CLR Review
Independent Evaluation Group

1. CPS Data	
Country: Poland	
CPS Year: FY14	**CPS Period**: FY13 – FY17
CLR Period: FY14-FY17	**Date of this review:** May 23, 2018

2. Ratings

	CLR Rating	IEG Rating
Development Outcome:	*Satisfactory*	*Satisfactory*
WBG Performance:	*Good*	*Good*

3. Executive Summary

i. Poland is a high-income country (HIC) with a GNI per capita of $12,680 in 2016. Poland's annual economic growth accelerated to 3.3 percent during the CPS period (2014-2016) from 2.9 percent over the previous four years, 2010-13. The consistency of the country's macro and structural policies has been the key driver behind the economy's growth and helped its transition to HIC status in less than 15 years. Poland's economic growth has been inclusive in the past decade, as evidenced by growing employment and earnings for all income groups, which led to a substantial reduction in poverty and stronger-than-average growth of the bottom 40 percent of the distribution. Between 2005 and 2014, Poland's Gini coefficient fell from 0.351 to 0.343. The poverty rate measured at $5.00/day 2005 PPP stood at 4.4 percent in 2015. Poland's strong economic growth is expected to continue in the near term; however, the longer- term prospects could be subdued by demographic and structural challenges – including a rapidly aging population, slowdown in total factor productivity, infrastructure gaps, low domestic private investment and regional disparities -- if left unaddressed.[1]

ii. The CPS had 10 objectives that were organized around four engagement areas (or focus areas): (i) Economic Competitiveness, (ii) Equity and Inclusion, (iii) Climate Action, and (iv) Poland as a Global Partner. The CPS was broadly aligned with the Government of Poland's (GOP) economic program called the "Responsible Development Plan" (RDP), which emphasized improving business conditions, promoting innovation, social inclusion, and more equitable regional development.

iii. During the CPS period, IBRD approved a total of new commitments of $2.470 billion. The approved new lending was lower than the planned amount of $3.2 billion. The new lending commitments comprised of a series of two Development Policy Financing (DPF) on Resilience and Growth and one Investment Project Financing (IPF) on flood management. No new grants/trust funds were approved during the CPS period. However, nine were active at the beginning of the CPS period, with total commitments of $58.3 million, of which more than 80 percent were in green energy. During the CPS period, the Bank delivered a total of 49 advisory services and analytic (ASA) products, of which 42 percent were accounted by reimbursable advisory services (RAS).

[1] See 2017 IMF Article IV Consultation.

CLR Reviewed by	Panel Reviewed by	CLR Review Manager/Coordinator
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iv. Over the CPS period, IFC significantly expanded its operations in Poland, making a total commitment of $401.6 million (compared to $27 million over the previous CPS period), of which 56 percent was in leasing and 37 percent in commercial banking. Investments in two leasing companies supported MSMEs in less developed regions of Poland while investment in a commercial bank were in various green projects. In addition, there were four global/regional IFC projects with about $65 million of IFC commitments in Poland. There was one active project with a MIGA guarantee of $3.7 million supporting investments in a data center.

v. On balance, IEG rates the CPS development outcome as **Satisfactory**. Of the ten CPS objectives, five were rated Achieved and five were Mostly Achieved. Under Focus Area I, there was substantial progress in fiscal consolidation accompanied by rationalization of budget spending. On business environment, the program supported broad-based improvements in investment climate, but the specific outcome target for time needed for business registration was not achieved. On innovation, good progress has been made in supporting private sector led innovation and reflected in improvements in the overall Poland's standing in innovation, but SME innovation capacity remains weak. Under Focus Area II, the program made exceptional progress in the area of labor markets by supporting across-the-board increases in employment rates in an inclusive manner. In the health sector, the program helped to accomplish several key reform steps to advance the transition to an integrated health delivery system. On regional development, four key regional planning instruments have been prepared and under implementation and important regional pilots have been launched and scaled up to eight regions with EC funding. Under Focus Area III, good progress has been made on enhancing flood protection, but implementation pace has been slower than expected to ensure full protection of the target areas. Road safety has improved as measured by reduction in the number of accidents and fatalities against the baselines. In the climate policy area, there is evidence of use of the PLACE model for setting the new country's policy targets. In the area of development cooperation (Focus Area IV), Poland's contribution to development cooperation and global public goods primarily with respect to knowledge generation and sharing. IFC investments in financial institutions contributed to progress towards program objectives on innovativeness, regional development, and climate policy.

vi. IEG rates WBG performance as **Good**. The CPS addressed key development constraints and was aligned with government economic program and objectives. The CPS objectives were consistent with WBG poverty reduction and shared prosperity goals (e.g., by focusing on more inclusive labor markets). The CPS was selective, reflecting WBG's comparative advantages as well as division of labor and complementarity with the EC. The selected mix of WBG instruments was appropriate: the emphasis on knowledge products was well-grounded in the country context and reflected the client's preferences. The ASA products were well-integrated with lending under the DPL program. The use of RAS was blended with other ASA tasks funded by the Bank and TF sources to maximize overall impact. The CPS and PLR identified risks adequately and the proposed mitigation measures were appropriate. However, the design of the CPS results framework had shortcomings, with weak links between program objectives and output/intermediate outcomes.

vii. Program implementation benefitted from Poland's robust economic performance and continuity of policy dialogue with the government. The PLR introduced some adjustments to the program in response to shifts in government priorities. The changes introduced at the PLR to the results framework further weakened the link between the program objectives and corresponding outcome indicators. Most planned investment lending did not materialize, in part due to availability of the EU grant funding, while some additional ASA products were delivered to ensure progress towards the development outcomes. This shift towards more ASA tasks was in line with the WBG's comparative advantage in Poland and in response to the government's preference. The political risk, which materialized, was managed well by frontloading support for critical reforms under the DPLs. IFC has expanded its portfolio by emphasizing selectivity and innovation. Bank-IFC activities were largely separate and independent from each other. There were no major safeguard issues. No request for investigation was brought to the Inspection Panel.

viii. IEG agrees with CLR lessons and would like to emphasize the following two: (i) to become an established knowledge exporter, Poland needs external support to better structure both its export products and channels for knowledge transfer; and (ii) IFC could successfully expand its portfolio in HICs by emphasizing selectivity, innovation, and alignment with the Twin Goals.

ix. IEG provides two additional lessons:

- Inadequate reflection of the policy impact of ASA products in the results framework could negatively affect the assessment of the overall performance under WBG knowledge-based country programs. In the case of Poland, the quality of ASA was good, but the impact of ASA was largely not reflected in the results framework. In the context of a knowledge intensive program, it is important to put in place a robust mechanism to assess the quality and impact of completed ASA products and supplement the indicators in the results framework with additional evidence to reflect the contribution of the ASA to the program objectives.

- The Bank could be quite successful in utilizing opportunities for reform following a financial crisis by providing a well-customized and flexible assistance package. In the case of Poland, the Bank responded effectively to the authorities' concern related to growth slowdown in 2012-13 by helping to design a set of corrective actions in the areas of fiscal policies, investment climate, labor markets, etc.

4. Strategic Focus

Relevance of the WBG Strategy:

1. ***Congruence with Country Context and Country Program***. The CPS addressed key challenges facing Poland, including a need to accelerate a transition to an innovation-led growth model and address issues related to rapidly aging population, slowdown in total factor productivity, and regional disparities. It was well aligned with the Government of Poland's 2015 economic program called the "Responsible Development Plan" (RDP), which emphasized improving business conditions, promoting innovation, social inclusion, and more equitable regional development. In addition, the CPS was aligned with Poland's EU commitments, including on fiscal deficit reduction and climate policy, and improved compliance with EU standards. Finally, the CPS was also congruent with the priorities of the Poland-EC partnership agreement[2].

2. ***Relevance of Design***. The CPS objectives were well-grounded on WBG's s country and global knowledge and reflected its comparative advantage. The CPS objectives were supported by relevant WBG lending operation***s*** and ASA products. In most cases, the proposed WBG interventions could reasonably be expected to contribute towards the achievement of the CPS objectives. For instance, policy support and technical assistance (TA) in the areas of labor market deregulation and employment services could improve labor market flexibility and inclusiveness. The choice of instruments (including heavy reliance on knowledge products) was appropriate, given the country context and client's preferences. There was a good synergy between the ASA products and the lending program (DPLs). The design also reflected close cooperation with other development partners, primarily the European Commission (EC), that provided related funding and technical assistance to the government directly or through co-financing. Furthermore, the design of the program was consistent with the principles of WBG engagement with Upper Middle Income Countries,[3] including its focus on lagging regions and prominence of reimbursable advisory services (RAS) in the advisory program. However, in a number of cases, the link was weak between the broad/country level program objectives (e.g., balanced regional development) and the WBG interventions and outcomes that were pitched at the output level. In addition, the results from some important activities (for

[2] Summary of the Partnership Agreement for Poland, 2014-2020. EC. 2014 May.
[3] World Bank. 2001. "Report of the Task Force on the World Bank Group and the Middle-Income Countries."

example, TF-supported projects in green energy) were not reflected in the CPS' results framework and linked to the CPS objectives.

