended Public Finance Act was enacted in late 2009 which significantly strengthened the transparency, efficiency and quality of the budgetary process. Poland is also implementing performance-based budgeting, but this is still work in progress. The WB monitoring findings on public spending are not available to IEG, but the Country Policy and Institutional Assessment (CPIA) for Poland in the area of quality of budgeting and financial management does not show improvement between 2008 and 2011. The IMF does not really monitor public spending effectiveness on a regular basis, while no information is available about the EU's assessment of Poland's public spending. It is therefore difficult for IEG to validate the CPSCR's claim that findings of regular monitoring reports of the WB, the IMF and the EU show increased effectiveness and efficiency of public spending. Nonetheless, a greater prioritization of expenditures occurred during the CSP period through the implementation of a temporary fiscal rule (CPI+1) and wage freezes (the wage bill had been increasing as position vacancy funds had been used to give wage increases). The fiscal deficit target (3 percent of GDP) was exceeded in 2011 and 2012 due to a weakening of economic activities and the fact that a permanent fiscal rule is still under development. In May 2013, the EU extended the period for Poland to reduce its fiscal deficit to 3 percent of GDP or less by 2014. The Bank supported this objective with the DPL on Public Finance Development, the PER, and the EU10 Fiscal Study on Performance Based Budgeting.

19. IEG rates the outcome of IBRD assistance under Pillar II as *moderately satisfactory*. Progress is being made in strengthening public financial management systems through the implementation of performance-based budgeting and the development of a permanent fiscal rule. While the commitment under the EU Excessive Deficit Procedure was not met, Poland's fiscal consolidation since 2010 has been impressive and in recognition of this, Poland has been given until 2014 by the EU to meet its fiscal target commitment.

Pillar III: Growth and Competitiveness

20. **Develop and rehabilitate infrastructure.** With EU and European Investment Bank (EIB) financing, Poland implements one of the largest transport infrastructures in the EU, increasing the percentage of roads in good condition from 49 percent in 2005 to 63 percent in 2012. Three Bank projects on Road Maintenance and Rehabilitation (FY04, FY05 and FY06) supplemented activities supported by the EU and the EIB financing and contributed to the improvement of national road and maintenance systems. In addition, the Bank contributed to the formulation of a transport sector development strategy through the preparation of a Land Transport Policy Note (FY11) and to the development of infrastructure policy at sub-national level through a package of policy notes delivered to the City of Warsaw (FY10). The CPSCR also reports that the legal framework and institutional capacity for preparation, implementation, and monitoring of infrastructure projects has improved with

the passing of various legislation on land acquisition, concessions in construction and services, and public private partnerships among other areas. However, there is no information in the CPSCR on the success of implementing this legislation.

21. **Improve business regulations.** Good progress was made in regulatory reforms which led to substantial reduction in the cost of obtaining business licenses and the time to register property. The CPSCR reports that the Law on Reduction of Administrative Barriers for Citizens and Entrepreneurs reduced administrative fees and fastened business processes such as paying taxes, enforcing contracts, and protecting investors. This is reflected in an improvement in Poland's Ease of Doing Business rankings and its Distance to Frontier scores during 2009-13. The WBG supported this deregulation agenda through the DPL1-DPL3 and AAAs including a reform memo on "Doing business in Poland" and a RAS agreement on "Towards a stronger contract enforcement and insolvency in Poland".

22. **Promote innovation.** Improvement in this area was sought through increased R&D expenditures in the public and private sector, and increased patent applications. Facilitated by available EU funding, public R&D spending increased from 0.68 to 0.77 percent of GDP 2009-11, although private R&D spending increased only marginally from 0.19 to 0.21 percent of GDP. However, these achievements appear to be only marginally related to Bank interventions. Data on patent applications are not up to date and do not show improvement during 2009-10. The WBG supported these efforts with the DPL2-DPL3 and AAA, particularly with the Review of Public Enterprise Innovation Support System (FY11) which had specific recommendations to make institutional changes at the national and regional levels and allocation criteria to better use financial resources targeted to support innovation.

23. IEG rates the outcome of IBRD assistance under Pillar III as *moderately satisfactory*. IBRD's financing contributed to improvement in road conditions, regulatory reforms and R&D resource allocations, although the commercialization of R&D products was slow. Bank assistance in developing a transport sector development strategy, in improving planning capabilities in the transportation sector at the national and regional levels, and in strengthening of the framework for managing infrastructure projects may have contributed to reforms in these areas, but there lacks sufficient information to assess the degree of implementation of the reforms.

Pillar IV: Regional and Global Public Goods

24. **Mitigate and adapt the economy to the challenges of climate change.** The CPS supported this objective by focusing on improving energy efficiency, developing renewable energy, and managing flood/natural disasters. In 2009, two documents became the lynchpin of the Government's energy policy: Poland 2030 Report prepared by the Prime Minister's Office in May 2009 and the Energy Policy of Poland until 2030 adopted by the Council of Ministers in November 2009. Significant progress was made in expanding renewable energy in final energy consumption, from 8 to 10.6 percent in 2009-11 and on track to meet the target of 11 percent in 2013. Some progress was made in improving energy efficiency: mechanisms have been established to issue White Certificates which can be sold by energy suppliers who exceed their energy saving targets, although the first certificates are expected to be issued after the end of the CPS period; the share of cogeneration in the power mix increased from 16 to 16.6 percent in 2009-11 (against the target of 17 percent for 2013); and 109,000 meters were installed in 2012 (against the target of 200,000, although the CPSCR notes that 310,000 meters are expected to be installed in 2013). Many partners (EU, EIB, OECD and IMF) were active in the climate change area; the Energy Efficiency and Renewable Energy DPL (FY 11) was the anchor for the dialogue between the WBG and the authorities, supported by a climate change CEM and capacity building TA. On flood/disaster mitigation and preparedness, however, the Bank's main intervention - the Odra River Basin Flood Protection project (FY07) - experienced significant delays and was rated as *moderately unsatisfactory* in the latest ISR (September 2011). Since then the pace of implementation has picked up.

25. **Safeguard the stability and promote the development of the financial sector.** Poland's

financial system has been resilient during the financial turbulence of recent years. There is evidence that bank supervision has improved, with all the relevant CPS outcome indicators being met: the capital/asset ratio exceeded 14 percent, of which more than 12 percent is in the form of Tier 1 capital as of end August 2012, and making Poland compliant with Basel III regulations; non-performing loans have stabilized at about 8.5 percent in August 2012 as well as loss provisions/non-performing loans ratio at 54 percent as of end 2012. The Bank provided TA on the bank resolution framework in the form of comments to a draft law for the Bank Guarantee Fund. The IMF Concluding Statement of the 2013 Article IV mission refers to recent stress tests that indicate that bank capital and liquidity buffers can withstand large shocks and that contagion risks are limited, but calls for continued improvements in bank supervision by broadening the areas where the Financial Supervision Authority can issue binding prudential regulations and by increasing its supervisory resources. The Polish Financial Services Authority assumed supervision of credit unions in October 2012 after some delays due to legal challenges. This was supposed to reduce systemic risks and financial audits of credit unions were supposed to be completed by early 2013 (although no information is available on this). Data shows that the delinquent loans to total loans ratio of credit unions has stabilized at 13 percent and that profitability of credit unions had become slightly positive by end 2011. The Bank provided analytical support through a study - Credit Unions in Poland: Diagnostic and Proposals on Regulation and Supervision (FY11).

26. As evidence of increased market integration with pan-European securities markets, the CPSCR reports that the Warsaw Stock Exchange has become the largest stock market in Central and Eastern Europe in terms of market turnover, ahead of the Vienna Stock Exchange, and that it was the leader in the number of new IPOs in 2012. Evidence is also presented on improved risk management of private pension assets (i.e., pension assets in the second pillar increased sharply during 2008-12; return on fund investments reached almost 20 percent during 2009-12). However, there is no evidence that Bank assistance played a role in helping to improve risk management of private pension funds or in promoting Poland's integration in the pan-European securities markets.

27. IEG rates the outcome of IBRD assistance under Pillar IV as *moderately satisfactory*. Good progress was made in the energy area but, most of the objectives have been only partially achieved. Serious delays in the ambitious anti-flood project in the Odra River Basin led to limited progress in putting in place an effective flood/natural disaster system. Good progress was made in improving the regulation of banks and credit unions, although the strengthening of the regulators for banks and credit unions need to continue. There is no evidence that the Bank played a significant role in increasing capital market integration in Poland.

Objectives	CPSCR Rating	IEG Rating
Pillar I: Increase Social and Spatial Inclusion	<i>n/a</i>	<i>Moderately Satisfactory</i>
Pillar II: Public Sector Reform	<i>n/a</i>	<i>Moderately Satisfactory</i>
Pillar III: Growth and Competitiveness	<i>n/a</i>	<i>Moderately Satisfactory</i>
Pillar IV: Regional and Public Goods	<i>n/a</i>	<i>Moderately Satisfactory</i>

4. Overall IEG Assessment

	CPSCR Rating	IEG Rating
Overall Outcome:	<i>Moderately Satisfactory</i>	<i>Moderately Satisfactory</i>
IBRD Performance:	<i>Moderately Satisfactory</i>	<i>Satisfactory</i>

Overall outcome:

28. IEG rates overall outcome of the CPS as *moderately satisfactory*, concurring with the CPSCR. Under all four pillars, Bank support contributed to good progress toward some CPS objectives, but rarely fully achieved any. In the social sectors, resource allocation and utilization efficiency improved in public hospitals; employment of older worker increased thanks to reforms of the early retirement and unemployment benefits and the pension systems, although their impact on labor market competitiveness is unknown; a major law on higher education was enacted and preschool enrollment increased, but there is no information on the implementation of the law and the impact of these achievements on skills mismatch in the labor market. On internal convergence, there are indications that the technical capacity of regional governments improved, although it is not entirely clear how the Bank's knowledge support contributed to this outcome. In public financial management, although the implementation of performance-based budgeting is still a work in progress and Poland did not meet the fiscal deficit target, progress is being made in strengthening the public financial management system and its fiscal consolidation has been impressive since 2010. In the transport sector, good progress has been made in road rehabilitation and maintenance, but uneven in strengthening sector governance at national and regional levels. In private sector development, there was good progress in regulatory reforms and increasing R&D resource allocations, but the commercialization of R&D products was slow. In climate change areas, some progress was made in expanding renewable energy and increasing energy efficiency, but most of the CPS targets were only partially achieved, while the establishment of anti-flood systems was delayed. Finally, in the financial sector, progress was made in improving banks and credit unions regulations with good results in bank capital and liquidity positions. However, the institutional capacity of the regulators needs to be further strengthened and their powers and functions need to be better defined.