Selectivity:

3. The CPS was selective, given the country context and the nature of the partnership with the GOP. The program's objectives and interventions were selected based on their congruence with the government's long-term priorities, including those related to deepening European integration. The CPS covered several areas (fiscal management, labor markets, innovation, etc.) that are critical to long-term sustainability and inclusiveness of the country's economic growth, reflecting the Bank's comparative advantage. The program's selection of CPS objectives and interventions were informed by strong partnership and division of labor with the European Commission: several interventions, primarily ASA products, were selected to provide strategic complementarity to the EC's program in Poland and improve utilization of EU grant funding.

Alignment:

4. The CPS objectives were well aligned with the corporate twin goals of poverty reduction and shared prosperity. Several program's objectives (especially, on labor markets, lagging regions, and health services) are likely to make a direct contribution to the twin goals, particularly shared prosperity, which is more relevant for Poland. Specifically, the reform program supported by the Bank's DPLs helped to improve inclusiveness of labor markets (raise employment opportunities for vulnerable groups, including youth and older workers). In addition, Bank support in the areas of fiscal management and investment climate contributed to the twin goals indirectly by strengthening institutional foundations for sustainable growth.

5. Development Outcome

Overview of Achievement by Objective:

5. The assessment of CPS objectives is based on the updated program presented at the PLR document. This review uses the following structure and terminology: four focus areas (or Strategic areas of engagement), ten objectives, and fourteen outcomes.

Focus Area I: **Economic Competitiveness**

6. **Objective 1: Enhanced Business Environment**. This objective was supported by a combination of WBG lending and ASA: the First (FY15) and Second (FY16) Resilience and Growth Development Policy Loans (DPLs), and several RAS in the following areas: 'Doing Business in Poland 2015' (FY15), on Construction Reform (FY16), Financial Reporting Capacity (FY17), Construction Licensing and Contract Enforcement (FY16). There was also the Public Policy Notes (FY16) and TA on Business Environment (FY15). This objective had two outcome indicators.

- Improved performance under the Doing Business methodology. The targets were to reduce time needed for starting a business and for obtaining a construction permit. The 2018 Doing Business (DB) reports that 37 days are still needed to start a business (compared to the target of 21 days), while the time needed to obtain a construction permit was reduced to 153 days (compared to the target pf 200 days[4]).
- Under the reform program supported by the DPL series, the GOP established a "One-stop-shop" for streamlined business registration through the enactment in 2014 of the amendments to the Law on National Court Register. This initiative did not improve the traditional (paper-based) business registration: Poland continues to lag most other EU members on DB 'Open business' indicator and was ranked 120th globally in DB2018.

[4] The above reduction in time needed for obtaining a construction permit in part reflects a change in the DB methodology.

- However, the above data may considerably underestimate actual progress made by Poland in the area of business registration. The DB methodology reflects only time required for business registration through the dominant, paper-based procedure and as such does not consider the results of online registration. The online registration platform launched by GOP in 2012 enables the processing of applications in 1-2 days[5]. Its uptake has expanded gradually and, reached almost 50 percent of all filings in 2017, according to the Government's website.

- In 2015 the GOP enacted the amendments to the Construction Law to simplify and shorten the administrative procedures preceding the start of construction work. Poland's rank on DB 'Dealing with construction permits' indicator improved from 88th in DB2014 to 41st in DB2018.

7. Overall, Poland made good progress towards the enhanced business environment. Its overall rank in DB has improved from 45th in DB2014 to 27th in DB2018. According to 'Doing Business in Poland 2015' report, between 2009 and 2015, Poland registered the most progress on the DB "distance to frontier" (DTF) metric—a measure of absolute performance with respect to the world's best practices—of any EU country. On balance, IEG rates Objective 1 as *Mostly Achieved*.

8. **Objective 2: Increased Innovativeness.** This objective was supported by several WBG instruments, including the First (FY15) and Second (FY16) Resilience and Growth DPLs, RAS on RIS3 (innovation strategies) Needs Assessment (FY16), RAS 'Review of Smart Specialization (RIS3)' (FY15), RAS 'Review of Smart Growth Operational Program' (FY15), RAS on RIS3 in Swietokrzyskie region (FY14), and RAS 'Guidance to Enhance Efficiency and Effectiveness of R&D Programs' (FY17). IFC supported the introduction of two innovative bond issues by Poland's financial institutions – a green bond and a gender bond to expand access to finance by women entrepreneurs. This objective had one outcome and associated indicator.

- <u>A policy instrument to effectively support private sector-led innovation</u> (including through an increased focus on SMEs and the introduction of non-grant mechanisms) is adopted and used under the upcoming EU Financial Perspective. The new Smart Growth Operational Program (SGOP) for innovation was adopted by the EC in February 2015 for financing under the 2014-2020 EU Financial Perspective and is being implemented. It brought Poland €8.6 billion in EU funding, which together with additional national co-financing, allowed for a major expansion in public support for innovation.

- Additional information from the DPL-supported program in the innovation area indicates that R&D spending as percent of GDP increased from 0.9 percent in 2012 to 1 percent in 2015, but the level of R&D spending remains well below the EU-28 average of two percent and the EU target for 2020 of three percent. A Bank paper[6] (2017) found that one of the main instruments to support early stage innovation by SMEs, funded under the SGOP, has had a positive impact on science-industry collaboration.

9. Broader measures of Poland's increased innovativeness suggest some improvements over the CPS period. Poland's ranking on the Innovation Pillar slightly improved, from 65th out of 148 countries (with a score of 3.2 out of 7) in 2012, as per the World Economic Forum's (WEF) 2013-2014 Global Competitiveness Report, to 59th out of 137 (score of 3.4/7) in 2016 per the respective WEF 2017-2018 Report. When measured by the EU innovation scorecard, Poland's performance has improved by two percentage points relative to that of the EU average in 2010 – from 53 percent in 2010 to 55 percent in 2016. Moreover, progress has been faster than the aggregate on creating an innovation friendly environment as well as on availability of financing for firm R&D, areas relevant to the Bank engagement. At the same time, SME innovation capacity remains by far the weakest element of the nation's innovation ecosystem and it did not show any progress recently. On balance, IEG rates Objective 2 as *Mostly Achieved*.

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[5] Doing Business in Poland 2015, p. 3.

[6] Bruhn, Miriam and David McKenzie. "Can grants to consortia spur innovation and science-industry collaboration? Regression-discontinuity evidence from Poland." January 2017. World Bank Policy Research Working Paper 7934.

10. **Objective 3: Effective Public Finance.** This objective was supported by a combination of WBG lending and ASA instruments, including the First (FY15) and Second (FY16) Resilience and Growth DPLs, RAS on Financial Reporting Capacity (FY17), the Economic and Sector Works (ESW) 'Is Poland Saving Enough?' (FY14), TA on Public Spending Review (FY16), and TA on Public Finance Work (FY17). The Bank provided support in several areas of fiscal management, including expenditure rationalization, amendments to the tax laws, budget preparation, budget accounting, and equalization transfers.

11. This objective had two outcomes indicators.

- An expenditure rule is adopted. The target was to put in place an expenditure rule to ensure the sustainability of fiscal deficit reduction and compliance with the EU's Excessive Deficit Procedure (EDP). The new permanent fiscal rule was adopted in 2014, as part of the prior action supported under the DPL series, through amendments to the Public Finance Act. The rule is consistent with the common EU requirements. The latest IMF assessment (July 2017) acknowledges that Poland's fiscal rules are effective.

- Behavioral taxation pilots are conducted and assessed. Behavioral taxation pilot was deployed in two regions in 2015 as part of broader effort to improve revenue performance and compliance. The pilot results were evaluated by the Bank[7] and findings from the report show a noticeable increase in tax compliance (improved payments of income tax arrears). The pilot was rolled out at the national level in June 2017.

12. The Bank made significant contribution to broad improvements in Poland's fiscal sustainability and effectiveness over the CPS period. Specifically, the budget deficit was reduced, while public debt has stabilized at the sustainable level (IMF's assessment). Through the Bank supported DPO series, the GOP brought its budget deficit under three percent of GDP in 2014, which allowed the closing of the EDP by the European Council in 2015, one year ahead of the earlier agreed schedule. Meanwhile, the effectiveness of core expenditure programs, such as in social protection and education[8], improved, as evidenced by the recent Systemic Country Diagnostic (SCD) for Poland. On balance, IEG rates Objective 3 as *Achieved.*

13. On balance, IEG rates Focus Area I as Moderately Satisfactory. Of the three Objectives, two were rated as Mostly Achieved and one was rated as Achieved. Substantial progress was made on enhancing business environment, by reducing the time needed to obtain construction permit; but limited progress on reducing the time for registering a business. On innovation, good progress has been made in supporting private sector led innovation and reflected in improvements in the overall Poland's standing in innovation, but SME innovation capacity remains weak. The program fully achieved the public finance objective: fiscal management has improved, new fiscal rules are effective, and fiscal risks were subdued.

Focus Area II: Equity and Inclusion

14. **Objective 4: Inclusive and Effective Labor Markets.** This objective was supported by a combination of lending and ASA interventions, including the First (FY15) and Second (FY16) Resilience and Growth DPLs, TA on Activation and Employment Promotion (FY16), TA on Social Inclusion (FY16), TA on Poland Jobs Dialogue (FY16), TA on Public Spending Review (FY16), and the ESW on Social Inclusion (FY15). This objective had one outcome indicator.

- A policy instrument to effectively support inclusion through the labor market (especially for older workers, women, and youth) is adopted and used under the EU Financial Perspective. The new Knowledge, Education and Development Operational Program (OP KED) was

[7] Marco Hernandez, Julian Jamison, Ewa Korczyc, Nina Mazar and Roberto Sormani. Applying Behavioral Insights to Improve Tax Collection. Experimental Evidence from Poland. World Bank. 2017. June.
[8] For instance, test scores for the Program for International Student Assessment (PISA) show that Poland's increase in the quality of its education was one of the fastest among OECD countries in the last decade.

adopted in 2014 and has been funded under the 2014-2020 EU Financial perspective. It covers a range of policies and instruments aimed at strengthening labor market institutions, facilitating labor market flexibility, expanding employment opportunities for youth, women and families with children, etc.

15. Additional information from the DPL series related to the performance of labor markets indicates that the number of long-term unemployed was reduced by 7 percent in 2014-2015, with more than half of this reduction representing women. In addition, several important policy changes were introduced as part of the reform program supported by the DPL series, including (i) amendments to the Labor Code to increase flexibility of labor markets, (ii) legal amendments to strengthen employment services and promote employment amongst vulnerable groups, (iii) deregulation of almost 250 professions to ease access to the professions, and (iv) strengthening labor incentives for low-income families with children. Beyond the DPLs, the Bank provided policy advice and analytics to further strengthen the government's labor market policies and institutions to facilitate equity and inclusion.

16. The broader picture suggests significant improvements in Poland's labor market performance over the last decade, which is illustrated by increased labor market participation, reduced unemployment, and greater inclusiveness. These trends were sustained over the CPS period. The overall employment rate rose 8.2 p.p. over 2006-15, and 5.4 p.p. of this increase can be attributed to the older workers (aged 55-64)[9]. A significant portion of the increase in the overall employment rate, 3 p.p., took place in 2013-15. The unemployment rate (seasonally adjusted) dropped to a historical low of 4.8 percent in April 2017 (compared to close to 20 percent in 2005). Still labor participation in Poland remains much lower than the EU average.

17. On balance, IEG rates Objective 4 as *Achieved.*

18. **Objective 5: Balanced Regional Development**. This objective was supported by a number of non-lending instruments, including the RAS on RIS3 (regional innovation strategy) in Swietokrzyskie region (FY14), TA on Regional Development Support – Review of Regional Strategies (FY14), TA on Regional Development Support – Mid-Term Financial Forecasts (FY15), the TA on Green Urban Transport Solutions (FY16), TA on Support to Subnational Governments in the Health Sector (FY14), the TF-funded TA on Catching-up Regions of Poland (FY17). IFC investments in two leasing companies focused on supporting MSMEs in less developed regions. This objective had one outcome indicator.

- <u>At least five key regional planning instruments (i.e., regional development strategies, regional operational programs, or subnational medium term fiscal plans), prepared with Bank support, under implementation</u>. The CLR reports that four key regional planning instruments were prepared with WBG support and are under implementation. Those include strategies for Lubelskie (adopted in 2014), Swietokrzyskie (adopted in 2014), and Slaskie (adopted in 2013) regions, as well as the multi-regional strategy for Eastern Poland (adopted in 2013). The CLR also lists two additional strategies -- Transport investment plans for the cities of Lublin and Bialystok and updated urban transport strategies – that are municipal-level documents, and could not be counted as regional planning instruments.

19. The CLR reports that the WBG made significant contribution to promote balanced regional development through policy advice, strengthening capacity for development planning and through specific project interventions, as in the case of IFC interventions which were concentrated in less developed regions. Further support was provided through the identification of best regional practice in business regulation (benchmarking) and facilitation of knowledge exchange on good international practices in the area of equalization transfers. The Bank's flagship activity includes the implementation of the pilot program in two lagging regions, Podkarpackie and Świętokrzyskie, in the context of EC Operational Policy 'Development of Eastern Poland' (adopted in 2014) to increase absorption and impact of the EU funds in these regions and inform policy in other lagging regions. Additional

[9] "Population ageing, labour market and public finance in Poland". EC Report, 2017.

information provided to IEG indicates that the pilots have been progressing well, as the EC extended its support for the second and third phases of the program and expanding its coverage to eight regions. Available evidence suggests that the tangible development outcomes were achieved during the first phase in the two pilot regions in the areas of vocational training, SME support, business registration, etc., and robust mechanisms were put in place for scaling up these results.

20. The selected indicator does not measure the broad development objective. At best, the indicator is an input to the achievement of balanced regional development objective. The objective itself takes longer time than the CPS period to be achieved. From a broader perspective, except for the fact that the pilots progressing well, there is no evidence that regional inequality has showed some decline over the CPS period. Although income differences between the richest and poorest regions in Poland are smaller on average than in other OECD members, four of Poland's 16 regions, located in the eastern part of the country, persistently lag the rest of the country. These four regions remain among the 20 poorest regions of the EU (SCD, p. 46). Such within-country divergence in regional economic performance is consistent with the EU-wide trend[10]. It is plausible, however, based on the initial results from the pilots, that over the longer period the ongoing WBG's interventions would help accelerate economic development in the lagging regions and reduce income inequality. On balance, IEG rates Objective 5 as *Achieved.*

21. **Objective 6: Integrated Health Delivery**. This objective was supported by several ASA instruments, including ESW Regional Aging Flagship (FY15), TAs on Long Term Care Strategy for Poland (FY16), Health Financing and Delivery Innovations (FY16), and on Support to Subnational Governments in the Health Sector (FY14). This objective had one outcome indicator.

- <u>At least three (3) pilots on integrated health delivery launched.</u> The CLR reports that three integrated health delivery pilots were designed through a RAS engagement reflecting three different models for integration of health service delivery. All three were accepted by the government counterparts. The first pilot is under implementation while the remaining two will be implemented sequentially so that the GOP will have an opportunity to learn from the first one. The first pilot covers about 300,000 patients and 45 primary health facilities (out of total 10,000 providers). The launching dates for two other pilots have not been specified.

22. The CLR also reports that Bank work on designing the pilots has informed the preparation of a new Health Law that was adopted in 2017. The Law provides a legal basis for scaling up the health pilots nationally. Other important Bank contributions to the transition to the new integrated health delivery system were made through analysis of the effects of ageing population on future demand for health services.

23. On balance, IEG rates Objective 6 as *Mostly Achieved*. Initial important steps have been completed towards the new system of integrated health delivery.

24. IEG rates Focus Area II as Satisfactory. Of the three objectives, two were rated Achieved and one was rated Mostly Achieved. On labor markets, there has been exceptional progress towards more effective and inclusive labor markets, supported by policy reforms and institutional building. On regional development, four key regional planning instruments have been prepared and under implementation and important regional pilots have been launched and progressing well and scaled up to eight regions with EC funding. On health, some critical initial reform steps have been undertaken to advance the transition towards an integrated health delivery system.