IBRD Performance:

29. IEG rates IBRD performance as *satisfactory*, above the CPSCR rating of *moderately satisfactory*. The CPS objectives were consistent with Poland's development objectives. The areas of engagement were in line with the CPS objectives. The Bank showed flexibility and responsiveness by focusing on development policy loans as the global crisis emerged, which provided quick disbursing financing to the budget at attractive rates. Relevant risks were identified and the Bank had a clear strategy on how to respond to external economic shocks and political shocks. The AAA program was well designed and supported the DPLs and policy dialogues. The quality of project supervision was adequate and the quality of the portfolio was better than the ECA regional average. The Bank was a relatively small player in Poland and its engagement was correctly placed within the broader framework of complementary and support of the EC program. No significant safeguard and fiduciary issues needed to be addressed. On the downside, as recognized by the CPSCR, the CPS results matrix did not provide a strong framework for monitoring and evaluation.

5. Assessment of CPS Completion Report

30. The CASCR provides a comprehensive and critical review of the achievement of the CAS program. However, it does not provide sufficient assessment of the extent to which the recommendations of the knowledge services have influenced public policies such as the ones provided to regional governments in the areas of planning and of asset and debt management, and the advice regarding the support system for public enterprises innovation.

6. Findings and Lessons

31. The CPSCR provides a number of lessons and recommendations related to the delivery of knowledge services and on the approaches the Bank can take to best deliver such services. IEG endorses these lessons, but notes that the experience of the CPS in Poland highlights the need to put in place mechanisms for systematic planning, management and evaluation of AAA and TA programs. For example, information could be provided on the key recommendations of AAA and TA assistance and the extent to which these recommendations have helped policy makers with decision-making or been adopted as government policies. This is a Bank-wide M&E issue, but impedes the effective incorporation of the contribution of knowledge services in the results matrix.

Annex Table 1: Summary Achievements of CAS/CPS Objectives

Annex Table 2: Planned and Actual Lending, FY09-12

Annex Table 3: Grants and Trust Funds Active in FY09-13

Annex Table 4: Actual Analytical and Advisory Work, FY09-13

Annex Table 5: IEG Project Ratings for Poland, Exit FY09-FY13

Annex Table 6: IEG Project Ratings for Poland and Comparators, Exit FY09-12

Annex Table 7: Portfolio Status for Poland and Comparators, FY09-13

**Annex Table 8: IBRD Net Disbursements and Charges Summary Report for Poland
(in US\$)**

Annex Table 9: Economic and Social Indicators for Poland and Comparators, 2008 - 2011

Annex Table 10: Poland - Millennium Development Goals

Annex Table 1: Summary of Achievements of the CAS Objectives

CPS FY09-FY13: Pillar I Social and Spatial Inclusion		Actual Results (as of current month year)	Comments
<u>Major Outcome Measures</u>	1. Improve labor supply incentives and enhance labor market competitiveness		
	Help Government achieve its objective to increase employment rate from 60% (2010) and labor force participation rate of population aged 55-64 from the current level of 37% in 2010.	Employment rate: around 60% in period of 2008-2012. Labor force participation rate for population 55-64 increased from 36.7 percent in 2010 to 39.6 percent in 2011.	Source: CPSCR
	Policy options for bringing special-scheme pensions in line with the main pension system identified and implementation started: Increase in minimum years of service to qualify for pension for police/military from 15 years to 20 years, and the introduction of the minimum retirement age of 50.	The statutory retirement age for uniformed services, including the military (under the Ministry of Defense) and police, border security, fire-fighting services and government security (under the Ministry of Interior) was increased to 55 years. Also the mandatory length of service for these groups rose from 15 to 25 years.	Source: CPSCR
	2. Achieve efficient and accountable education system		
	Successful implementation of higher education reform, in particular: - implementation of pro-quality financing system, including financial support for entities which obtain the status of National Leading Scientific Center (Krajowy Naukowy Ośrodek Wiedzy, KNOW); - free of charge education on second and more faculty in a public	A new Higher Education Law was enacted in 2011, which covers all key areas (pro-quality financing system, free of charge education on second faculty for best performing students, precise catalog of free of charge education services provided to students by tertiary schools).	Source: Ministry of Science and Higher Education and CPSCR

CPS FY09-FY13: Pillar I Social and Spatial Inclusion	Actual Results (as of current month year)	Comments
<p>university for students, who receive Rector's scholarship for best students;</p> <p>-precise definition of the catalogue of free of charge educational services provided to students by tertiary schools.</p>		
<p>Increased pre-school participation rates among children aged 5 years from the 2008/09 level of 74.8%.</p>	<p>Enrollment rate of 5-year old children increased to 81% in 2010/2011 and 96.3% in 2011/2012</p>	<p>Source: CPSCR The WDI database shows only data until 2010.</p>
<p>3. Improve efficiency in allocation and use of resources in the health sector</p>		
<p>Improved efficiency of hospitals and rationalized service delivery network through implementation of DRG system: By end-2010, 90% of hospitals to be covered by DRG system.</p>	<p>91% of hospitals covered by DRGs by end of 2010.</p>	<p>Source: CPSCR</p>
<p>60 hospitals corporatized under Commercial Code by end-2010.</p>	<p>Over 220 hospitals had been corporatized by mid-2010.</p>	<p>Source: CPSCR</p>
<p>4. To provide advisory, technical and financial assistance in supporting internal convergence, including financial assistance in the context of Eastern Poland Operational Program</p>		
<p>Improve planning and debt and asset management, as reflected by Bank staff assessments of medium-term debt management strategies for selected bigger cities.</p>	<p>As assessed by the Bank staff, debt and asset management at the local level has improved, as a result of: (i) the introduction of rules imposing limits on the level of deficit and public debt of sub-national entities, including bigger cities (i.e. "the Golden</p>	<p>Source: CPSCR</p>