<u>Focus Area III</u>: Climate Action

25. **Objective 7: Informed Climate Change Policy.** This objective was supported by several ASA products, including a TA on Building Economic Modeling Capacity for Climate Policy Analysis (FY15), an IDF grant on Low Emissions Strategy (FY13), and TF-financed Stargard Geothermal Project

[10] 'Poland Catching-up Regions. Key Regional Development Dynamics'. World Bank. 2017. p. 13

(FY06, closed in FY14). IFC investment supported the first issue of green bonds by a Polish bank. This objective had one indicator.

- Economic model to assess the impact on the overall economy of climate change-related policy options in use. The CLR reports that the PLACE[11] multi-sector computable general equilibrium (CGE) economic model was prepared with Bank technical assistance and used government counterparts to assess the economic impact of energy and climate policies. Specifically, the model has been used by staff of the National Centre for Emissions Management (KOBiZE), a public sector entity under the Ministry of the Environment, with a mandate for preparation of greenhouse gases (GHG) emission projections and developing methodologies for emission estimates. The CLR further reports that in recognition of importance of this initiative, in 2017 the KOBiZE Center received a sizable EU grant to continue PLACE-related modeling work.

26. The CLR further reports that the Bank's support to the development of the model made sustainable impact on the technical capacity in evidence-based climate policy analysis inside the public administration. Available evidence points to the use of PLACE model for analysis of various hypothetical scenarios. Based on additional information made available to IEG, the results of this analysis were used to justify the recently agreed and negotiated with the EU target for Poland to reduce the country's emissions not covered by the EU's Emission Trade System (so-called non-ETS emissions) by 2030 by 7 percent in absolute terms relative to 2005. The broader environmental trends for Poland, however, remain of concern and do not indicate any recent shift towards a more environmentally friendly policy. While the GHG emission index decreased from 85.5 in 2012 to 82.8 in 2015 (Eurostat data), Poland still has one of the least emissions-efficient economies in Europe. Moreover, according to the Environmental Performance Index (EPI)[12] Poland's environmental performance has been lagging relative to its peers recently. Poland was ranked 50th out of 180 countries by EPI2018, which is considerably worse than by EPI2014 (Overall ranking - 30th out of 178). On balance, IEG rates Objective 7 as *Achieved.*

27. **Objective 8: Enhanced Protection Against Floods**. This objective was supported by the Odra River Basin Flood Protection Project (FY07) and the Odra-Vistula Flood Management Project (FY16). This objective had one outcome indicator.

- Reduction in risk for population in the Wroclaw area and in urban centers upstream of Wroclaw against 1-in-1000 years flood episodes, such as the 1997 flood. The target was to reduce flood-related risks for about 2.5 million people in the Wroclaw area. The CLR reports that full protection has been achieved only for the population living in Wroclaw. While protection for the urban centers upstream from Wroclaw has increased, full protection for these areas requires the completion of ongoing works under the FY07 project, which have been delayed due in part by unexpected geological challenges. The CLR further reports that the important by-product of the FY07 project was to enhance the capacity of various government levels to implement large infrastructure projects that helped to scale up the initial intervention to provide flood protection for a much larger population (15 million) under the FY16 project.

28. On balance, IEG rates Objective 8 as *Mostly Achieved.*

29. **Objective 9: Road Safety Enhanced.** This objective was supported by various ASA products, including TA on Poland Road Safety (FY17), RAS on GDDKiA (National Road Administration) Road Safety Practices Review (FY17), and TA on Piloting Green Urban Solutions in Transport (FY16). This objective had two outcome indicators.

- Number of road accidents/fatalities decreased. The target (introduced at the PLR) was to reduce the annual number of road accidents and fatalities against the 2013 baselines (35,847 accidents and 3,357 fatalities, respectively). The CLR reports that in 2017 there were

[11] PLACE stands for the Polish Laboratory for Analysis of Climate and Energy Policy.
[12] https://epi.envirocenter.yale.edu/epi-country-report/POL

registered 32,705 accidents, or a decrease of 3,142 (8.8 percent) and 2,810 fatalities, or a decrease of 547 (16.3 percent), according to the websites of national police and the Secretariat of National Road Safety Council.

30. The Bank through its ASA work noted above provided recommendations to improve road safety funding, road safety education as well as to strengthen capacity of the Road Safety Agency, and it is plausible that this advisory work contributed to observed improvements in road safety. IEG notes that the link between Objective 9 and the focus area of Climate Action is weak. On balance, IEG rates Objective 9 as *Achieved.*

31. IEG rates Focus Area III as Satisfactory. Two objectives were Achieved and one objective was Mostly Achieved. On climate policy, the PLACE model improved national capacity for policy analysis, and there is some evidence that this improved capacity was used to set up the new country's climate policy targets. On flood protection, good progress has been made, but the implementation pace has been slower than expected to ensure full protection for the target areas. Road safety improved with significant reduction in both the number of accidents and fatalities against the baselines.

Focus Area IV: Poland as a Global Development Partner

32. **Objective 10: Contribution to development cooperation and global public goods.** This objective was supported by several ASA instruments, including a TA 'Poland as a Global Partner' (FY15) and the ESW 'Lessons of experience from the Polish transition' (FY17). IFC worked closely with Polish multinational companies to support their global expansion and made one co-investment in Romania. This objective had two outcome indicators.

- The report "Lessons from Poland, insights for Poland" completed and disseminated. The report "Lessons from Poland, insights for Poland" was completed in 2017 and widely disseminated. It summarized the lessons of experience from Polish transition to the high-income country status and considered to be highly relevant for middle-income countries (MICs) that aim to complete similar transition.

- At least two knowledge events with Eastern Partnership countries held. The CLR reports that two knowledge exchange conferences with the Eastern Partnership countries were organized jointly with the GOP on a cost-sharing basis – in Warsaw (June 2014) and Tbilisi (June 2015). IEG notes that both the events were held before the respective target was introduced in the PLR (July 2016). The CLR also reports that additional bilateral knowledge sharing events were organized with Eastern Partnership (Georgia, Azerbaijan, Belarus) and other (China, Mongolia) countries.

- Additional evidence indicates that knowledge accumulated during Poland's transition (and Bank support for the underlying reforms) has informed policy choices in other Bank client countries, as was the case for instance with the introduction of fiscal rules and with support to less developed regions. Moreover, most RAS outputs (funded by the GOP) were made publicly available and contributed to global knowledge. The CLR reports that Poland doubled its IDA contribution, although from a low base. It also acknowledges that Poland's knowledge exports remain much below potential.

33. This CPS objective was too broad. The CPS proposed to clarify the specific targets for Objective 10 at the time of PLR. At the PLR, the Bank decided to keep the original objective intact, while selecting the two targets that do not reflect the initial ambition of building development partnership with Poland beyond knowledge generation and sharing. This was explained by lack of fiscal space and apparent limited interest of the new Government in expanding the country's contribution to development cooperation. On balance, IEG rates Objective 10 as *Mostly Achieved*.

34. Based on the above rating for Objective 10, IEG rates Focus Area IV as Moderately Satisfactory.

Overall Assessment and Rating

35. On balance, IEG rates the CPS development outcome as **Satisfactory**. Of the ten program objectives, five were rated Achieved and five were Mostly Achieved. Under Focus Area I, progress was substantial in the area of public finance where fiscal consolidation gains were significant and accompanied by the rationalization of budget spending. On business environment, the program supported broad-based improvements in investment climate, but the specific outcome target for time needed for business registration remained unmet. On innovation, progress has been good in supporting private sector led innovation and reflected some improvements in the overall Poland's standing in innovation, but SME innovation capacity remains weak. Under Focus Area II, progress has been exceptional in the area of labor markets where there was major advancement towards more effective and inclusive labor markets. On regional development, four key regional planning instruments have been prepared and under implementation and important regional pilots have been launched and scaled up to eight regions with EC funding. On health, some critical initial reform steps have been undertaken to advance the transition towards an integrated health delivery system. Under Focus Area III, good progress has been made on enhancing flood protection, but implementation pace has been slower than expected to ensure full protection for the target areas. There was also good progress on road safety as measured by reduction in the number of accidents and fatalities against the baselines. In the climate policy area, there is evidence of use of the PLACE model for setting the new country's policy targets. In the area of development cooperation (Focus Area IV), Poland's contribution has increased but was limited primarily to knowledge generation and sharing.