<u>CPS FY09-FY13: Pillar I</u> Social and Spatial Inclusion	Actual Results (as of current month year)	Comments
	Rule”); (ii) the development of a methodology on the preparation of multi-year financial projections.	
Increase technical capacity of selected regional governments to design and improve strategy design, planning and implementation, and reduce development obstacles in key economic sectors at regional level reflected in a positive assessment of the European Commission on Regional Operational Programs derived from regional development strategies.	Technical capacity of regional governments increased since 2007 when they became responsible for designing, planning and implementing European Union (EU) funds through Regional Operational Programs (ROPs). ROPs are among highest performing programs implementing EU funds in Poland.	Source: CPSCR

<u>CPS FY09-FY13: Pillar II</u> Public Sector Reform	Actual Results (as of current month year)	Comments
<u>Major Outcome Measures</u>	1. To assist the Government in improving Public Financial Management systems	
Increased effectiveness and efficiency of public spending through introduction of performance-based budgeting	Effectiveness and efficiency of public spending increased as evidenced by regular monitoring reports of the WB, International Monetary Fund, European Commission, but performance-based budgeting is still under development.	Source: CPSCR
Improved prioritization between various types of expenditures and greater control of public finances in the context of fiscal	Prioritization of expenditures has improved and greater control over public finances has been	Source: CPSCR Poland is expected to exit the European Union Excessive Deficit Procedure in 2014 as the general

<p>constraints imposed by euro adoption plans, as assessed by the EU of Poland's convergence programs.</p>	<p>introduced through, among others, implementation of a temporary fiscal rule (CPI+1).</p>	<p>government deficit is projected to decline to around 2.7 % of GDP.</p>
<p>Help Government to achieve its fiscal deficit target of "close to" 3 percent of GDP in 2012 through strengthening its fiscal responsibility framework (indicator: introduction of permanent fiscal rule for the Central Government).</p>	<p>Fiscal deficit has been reduced from 7.8 percent in 2010 to 5.0 percent in 2011 and estimated to 3.4 percent in 2012. Temporary fiscal rule (CPI+1) has been introduced. However, the permanent fiscal rule is still under development.</p>	<p>Source: IMF Article IV and CPSCR</p>

CPS FY09-FY13: Pillar III Growth and Competitiveness		Actual Results (as of current month year)	Comments
<u>Major Outcome</u>	1. To provide support in developing and rehabilitating infrastructure to enhance private investment and productivity growth.		
<u>Measures</u>	Contribution to the strategy for transport sector development (including climate change agenda and medium long-term financing).	A Land Transport Policy Note was developed in parallel with the preparation by the Government of the Transport Sector Strategy for Poland (2013-2020). The Policy Note contributed to the discussions with Polish authorities and provided strategic considerations for transport sector development in Poland.	Source: Poland Transport Policy Note (ESW) (FY10) and CPSCR
	% of roads in good condition improved from 49% (2005) to 60% (2013).	The percentage of national roads in good conditions reached 63% (2012).	Source: P096214 Road Maintenance & Rehabilitation 3 (FY06) ICR and CPSCR The Road Maintenance & Rehabilitation 3 ICR shows 59.1% as of December 2010.
	Improved system of strategic and operational planning at central and sub-national levels, and programs for development/rehabilitation of land transport infrastructure.	Systems of strategic and operational planning at the central level improved due to, among others, partial introduction of a modern IT system at the General Directorate for National Roads and Motorways. CPSCR mentions that programs for development /rehabilitation of land transport infrastructure at central and sub-national level were largely implemented but doesn't mention the programs.	Source: CPSCR
	Improved legal framework and institutional capacity for	The legal framework for private sector involvement in infrastructure	Source: CPSCR

CPS FY09-FY13: Pillar III Growth and Competitiveness	Actual Results (as of current month year)	Comments
preparation, implementation and monitoring of infrastructure projects.	development has improved, with the adoption and effective application of legislation on land acquisition for infrastructure investments (2008), concessions in construction and services; public private partnership (2009); and electronic toll collection systems on roads (2009, with ETC system actually introduced in 2011).	
2. To assist in improving business regulations in Poland and provide Government with global best practice in this area		
<p>Regulatory reforms facilitating business start-up, operations and licensing, and other business-to-govt requirements (taxes, closures, trade), have been made showing a reduction in time, cost and transactional steps.</p> <p><u>Indicators:</u></p> <ul style="list-style-type: none"> -cost of obtaining business licenses reduced by at least 20% from current levels (currently 122% of per capita income), -time to register property and close a business reduced by 20% to ≈120 days and below 2.5 years, respectively, by 2012. 	<ul style="list-style-type: none"> - The cost of starting a business was reduced from 18.8% of per capita income in 2008 (DB 2009) to 14.4% of per capita income in 2012 (DB 2013). - The time to register property was reduced from 197 days in 2008 (DB 2009) to 54 days in 2012 (DB 2013) - The time to close a business indicator is no longer reported in the DB ranking 	<p>Source: Doing Business indicators</p> <p>The time to register property was reduced thanks to a full digitization of real estate records.</p>
Programs to promote business innovation made more effective via further R&D resource allocations to such programs as	-Spending on R&D increased to 0.77% of GDP in 2011. Spending on business R&D improved to 0.21% of	Source: CPSCR Patent applications submitted to the European Patent Office increased from 231 in 2008 to 308 in the