Objectives	CLR Rating	IEG Rating
Focus Area I: Economic Competitiveness	*Satisfactory*	*Moderately Satisfactory*
Objective 1. Enhanced Business Environment	*Mostly Achieved*	*Mostly Achieved*
Objective 2. Increased Innovativeness	*Achieved*	*Mostly Achieved*
Objective 3. Effective Public Finance	*Achieved*	*Achieved*
Focus Area II: Equity and Inclusion	*Satisfactory*	*Satisfactory*
Objective 4. Inclusive and Effective Labor Markets	*Achieved*	*Achieved*
Objective 5. Balanced Regional Development	*Achieved*	*Achieved*
Objective 6. Integrated Health Delivery	*Mostly Achieved*	*Mostly Achieved*
Focus Area III: Climate Action	*Satisfactory*	*Satisfactory*
Objective 7. Informed Climate Change Policy	*Achieved*	*Achieved*
Objective 8. Enhanced Protection Against Floods	*Mostly Achieved*	*Mostly Achieved*
Objective 9. Road Safety Enhanced	*Achieved*	*Achieved*
Focus Area IV: Poland as a Global Development Partner	*Satisfactory*	*Moderately Satisfactory*
Objective 10. Contribution to development cooperation and global public goods	*Achieved*	*Mostly Achieved*

6. WBG Performance

Lending and Investments

36. At the beginning of the CPS period, IBRD had total commitments of $1.492 billion, comprising of two operations: the Second DPL (FY13) ($1.308 billion) and the Odra River Basin Flood Protection Project (FY07) for $184 million. During the CPS period, IBRD had total commitments of $2.470 billion, comprising of three operations (two DPFs and one IPF). More than 80 percent of new commitments were development policy financing (DPF) with total commitments of $1.966 billion. The remaining

operation was an IPF - Odra-Vistula Flood Management Project (FY16) for $504 million in commitments. The new IBRD commitments were lower than planned due to availability of grant resources from the EU structural funds. At the beginning of the CPS period, nine Grants and Trusts Funds were active during the CPS period, with total commitments of $58.3 million. More than 80 percent of these grants supported investments in green energy. No new grants were approved during the CPS period.

37. Poland's overall performance at exit was better than the comparators (ECA and Bank overall). The Second DPL (FY13) was rated satisfactory for development outcomes. However, the small size of the portfolio at exit does not allow for meaningful comparison. The small size of the active portfolio (two operations) also lends the comparison less meaningful.

38. At the start of the CPS period, IFC had two active projects in Poland – one in the service sector and the other a collective investment vehicle - with total net commitments of $5.8 million. IFC significantly expanded its operations in Poland over the CPS period, making a total commitment of $401.6 million (compared to $27 million over the previous CPS period), of which 56 percent was in leasing, 37 percent in commercial banking, 4 percent in collective investment vehicles, and 3 percent in agribusiness. The investments in the two leasing companies were earmarked for supporting MSMEs in less developed regions of Poland. The investment in the commercial bank supported various green projects including renewable energy, energy efficiency, and water efficiency. The equity fund supported by IFC focused on investments in medium size companies in Poland as well as in Central and Eastern Europe. In addition, there were four global/regional projects – three in agribusiness and one in manufacturing - with about $65 million of IFC commitments in Poland (out of a total of $208 million IFC total commitments in these projects). No Expanded Project Supervision Report (XPSR) was prepared for IFC investment projects during the CPS period.

39. During the CPS period, there was one active project with a MIGA guarantee of $3.7 million. The project was part of MIGA's Small Investment Program and consisted of the establishment and operation of a data center providing connectivity services. The MIGA guarantee covered both the equity investment of a European telecommunications company and a non-shareholder loan from a foreign commercial bank.

Analytic and Advisory Activities and Services

40. During the CPS period, 49 ASA tasks were completed, most of them were TA products. The Reimbursable Advisory Services accounted for 42 percent of the total ASA tasks. Completed tasks covered all ten CPS objectives of the program and were delivered in line with the thematic priorities outlined in the CPS. However, there were no ASA in several thematic areas listed in the CPS, including gender and subnational debt. Several of ASA products were closely linked to the CPS objectives supported under the DPL program and contributed to the implementation of policy reforms. The delivery of half of CPS objectives (including in health and road safety) was supported exclusively by ASA products. Some Bank advisory work was quite innovative, including in the areas of fiscal rules and tax administration. The ASA products provided a knowledge platform for preparation of the Systemic Country Diagnostic (SCD), completed in 2017. The ASA program benefitted from a strong dialogue with the authorities. Nineteen ASA products were RAS, funded by the GOP and delivered jointly with Polish counterparts. RAS products were blended with ASA funded by the Bank and TF sources to maximize overall impact. Most RAS outputs were made publicly available, contributing to global knowledge. As reported by the PLR, the RAS program focused on delivery of highly technical outputs intended to help the client with the detailed design of its reform plans.

41. The CLR did not report if there was a systematic effort to assess the quality and impact of completed ASA products despite the Bank's commitment at the CPS stage: "the WBG will make a particular effort to develop adequate systems to monitor the impact and effectiveness of knowledge products". However, the Bank conducted an impact evaluation of its policy advice in a number of cases (new innovation support instruments, behavioral tax pilots). These evaluations concluded that the Bank's recommendations were effective and contributed to positive developments on the ground. There has been other indirect evidence of effectiveness of the Bank knowledge products, such as the

decision of the GOP and other partners (EU) to extend funding for continuation of work on specific ASA products beyond their initial stage.

42. During the CPS period, IFC had no active advisory services (AS) project, nor was there a Project Completion Report (PCR) for AS projects.

Results Framework

43. The CPS objectives were well aligned with the country development goals and addressed several critical constraints. Broadly, the results framework reflected the link between the country development goals and issues and the CPS objectives, WBG interventions and outcomes. However, some of the CPS objectives (e.g., balanced regional development) were broad in scope and could not plausibly be achieved over the CPS period. In several instances, the link between the CPS objectives and the indicators and nature of WBG assistance was weak. At the PLR stage, this disconnect between objectives and indicators and WBG interventions was made even more pronounced when the original CPS program objectives were replaced with the country development goals in the original CPS document This change made the CPS objectives even broader in scope. For example, the original objective of strengthening regional capacity for strategic planning was replaced by "balanced regional development". Neither PLR nor the CLR explained this change. In addition, the CPS result framework did not adequately reflect how the contributions or impact of results/recommendations of stand-alone ASA products would be assessed and measured. This is a significant shortcoming for a knowledge-based country program. The CPS recognized the challenge of developing a results matrix for the knowledge-intensive program and made a commitment develop an adequate system to monitor the impact of knowledge products, but this commitment did not materialize. However, the Bank evaluated the impact of its ASA products in limited number of cases, which concluded that the Bank's recommendations were effective.

Partnerships and Development Partner Coordination

44. The WBG has been a relatively small player by the size of its financial transfer to Poland. With $2.5 billion in lending over the four-year CPS period, IBRD lending amount was insignificant in comparison with the volume of EU grants to Poland (average annual allocation reached $14 billion over the 2014-2020 period). Thus, the strategic priority of the CPS was to further strengthen the WBG partnership with the EU and complement the EC's program in Poland. Evidence of intensive consultation with the EC teams and alignment with the EU priorities includes the Bank's policy advice and TA that helped the GOP secure significant EU grant funding and contributed to the rationalization of respective spending programs (e.g. in the area of innovation support). The Bank also helped to bring in considerable amounts of European co-financing for scaling-up the initial Bank projects (e.g. in flood protection, where the new project is co-funded by the Council of Europe Development Bank, CEB). There was also collaboration with the IMF on macroeconomic issues, especially in the context of DPLs, and with bilateral partners (Swiss and Korean Governments).

Safeguards and Fiduciary Issues

45. During the CPS review period, no investment operations were closed and validated by IEG. The CLR reports progress regarding environmental and social safeguards that include local capacity building, problem solving and the improvement of national safeguards standards. The CLR further indicates that the Bank's active response, effective design and implementation support helped preserve cultural heritage under the ongoing Odra River Basin Flood Protection Project (FY07), while showing best practice in resettlement processes, with full compliance with the safeguards requirements. No request for investigation was brought to the Inspection Panel during the review period. INT had no substantiated cases during the CPS period.

Ownership and Flexibility

46. The Government's ownership was strong, both at design and implementation. The CPS program was well-aligned with longer-term priorities of the authorities, while the GOP has shown strong commitment in the implementation of its reform program. Moreover, Poland's transition was characterized by policy continuity across many government changes, which helped to sustain Bank's

engagement over time. Nonetheless, there were some policy reversals (e.g. in pensions, social protection, and education) and excessive spending pressures. This resulted in the sovereign downgrade (to BBB+) by S&P in January 2016 and temporary reduction of market confidence.