CPS FY09-FY13: Pillar III Growth and Competitiveness	Actual Results (as of current month year)	Comments
<p>measured by</p> <ul style="list-style-type: none"> -an increase in public R&D to GDP ratio (baseline: 0.68%) and R&D for business/GDP (baseline: 0.19% in 2009); -and orienting these towards commercialization of products in several sectors (indicator: patent applications submitted to <u>US patent office</u> increased from 8.91 per million inhabitants (2009)), as well as increasing R&D institute linkages with the business community. 	<p>GDP in 2011.</p> <p>-No data provided in the CPSCR</p>	<p>latest year available, 2010 (8 patents per million inhabitants), but remained well below the EU27 average at 108.6 patents per million inhabitants.</p>

CPS FY09-FY13: Pillar IV Regional and Global Public Goods	Actual Results (as of current month year)	Comments
<p><u>Major Outcome Measures</u></p>	<p>1. To assist the Government in the area of mitigation and adaptation of the Polish economy to the challenges of climate change</p>	
<p>Improved energy efficiency (9% saving in final energy consumption in 2008-2016). Progress in 2013 measured by issuance of tradable white certificates and their associated energy efficiency obligations.</p>	<p>Established mechanisms to operationalize trading system for White Certificates, all regulations in place.</p>	<p>Source: CPSCR First white certificates to be issued in 2013.</p>
<p>Help Government meet its target of 11% of final energy from renewable energy sources by 2013 from 8% in 2009.</p>	<p>The share of renewable energy in final energy consumption increased to 10.6% in 2011.</p>	<p>Source: CPSCR The share is planned to further increase to 11% in 2013 according to the calculation of the Ministry of Economy.</p>
<p>Increased use of cogeneration to decrease total energy use. Indicator: Cogeneration 17% of total</p>	<p>The share of cogeneration in the power mix increased to 16.6% in 2011. Data for 2012 not</p>	<p>Source: CPSCR</p>

CPS FY09-FY13: Pillar IV Regional and Global Public Goods	Actual Results (as of current month year)	Comments
electricity supply by 2013 from 16% (2009).	available yet.	
Install 200,000 Smart Meters	109,000 Smart Meters installed in 2012.	Source: CPSCR Next 310,000 are to be installed in 2013.
Systems for flood/natural disaster insurance, preparedness and mitigation; spatial planning in flood plains. Protection of people and property in Odra River Basin against floods of 1997 magnitude by 2013.	Establishment of anti-flood system in Odra River Basin in progress. The last phase of system development under implementation	Source: CPSCR
2. To support the Government in safeguarding the stability and promoting the development of the financial sector		
Implementation of EU and G20 mandated regulatory initiatives resulting in increases of bank core capital and counter cyclical loss reserves; improved supervision from FY11 ROSC from baseline: Capital/Asset ratio: 13.8%; Non performing loans: 8.8%; Loss Provisions/Non-performing loans: 54.6% (Dec 31, 2010)	-Capital / Asset ratio exceeded 14% as of end August 2012, of which more than 12% is in the form of Tier 1 capital, making the banking sector compliant with Basel III regulations. -Non-performing loans (NPLs) have stabilized at about 8.5% in August 2012, with 7.5% NPL ratio for household loans and 10.3% for corporate loans, respectively. -Loss Provisions/Non-performing loans accounted for 54% as of end 2012.	Source: CPSCR
-Increased capital market integration with pan-European securities markets -and improved risk management of private	-No evidence provided in the CPSCR of about an increased capital market integration with pan-European securities markets	Source: CPSCR The Warsaw Stock Exchange (WSE) has become the largest stock market in Central and Eastern Europe in terms of

CPS FY09-FY13: Pillar IV Regional and Global Public Goods	Actual Results (as of current month year)	Comments
pension assets	- No evidence provided in the CPSCR of improved risk management of private pension assets	<p>market turnover, ahead of the Vienna Stock Exchange. In 2012, WSE was the European market leader in the number of new IPOs.</p> <p>Pension assets in the second pillar grew to over PLN 250 billion in November 2012, from less than PLN 138 billion in 2008. Returns on pension fund investments amounted to 19.3% between September 2009 and September 2012.</p>
Improved capacity to oversee and supervise credit unions in Poland's regional banking services from baseline: Delinquent/Total Loans: 12.7%; Net Profit/Asset ratio: -0.2% (March 31, 2010)	<p>After a substantial delay caused by the review of the new law by the Supreme Court, in October 2012 the PFSA assumed supervision of credit unions, reducing systemic risks. Financial audits of credit unions are to be completed by early 2013.</p> <p>Delinquent loans /Total loans increased to 13% and Net profit/Asset ratio to 0.5% at the end of 2011.</p>	Source: CPSCR