47. The Bank demonstrated flexibility during the program implementation. This flexibility was demonstrated by the Bank's readiness to provide additional budget support through DPLs in the event of a stronger fallout from the Eurozone crisis (which did not materialize). The CPS program was adjusted at the PLR in response to changes in government priorities. These include changes to accommodate the drop in demand from the government for new investment lending (due to availability of EU structural grants) by adding more ASA products and by adjusting some objectives when the planned investments did not materialize (for example objective on the railways replaced with road safety). Moreover, the Bank also modified the targets under Objective 10 (development cooperation) to reflect reduced government's interest in this area.

WBG Internal Cooperation

48. The CLR reports that IFC complemented IBRD's lending and analytical work. However, it does not explicitly discuss the nature of WBG internal cooperation. Several CPS objectives were supported by IFC projects that complemented WB work. In particular, IFC investments in financial institutions contributed towards program Objectives 2 (innovativeness), 5 (regional development), and 7 (climate policy) by expanding access to finance for underserved segments of the economy, including MSMEs in less developed regions, women entrepreneurs, and green projects. These IFC projects also supported the shared prosperity and environmental sustainability corporate goals. However, CPS implementation did not contain joint IBRD/IFC/MIGA activities. The program provided opportunities for closer internal collaboration (e.g. in the investment climate field) that were not utilized.

Risk Identification and Mitigation

49. The CPS identified four types of risks: political (potential government change), economic (impact of the Eurozone crisis), social (resistance to reforms), and implementation (administrative capacity) risks. The CPS presented some mitigation measures for all these risks except for the implementation risk (which was considered to be low). The PLR reconfirmed the relevance of these risks and discussed the extent to which they had materialized during the implementation period. In retrospect, the CPS risk identification and mitigation was adequate (except for implementation risk), for the risks have materialized. The political and social risks materialized, as the 2015 elections brought in a new Government with different policy priorities and a different vision in several areas (such as pensions). The CPS managed to reduce impact of this change by frontloading its support for critical reforms under the DPLs and by concentrating the policy dialogue in the areas where there was stronger internal consensus on the client side and thus poses less risk of policy reversal. With respect to the impact of European crisis, the Bank stood ready to expand its lending support, but it proved to be unnecessary: Poland managed to sustain solid economic growth despite weak performance within the Eurozone, in part due to the enabling macroeconomic framework being put in place with help from the Bank and other partners. Regarding the implementation risk, both the PLR and CLR point to delays in the implementation of flood protection projects due in part to change in administration, but the mitigation measures were not discussed.

Overall Assessment and Rating

50. IEG rates WBG performance as **Good**. The CPS addressed key development constraints and was aligned with government economic program and objectives. The CPS objectives were consistent with WBG poverty reduction and shared prosperity goals (e.g., by focusing on more inclusive labor markets). The CPS was selective, reflecting WBG's comparative advantages as well as division of labor and complementarity with the EC. The selected mix of WBG instruments was appropriate: the emphasis on knowledge products was well-grounded in the country context and reflected the client's preferences. The ASA products were well-integrated with lending under the DPL program. IFC investments were aligned with the program objectives. The CPS and PLR identified main risks adequately and the proposed mitigation measures were appropriate. However, the design of the CPS

results framework had shortcomings, with weak links between program objectives and output/intermediate outcomes.

51. Program implementation benefitted from Poland's robust economic performance and continuity of policy dialogue with the government. Government ownership was strong in most cases reflecting alignment of the program with government priorities and strong government commitment to its reform plans. The PLR introduced some adjustments to the program responding to the shifts in government priorities. The changes introduced at the PLR to the results framework further weakened a link between the program objectives and indicators. Most originally planned investment lending did not materialize (due to availability of EC structural funds), while some additional ASA products were delivered to ensure progress towards the development outcomes. The Bank evaluated the impact of its ASA products in limited number of cases, and these evaluations concluded that the Bank's recommendations were effective. The political risk, which materialized, was managed well by frontloading the critical reforms under the DPL program. IFC has expanded its portfolio by emphasizing selectivity and innovation. Bank-IFC activities were largely separate and independent from each other. There were no major safeguard issues. No request for investigation was brought to the Inspection Panel.

7. Assessment of CLR Completion Report

52. The CLR provides a clear and concise assessment. It presents evidence on the extent to which all program specific targets were achieved as well on the WBG's contribution to attainment of these targets. In several instances, the CLR goes beyond the analysis of selected indicators, but this is not done consistently across the whole range of program objectives. The CLR also presents insightful lessons from the program implementation. Other shortcomings include: (i) lack of discussion on the quality of the results framework; (ii) absence of the full list of planned ASA products, including those that were dropped in the course of CPS implementation, in Annex 3; and (iii) no explanation for the lack of progress with PPP transactions, which represents potentially a large market for the WBG.

8. Findings and Lessons

53. IEG agrees with CLR lessons and would like to emphasize the following two. First, to become an established knowledge exporter, Poland needs external support to better structure both its export products and channels for knowledge transfer. Second, IFC could successfully expand its portfolio in HICs by emphasizing selectivity, innovation, and alignment with the twin goals.

54. IEG provides two additional lessons:

- Inadequate reflection of the policy impact of ASA products in the results framework could negatively affect the assessment of the overall performance under WBG knowledge-based country programs. In the case of Poland, the quality of ASA was good, but the impact of ASA was largely not reflected in the results framework. In the context of a knowledge intensive program, it is important to put in place a robust mechanism to assess the quality and impact of completed ASA products and supplement the indicators in the results framework with additional evidence to reflect the contribution of the ASA to the program objectives.

- The Bank could be quite successful in utilizing opportunities for reform created following the financial crisis by providing a well-customized and flexible assistance package. In the case of Poland, the Bank responded effectively to the authorities' concern related to growth slowdown in 2012-13 by helping to design a set of corrective actions in the areas of fiscal policies, investment climate, labor markets, etc.

Annex Table 1: Summary of Achievements of CPS Objectives – Poland

	CPS FY14-FY17: Focus Area I: *Economic Competitiveness*	Actual Results	IEG Comments
	1. CPS Objective: Enhanced Business Environment		
Major Outcome Measures	Outcome 1: Significantly improved performance as measured under the Doing Business methodology in starting a business (time reduced from 32 days to 21 days), and construction permits (time reduced from 301 days to 200 days) Baseline: (2013) (i) starting a business: 32 days (ii) construction permits: 301 days Target: (2017) (i) starting a business: 21 days (ii) construction permits: 200 days	Mostly Achieved Various WBG operations supported this Objective such as: - the First (P146243, FY15) and Second (P149781, FY16) Resilience and Growth Development Policy Loans (DPL) which sought to improve private sector competitiveness and reduce the number of days to start a business as well as to obtain construction permits - the Reimbursable Advisory Service (RAS) Doing Business Poland 2015 (P149111, FY15) - the RAS Construction Reform (P156600, FY16, final output) which focused on supporting reforms to construction permits framework - the RAS Financial Reporting Program (P120361, FY17, final output) that supported the country apply the European Union (EU) Acquis Communautaire and international standards in the corporate sector and auditing - the Public Policy Notes – How Poland can Accelerate Growth with Inclusion (P156650, FY16, see final report) Management ICR: S for the DPL series reports that the time to start a business reduced from 32 days to 7 days between 2013 and 2015 and that the time to obtain a construction permit reduced from 161 days to 156 days between 2013 and 2016. The ICR also reports that the prior actions related to the establishment of one-stop shops for quick business registration and to the enactment of amendments to the Construction Law, to ease issuance of construction permits for Small and Medium Enterprises (SMEs), were fulfilled. Data from the 2017 and 2018 WBG Doing Business reports indicate that 37 days are needed to start a business (target not met) and 153 days are needed to obtain a construction permit (target met).	The CPS original outcome also measured the following: *getting electricity (time reduced from 186 days to 123 days).* 2013 WBG Doing Business data reported 301 days to obtain construction permits – compared to a baseline of 161 days reported in the DPL series for 2013. The Doing Business Poland 2015, which reports data at sub-national level, indicates that, as reported in the CLR, eight cities required less days (between 8 and 29 days) than Warsaw (30 days) to open a business. 7 days needed for business registration reported in the ICR for DPL represents only filings done through the online registration system. Online filings still make less than half of all business registrations. The traditional, paper-based filing takes much longer (estimated at 37 days by DB2018).