Annex Table 2: Planned and Actual Lending, FY09-12

Project ID	Project name	Proposed FY	Approval FY	Proposed Amount	Approved Amount	Outcome rating
<i>Programmed projects</i>						
P116125	DPL 2 (Poland Employment, Entrepreneurship & Human Capital Dev. Policy Program DPL)	2009	2009	1250	1300	IEG rating: S*
	Warsaw City SILISwap	2010	Dropped	500		
	PKO BP Credit Line	2010	Dropped	500		
P117666	DPL3	2010	2010	1250	1331	IEG rating: S
	City 2	2011	Dropped	250		
	Climate Change 1	2011	Changed to EE and Renewable Energy	300		
	City 3	2012	Dropped	150		
	Climate Change 2	2012	Dropped	300		
	Municipal credit line (FIL)1	2012	Dropped	500		
	Municipal credit line (FIL)2	2013/2014	Dropped	250		
P115426	Energy Efficiency and Renewable Energy DPL	2011	2011	1000	1115	NA
	Energy/transport RBL	2012/2013	Dropped	500		
P127433	PF/Adm Reform DPL1	2012	2012	500	991	LIR: S
P130459	PF/Adm Reform DPL2	2013	Pipeline (approval expected by June 18)	250		
<i>Total programmed projects CPS FY09-12</i>					4,737	
<i>Non-programmed projects</i>						
NA						
<i>Total projects CPS FY09-12</i>					4,737	
Project ID	Project name	Approval FY	Closing FY		Approved Amount	
<i>Ongoing projects</i>						
P112765	Public Finance Management, Employment, and Private Sector Development Programmatic Policy Loan	2009	2009		1250	IEG rating: S
P065059	Krakow Energy Efficiency Project	2001	2009		15	IEG rating: MS
P065270	Post-Accession Rural Support Project	2006	2012		89	LIR: MS
P088824	Road Maintenance & Rehabilitation 2 Project	2005	2009		131	IEG rating: MS
P096214	Road Maintenance & Rehabilitation 3	2006	2012		180	LIR: MS
P086768	Odra River Basin Flood Protection	2007	Active		184	LIR: MU
P078170	Road Maintenance & Rehabilitation Project	2004	2009		126	IEG rating: MS
<i>Total ongoing projects</i>					1,975	

Source: Poland, CPS, CPSPR and WB Business Warehouse Table 2a.1, 2a.4 and 2a.7 as of 05/24/2013.

* LIR: Latest internal rating. U: Unsatisfactory. MU: Moderately Unsatisfactory. MS: Moderately Satisfactory. S: Satisfactory. HS: Highly Satisfactory.

Annex 3: Grants and Trust Funds Active in FY09-13

Project ID	Project name	TF ID	Approval FY	Closing FY	Approved Amount (US\$ millions)
P070246	Energy Efficiency GEF Project	TF 54104	2005	2013	11.0
P078250	Poland - Stargard Geothermal Project (PCF)	TF 55843	2006	Active	1.4
P074546	Poland Puck Wind Farm Project	TF 90394	2007	Active	3.0
P078251	Walbrzych Fuel Switch (PCF)	TF 55855	2008	Active	2.6
P117333	PL - GIS - Green Investment Scheme	TF 13479	2012	Active	17.1
		TF 13500	2012	Active	5.9
		TF 10551	2013	Active	26.0
		TF 10657	2013	Active	1.3
P129098	Building Capacity to Develop a Low Emissions Development Strategy	TF 12225	2013	Active	0.4
<i>Total FY09-13</i>					68.7

Source: Poland CPS, CASPR and WB Business Warehouse Table 2a.1, 2a.4 and 2a.7 as of 6/5/2013.

Table 4: Actual Analytical and Advisory Work, FY09-13

Project ID	Economic and Sector Work	Delivered to Client FY	Output Type
P124533	Poland ROSC (BCP & IAIS)	2011	Report
P109756	Poznan COP-14 Support	2009	Report
P118173	Lubelskie : Support for Regional Development Strategy	2012	Policy Note
P118031	Warsaw city policy Note	2010	Policy Note
P117883	Poland Transport Policy Note	2010	Policy Note
P112653	Mazowieckie region PEIR	2010	Report
P111495	PEIR Update	2010	Report
P114517	Poland Low Carbon Growth Study	2011	Report
P101695	FBS Cost Sharing Finance Poland Housing Finance	2009	Report
	FSAP	2013	Report
	Doing Business in Poland (Reform Memorandum)	2010	Report
P110997	Europe 2020: Fueling Growth and Competitiveness in Poland Through Employment, Skills, and Innovation	2011	Report
P096655	Poland enterprise innovation support review: from catching up to moving ahead	2011	Report
	Technical Assistance	Delivered to Client FY	Output Type
P127443	Support for Sub-national governments in Poland	Expected delivery: June 14, 2013	Advisory Services Document
P131787	FBS-16-FY12 PL Towards a Stronger Contract Enforcement	2013	Advisory Services Document
P143120	Building Economic Modeling Capacity for Climate Policy Analysis	Expected delivery: June 14, 2013	Advisory Services Document
P128044	Public Pay Review	Expected delivery: June 15, 2013	Advisory Services Document
P132602	PL - FSD Dialogue	Expected delivery: June 14, 2013	Advisory Services Document
P127597	PL Financial Sector TA (Bank resolution framework)	2012	Advisory Services Document
P118276	Human Capital Development Strategy/LLL	2013	Advisory Services Document
P118275	Poland Health & SP Technical Cooperation	2011	Knowledge-Sharing Forum
P113025	Education Reform in Poland TA	2010	"How-To" Guidance
P108384	Performance Based Budgeting TA	2009	Knowledge-Sharing Forum
P115543	TA on Regional Roads in Mazowieckie Voivodship	2010	"How-To" Guidance
P110886	Regional Development/Lagging	2010	Knowledge-Sharing Forum
P114620	Use of Country Systems for Environmental and Social Safeguards in Poland	2012	Advisory Services Document

Source: Poland CPS and WB Business Warehouse Tables 2a.1, 2a.4 and 2a.7 as of 06/05/2013.