CPS FY14-FY17: Focus Area I: *Economic Competitiveness*	Actual Results	IEG Comments
2. CPS Objective: Increased innovativeness		
Outcome 1: Instrument to effectively support private sector-led innovation (including an increased focus on SMEs and the introduction of non-grant mechanisms) adopted and used under the upcoming EU Financial Perspective Baseline: No instrument (2013) Target: Instrument adopted and used under the upcoming EU Financial Perspective (2017)	Mostly Achieved Various WBG operations supported this Objective such as: - The First (P146243, FY15) and Second (P149781, FY16) Resilience and Growth DPL which aimed at supporting private sector competitiveness and innovation, notably supporting better institutional arrangements and increasing support for early stage innovation - the RAS Entrepreneurial Discovery and Needs Assessment (P150188, FY16, final output) that supported an assessment of quality, coherence and fulfillment of ex-ante conditionality for Research and Innovation Strategies - the RAS Review of RIS3s (innovation strategies) in Poland (P145109, FY15 final output) and RAS Review of Smart Growth Operational Program (P145107, FY15, final output) - the RAS RIS3 in Swietokrzyskie region (P148388, FY14, final output) - the RAS Guidance to NCBR to Enhance Efficiency and Effectiveness of its R&D Programs (P147652, FY17 final report) - IFC supported introduction of two innovative bond issues by financial institutions (38703 and 38099) – a green bond and a bond earmarked for gender and MSME finance. Management ICR: S for the DPL series reports that the Cabinet of Ministers approved, as a prior action, a resolution supporting Poland's Enterprise Development Program (EDP). The EDP implemented a Strategy for Innovation and Efficiency adopted in January 2013. The ICR also reports that EDP has increased support to early stage innovation, technological start-ups, and guided the development of the Smart Growth Operational Programs (SGOP) for innovation financed under the 2014-2020 EU budget perspective, which was adopted in February 2015 and that is designed as a catalyst for sustained improvement in Research and Development (R&D) and investments in innovation nationwide.	The CLR also reports that the SGOP largely incorporates the recommendations of the World Bank review of the previous program (2014) and 'Innovation support review' (2012) (P145109, see final output, and P145107 FY14, see final output). The ICR for the DPL series also reports that R&D expenditures have increased from about 0.87% of the GDP (2012) to about 1% of the GDP (2015). As reported in the CLR, WBG DEC January 2017 Evaluation also found that some of the approaches implemented through the allocation of Smart Growth funds have had a positive impact. According to the EU innovation index, Poland's performance has improved by 2 percentage points relative to that of the EU average in 2010 – from 53 percent in 2010 to 55 percent in 2016. Finally, Poland's ranking for Innovation slightly increased from 65/148 (with a score of 3.2/7) in 2012 as per the WEF 2013-2014 Global Competitiveness Report to 59/137 (score of 3.4/7) in 2016 as per the WEF 2017-2018 Global Competitiveness Report.

	CPS FY14-FY17: Focus Area I: *Economic Competitiveness*	Actual Results	IEG Comments
		While the specific target was met, broader measures of Poland's innovation potential suggest only a modest improvement.	
	3. CPS Objective: Effective Public Finance		
	Outcome 1: Expenditure rule in place ensuring the sustainability of fiscal deficit reduction and compliance with the EDP. Baseline: No expenditure rule in place (2013) Target: Expenditure rule in place (2017)	Achieved Various WBG operations supported this Objective such as: - The First (P146243, FY15) and Second (P149781, FY16) Resilience and Growth DPL: one of the DPL's prior actions (fulfilled) was the enactment of amendments to the Public Finance Act to introduce a permanent fiscal rule limiting growth of public expenditure that complies with the provisions of the Treaty on the Functioning of the EU in the area of budgetary policy - the Economic and Sector Works (ESW) Is Poland Saving Enough (P143627, FY14, final output) - the TA Poland Public Spending Review Program (P150185, FY16, final output) - the TA Public Finance Work on Poland, Tax collection behavioral experiment (P157538, FY17, completion note and the 2017 working Paper *Applying Behavioral Insights to Improve Tax Collection: Experimental Evidence from Poland*) - the RAS Financial Reporting (P120361, FY17, final output) As reported in the CLR, the expenditure rule is in place and binding in Poland. Management ICR: S for the DPL series reports that the most important achievement of the DPL's First Pillar "Enhancing Macroeconomic Resilience" was the effective introduction and implementation of the permanent fiscal rule limiting growth of public expenditures. The new permanent expenditure rule, incorporated in the 2014 and 2015 Budget Laws was designed to put the fiscal deficit on a sustainable downward.	The CPS original outcome was *Adoption of a permanent fiscal rule ensuring the sustainability of fiscal deficit reduction; introduction of an accounting system for farmers (as a step towards taxation of the agriculture sector); alignment of resource allocation with strategic priorities for the functioning of commercial courts.* Management ICR: S for the DPL series reports that the fiscal deficit reduced from 4.1% of GDP to 2.6% of GDP between 2013 and 2015. The 2017 IMF Article IV reports a 2.4% fiscal deficit for 2016 and of 2.9% for 2017 and that "The 2017 general government budget deficit of 2.9 percent of GDP represents a pro-cyclical stance and is only marginally below the Excessive Deficit Procedure (EDP) limit''. Finally, the EU Commission Staff Working Document "Country Report Poland 2018" indicates that the fiscal deficit is projected at 1.9% of GDP for 2019.
	Outcome 2: Behavioral taxation pilots conducted and assessed.	Behavioral taxation pilot was delivered as part of broader effort to improve revenue performance and compliance (see the completion note of the TA Public Finance Work on Poland, Tax collection behavioral	The CLR added that the WBG delivered work on public expenditure efficiency and on equalization transfers, not

	CPS FY14-FY17: Focus Area I: *Economic Competitiveness*	Actual Results	IEG Comments
	Baseline: No behavioral taxation pilots (2013) Target: Behavioral taxation pilots conducted and assessed (2017)	experiment (P157538, FY17). The pilot was rolled out at national scale after its deployment in two regions in 2015. Personal income taxpayers that were late in payment were targeted. The experiment contributed to revenue increases (notably through a 20.8% increase in the number of compliant taxpayers and in the payment amount by taxpayer) and that the pilot was assessed positively as reported in Annex 1 of the 2017 WBG Working Paper *Applying Behavioral Insights to Improve Tax Collection. Experimental Evidence from Poland* disseminated mid-June 2017.	captured by the two indicators of CPS Objective 3. The 2017 IMF Article IV reports that total tax revenues increased by 1.2% of the GDP to 20.8% over 2013-2017. As reported in the CLR, many peer-to-peer events in tax policy and administration were held, involving other EU countries and Canada, including on equalization transfers (see WB document)

	CPS FY14-FY17: Focus Area II: *Equity and Inclusion*	Actual Results	IEG Comments
	4. CPS Objective: Inclusive and Effective Labor Markets		
Major Outcome Measures	Outcome 1: Instrument designed to effectively support inclusion through the labor market (especially for older workers, women, and youth) adopted and used under the upcoming EU Financial Perspective Baseline: No instrument (2013) Target: Instrument designed, adopted and used under the upcoming EU Financial Perspective (2017)	Achieved Various WBG operations supported this Objective such as: - the First (P146243, FY15) and Second (P149781, FY16) Resilience and Growth DPL through the Pillar *Strengthening Labor Market Flexibility and Employment Promotion* - the AAA Tackling Social Exclusion in Poland: diagnostics and technical assistance to support effective spending of European Social Fund (P132529, FY13, delivered in FY15, final report) - the TA Activation and Employment Promotion (P148022, FY16, Summary Completion Note) - the TA Social Inclusion (P151200, FY16, final report) - the Poland Jobs Dialogue TA (P148020, FY16, Summary Completion Note) - IFC investment in BZ WBK Leasing (38099) earmarked for supporting women entrepreneurs and MSMEs in less development regions. Management ICR: S for the DPL series reports that the prior actions related to	The 2017 EU Commission report "Population Ageing, Labour Market and Public Finance in Poland" indicates that employment probabilities among workers aged 55-64 has increased (pages 23-25). The EU Commission Staff Working Document "Country Report Poland 2018" also reports that in the first half of 2017, falls in unemployment were observed for the youth, the elderly and women.