Annex Table 5: IEG Project Ratings for Poland, Exit FY09-FY13

Exit FY	Proj ID	Project name	Total Evaluated (US\$M)	IEG Outcome	IEG Risk to Development Outcome*
2009	P065059	Krakow Energy Eff	18.3	Moderately Satisfactory	Significant
2009	P078170	Road Maint & Rehab	121.6	Moderately Satisfactory	Moderate
2009	P088824	Road Maint & Rehab 2	120.4	Moderately Satisfactory	Moderate
2009	P112765	Development Policy Loan (I, II and III)	1,359.2	Satisfactory	Moderate

Source: WB Business Warehouse Table 4a.6 as of as of 6/6/2013.

* With IEG new methodology for evaluating projects, institutional development impact and sustainability are no longer rated separately.

Annex Table 6: IEG Project Ratings for Poland and Comparators, Exit FY09-12

Region	Total Evaluated (\$M)	Total Evaluated (No)	Outcome % Sat (\$)	Outcome % Sat (No)	RDO% Moderate or Lower Sat (\$)*	RDO% Moderate or Lower Sat (No)*
Poland	1,619.4	4	100.0	100.0	98.9	75.0
ECA	10,200.2	143	88.1	78.4	67.9	61.9
World	58,325.1	750	83.2	70.8	67.4	54.1

Source: WB Business Warehouse Table 4a.5 as of as of 6/6/2013.

* With IEG new methodology for evaluating projects, institutional development impact and sustainability are no longer rated separately.

Annex Table 7. Portfolio Status for Poland and Comparators, FY09-13

Fiscal year	2009	2010	2011	2012	2013
Poland					
# Proj	4	4	4	2	1
# Proj At Risk	1	0	0	1	1
% Proj at Risk	25	0	0	50	100
Net Comm Amt	1,753.2	1,784.3	1,567.5	1,175.4	184.0
Comm At Risk	184.0	0.0	0.0	184.0	184.0
% Commit at Risk	10.5	0.0	0.0	15.7	100.0
ECA					
# Proj	273	264	242	201	194
# Proj At Risk	48	46	38	41	51
% Proj at Risk	18	17	16	20	26
Net Comm Amt	21,206.5	24,191.5	22,413.8	22,859.4	22,080.8
Comm At Risk	3,422.8	4,311.7	2,095.9	2,644.2	4,061.6
% Commit at Risk	16.1	17.8	9.4	11.6	18.4
World					
# Proj	1,408	1,449	1,454	1,371	1,363
# Proj At Risk	310	328	302	304	359
% Proj at Risk	22	23	21	22	26
Net Comm Amt	128,471.6	155,683.9	165,792.3	166,208.1	169,832.1
Comm At Risk	19,539.0	27,683.8	22,573.0	23,324.5	39,814.7
% Commit at Risk	15.2	17.8	13.6	14.0	23.4

Source: WB Business Warehouse Table 3a.4 as of 6/6/2013.

Annex Table 8: IBRD Net Disbursements and Charges Summary Report for Poland (in US\$)

Period	Disb. Amt.	Repay Amt.	Net Amt.	Charges	Fees	Net Transfer
2009	1,443.01	146.20	1,296.81	81.06	4.18	1,211.56
2010	1,453.29	145.53	1,307.76	77.15	4.24	1,226.37
2011	1,285.94	382.07	903.87	75.18	3.67	825.03
2012	1,094.35	198.05	896.31	116.91	3.04	776.36
2013	942.14	136.62	805.53	63.55	2.66	739.32
Total (2009-2013)	6,218.74	1,008.46	5,210.28	413.85	17.79	4,778.64

Annex Table 9: Economic and Social Indicators for Poland and Comparators, 2008 - 2011

Series Name	Poland				Poland	ECA	World
	2008	2009	2010	2011	Average 2008-2011		
Growth and Inflation							
GDP growth (annual %)	5.1	1.6	3.9	4.3	3.8	0.2	1.6
GDP per capita growth (annual %)	5.1	1.6	3.8	3.4	3.5	-0.3	0.4
GNI per capita, PPP (current international \$)	18,019.4	18,794.8	20,032.8	21,085.0	19,483.0	24,592.2	10,980.7
GNI, Atlas method (current US mil. \$)	452,372.9	465,105.7	475,297.5	477,008.7	467,446.2	20,849,411.9	61,651,111.6
Inflation, consumer prices (annual %)	4.3	3.8	2.7	4.2	3.8	3.4	5.1
Composition of GDP (%)							
Agriculture, value added (% of GDP)	3.7	3.7	3.5		3.6	1.9	2.8
Industry, value added (% of GDP)	31.5	31.7	31.6		31.6	26.0	26.2
Services, etc., value added (% of GDP)	64.7	64.6	64.8		64.7	72.1	71.0
Gross fixed capital formation (% of GDP)	22.3	21.2	19.9		21.1	19.1	19.9
Gross domestic savings (% of GDP)	19.9	20.4	19.7		20.0	20.9	20.0
External Accounts							
Exports of goods and services (% of GDP)	39.9	39.4	42.2		40.5	39.8	28.1
Imports of goods and services (% of GDP)	43.9	39.4	43.5		42.2	38.3	28.4
Current account balance (% of GDP)	-6.6	-4.0	-5.1	-4.9	-5.1		
Total reserves in months of imports	2.8	4.8	4.8	4.3	4.2	5.8	13.6
Fiscal Accounts ^{1/}							
General government revenue and grants (% of GDP)	39.6	37.2	37.5	38.5			
General government expenditure (% of GDP)	43.3	44.4	45.4	43.6			
General government balance (% of GDP)	-3.7	-7.2	-7.9	-5.1			
Public Debt (% of GDP)	47.2	50.9	54.8	56.3			
Social Indicators							
Health							
Life expectancy at birth, total (years)	75.5	75.7	76.2	76.7	76.1	75.6	69.5
Mortality rate, infant (per 1,000 live births)	5.7	5.4	5.2	4.9	5.3	11.8	38.6
Population							
Population, total (in million)	38.1	38.2	38.2	38.5	38.2	889.5	6,855.2
Population growth (annual %)	0.0	0.1	0.1	0.9	0.3	0.4	1.2
Urban population (% of total)	61.1	61.0	60.9	60.9	61.0	69.9	51.3
Education							
School enrollment, primary (% gross)	96.6	97.4	98.6		97.5	102.4	106.2
School enrollment, secondary (% gross)	97.7	97.0	97.0		97.2	96.9	69.5

^{1/} IMF, Poland Article IV Consultations.

Source: WB World Development Indicators as of June 2013 for all indicators excluding Fiscal Accounts data.

Annex Table 10: Poland - Millennium Development Goals

	1990	1995	2000	2005	2011
Goal 1: Eradicate extreme poverty and hunger					
Employment to population ratio, 15+, total (%)	55	51	47	45	51
Employment to population ratio, ages 15-24, total (%)	34	27	24	20	26
GDP per person employed (constant 1990 PPP \$)	12,088	14,679	19,462	23,365	26,867
Income share held by lowest 20%	9	8	8	7	8
Vulnerable employment, total (% of total employment)		26	24	22	18
Goal 2: Achieve universal primary education					
Literacy rate, youth female (% of females ages 15-24)		100		100	100
Literacy rate, youth male (% of males ages 15-24)		100		100	100
Persistence to last grade of primary, total (% of cohort)	91		99	98	99
Primary completion rate, total (% of relevant age group)	98	96	95	97	95
Adjusted net enrollment rate, primary (% of primary school age children)			97	96	97
Goal 3: Promote gender equality and empower women					
Proportion of seats held by women in national parliaments (%)	14	13	13	20	24
Ratio of female to male primary enrollment (%)	98	98	98	99	99
Ratio of female to male secondary enrollment (%)	106	100	98	99	99
Ratio of female to male tertiary enrollment (%)	146	143	141	140	150
Share of women employed in the nonagricultural sector (% of total nonagricultural employment)		47.3	46.9	46.7	47.6
Goal 4: Reduce child mortality					
Immunization, measles (% of children ages 12-23 months)	95	96	97	98	98
Mortality rate, infant (per 1,000 live births)	15	12	8	7	5
Mortality rate, under-5 (per 1,000 live births)	17	14	10	8	6
Goal 5: Improve maternal health					
Adolescent fertility rate (births per 1,000 women ages 15-19)		20	17	15	13
Births attended by skilled health staff (% of total)	100	100	100	100	
Contraceptive prevalence (% of women ages 15-49)	73				
Maternal mortality ratio (modeled estimate, per 100,000 live births)	17	14	8	5	5
Goal 6: Combat HIV/AIDS, malaria, and other diseases					
Incidence of tuberculosis (per 100,000 people)	50	47	34	25	23
Prevalence of HIV, female (% ages 15-24)					0.1
Prevalence of HIV, male (% ages 15-24)					0.1
Prevalence of HIV, total (% of population ages 15-49)	0.1	0.1	0.1	0.1	0.1
Tuberculosis case detection rate (% of all forms)	86	89	84	85	91
Goal 7: Ensure environmental sustainability					
CO2 emissions (kg per PPP \$ of GDP)	2	1	1	1	0
CO2 emissions (metric tons per capita)	10	9	8	8	8
Forest area (% of land area)	29.2		29.8	30.0	30.8
Improved sanitation facilities (% of population with access)		90	90	90	..
Marine protected areas (% of territorial waters)	3	4	4	4	4
Goal 8: Develop a global partnership for development					
Internet users (per 100 people)	0.0	0.6	7.3	38.8	64.9
Mobile cellular subscriptions (per 100 people)			18	76	131
Telephone lines (per 100 people)	9	15	29	31	18
Fertility rate, total (births per woman)	2	2	1	1	1
Other					
GNI per capita, Atlas method (current US\$)	2,030	3,170	4,600	7,270	12,380
GNI, Atlas method (current US\$) (billions)	78.0	122.4	176.7	277.4	477.0
Gross capital formation (% of GDP)	24.3	18.7	24.8	19.3	20.9
Life expectancy at birth, total (years)	71	72	74	75	77
Literacy rate, adult total (% of people ages 15 and above)		99		99	100
Population, total (millions)	38.1	38.6	38.5	38.2	38.5
Trade (% of GDP)	45.9	44.2	60.7	74.9	85.7

Source: World Development Indicators database as of 05/22/2013.