	CPS FY14-FY17: Focus Area II: *Equity and Inclusion*	Actual Results	IEG Comments
		Labor Market Resilience and Employment Promotion were achieved such as the enactment of amendments to the Labor code to increase flexibility of labor markets and the implementation of deregulations. The ICR reports the positive effects of such deregulations, notably for the young, the people older than 50 years, and support of the DPL to policies that improve services for job-seekers and parents' access to the labor market. The specific DPL target related to the performance of labor markets was achieved: the number of long-term unemployed was reduced by 7 percent in 2014-2015, with more than half of this reduction representing women. The ICR also reports that these reforms are expected to have a positive impact on the income growth of the bottom 40% of the population, and in particular on women and on workers that are vulnerable. Poland's current policies and instruments are in place under the 2014-2020 EU Financial perspective---Knowledge, Education and Development (OP KED) Operational Program.	
	5. CPS Objective: Balanced Regional Development		
	Outcome 1: At least five key regional planning instruments (i.e., regional development strategies, regional operational programs, or subnational medium term fiscal plans), prepared with Bank support, under implementation. Baseline: No instrument (2013) Target: >5 regional planning instruments prepared and under implementation (2017)	Achieved Various WBG operations supported this Objective such as: - the RAS RIS3 in Swietokrzyskie region (P148388, FY14, final output) - the Regional Development Support – Mid-Term Financial Forecasts TA (P147841, FY15, see technical output and the Assessment of Regional Development Strategy for Eastern Poland) - the TA Green Urban Transport Solutions for Sub National Governments (P148489, FY16, no final output found in the WBG systems) - the Strategic Support to Subnational Governments in the Health Sector TA (P132781, FY14, see overview of deliverables) - the Poland Catching-up Regions (P131821, FY16-19 Trust Fund, see inception report and the Overview Report)	

CPS FY14-FY17: Focus Area II: *Equity and Inclusion*	Actual Results	IEG Comments
	- IFC investments in two leasing companies – BZ WBK Leasing (38099) and Raiffeisen-Leasing Polska (37365) – focused on MSMEs in less developed regions in Poland. As reported in the CLR, five key regional planning instruments were prepared with WBG support and were under implementation: - The Swietokrzyskie region research and innovation strategy 2014-2020 (approved in 2014, see document) - The Lubelskie Region Development Strategy 2014-2020 (adopted in 2014, see document) - The Slaskie Region Development Strategy 2020+ (approved in 2013, see document) - The Development of Eastern Poland Strategy till 2020 (adopted in 2013, see document) - Transport investment plans for the cities of Lublin and Bialystok and updated urban transport strategies (but these are municipal, not region-level strategies) The CLR also reports that the WBG has worked with the EU in two pilots to increase absorption and impact of the EU funds in lagging regions—Regional OP (see the July 2016 WBG Press Release). The two selected regions were Podkarpackie and Świętokrzyskie. The pilots were also to inform policy in other regions of the country and of Europe (notably Romania). A May 2017 WBG press release reported that, in one year, the initiative had successfully addressed a number of key developed challenges faced in these two regions. The Overview Report *Poland Catching-Up Regions* provides more details on activities carried out and on the development outcomes achieved over the first phase of the implementation.	
6. CPS Objective: Integrated Health Delivery		
Outcome 1: At least three (3) pilots on integrated health delivery launched.	Mostly Achieved Various operations contributed to this Objective:	The CPS original outcome and indicator were: *Reformed health*

	CPS FY14-FY17: Focus Area II: *Equity and Inclusion*	Actual Results	IEG Comments
	Baseline: No pilot (2013) Target: >3 pilots launched (2017)	- the Health Financing and Delivery Innovations TA (P160303, FY16, see the Health Map presentation) - the ESW ECA Regional Aging Flagship (P143978, FY15, final report) - the Long Term Care Strategy for Poland TA (P156047, FY16, final output) Three integrated health delivery pilots were designed; the first one is under implementation and, as reported in the CLR, the next two will be implemented sequentially so that the Government will be able to take stock and learn from the first one. The Pilot manuals are available as WBG publications (see Pilot 1 Manual on the original scope of primary health care; Pilot 2 Manual on enhanced primary health care and Pilot 3 Manual to address the lack of integration between healthcare and social care services). The CLR also reports that work on designing the pilots has informed preparation of a Health Law that was approved by Parliament (2017) (see WBG Country Snapshot).	*care sector in an aging society and a system ensuring access to LCT (long-term care) services for those in need. Modern hospital networks in at least three voivodships (i.e. hospitals are reorganized, networked, or merged using needs-based and spatial planning as well as economic analyses to concentrate specialized services and/or limit duplications, improve patients flows, integrate in- and out-patient and/or health and social care).*

	CPS FY14-FY17: Focus Area III: *Climate Action*	Actual Results	IEG Comments
	7. CPS Objective: Informed Climate Change policy		
Major Outcome Measures	Outcome 1: Economic model to assess the impact on the overall economy of climate change-related policy options in use. Baseline: No economic model (2013) Target: Economic model in use (2017)	Achieved Various operations contributed to this Objective: - The TA Building Economic Modeling Capacity for Climate Policy Analysis (P143120, FY12-15, final output) - The IDF grant on low emissions Strategy (P129098, FY13, Implementation Completion and Results Memorandum) - The Stargard Geothermal Project (P078250, closed FY14, see Project Completion Report) - IFC investment in Bank Zachodni WBK (38703) was earmarked for supporting green projects	Additional information reported in the CLR indicates that latest available data for greenhouse gas (GHGs) emission is 2015 and that time series for 1996-2015, from Eurostat, shows absolute decoupling of emissions from economic growth meaning that the economy was growing every year but GHG emissions either declined or remained stable (with some exceptions). The Eurostat data shows that

	CPS FY14-FY17: Focus Area III: *Climate Action*	Actual Results	IEG Comments
		As reported in the CLR, the PLACE multi-sector computable general equilibrium (CGE) Economic Model was delivered to assess the economic impact of energy and climate policies and training was provided. The Economic Model is currently used by the public sector entities (see the Ministry of Finance's Working Paper). The April 2016 WBG Poland Partnership Program Snapshot also reports that the WBG supported the development of a macroeconomic model to assess the economy-wide impact of climate change–related policy decision.	GHG emission index decreased from 85.5 (2012) to 82.76 (2015) – the data considers a base year of 1990 as 100.
	8. CPS Objective: Enhanced Protection Against Floods		
	Outcome 1: Reduction in risk for about 2.5 million people in the Wroclaw area and for urban centers upstream of Wroclaw against 1-in-1000 years flood episodes, such as the 1997 flood Baseline: 0 (2013) Target: Risk reduced for about 2.5 million people (2017)	Mostly Achieved Two operations contributed to this Objective: - The Odra River Basin Flood Protection Project (P086768 , FY07): the latest ISR: MS (December 2017) reports progress towards the project development objective (PDO)'s indicator of achieving full protection against floods of the 1997 magnitude although the target is not yet achieved, as of March 2017 – B1 and B2 contracts are completed (Works on the main Wroclaw Floodway System) and B3 contracts are in progress (construction of the main Widawa flap weir). The ISR also reported a 43% progress in the project's intermediate results indicator related to reduction in area flooded, damages avoided and lives saved in cities and settlements between Raciborz and Wroclaw, - The Odra-Vistula Flood Management Project (P147460, FY16): the latest ISR: MS (December 2017) reports no progress in relation to the area and populations benefiting from enhanced protection and operational forecasts, as of November 2017 – all sub-projects were under preparation.	

	CPS FY14-FY17: Focus Area III: *Climate Action*	Actual Results	IEG Comments
	9. CPS Objective: Road Safety Enhanced		
	Outcome 1: Number of road accidents decreased according to SEWIK BASE (Crash Injury Data Base held by Police) Baseline (2013): accidents 35,847 and 3,357 fatalities Target: reduced number of fatalities and reduced number of accidents against the baseline	Achieved Various operations contributed to this Objective: - The TA Poland Road Safety Technical Support (P150558, FY17, final output) - The RAS GDDKiA Road Safety Practices Review (P157015, FY16, final report) for GDDKiA (national road administration) - The TA on Piloting Green Urban Transport Solutions in Transport Sector in Poland (P148489, FY16, no final output found in the WBG systems) The CLR reports that the targets set in the PLR were achieved as of 2015 and that progress has continued after 2015 since 32,705 accidents were reported as of 2017 and 2,810 fatalities were reported as of 2017 according to the Police and Secretariat of National Road Safety Council websites and regular annual reports. .	The CPS original outcome was *Resource-efficient and safe infrastructure. Satisfactory implementation of the 2013 railways infrastructure company (PLK) reform program, especially as regards staffing levels, safety systems, and administrative capacity for managing investment programs*. There has been some inconsistency in the way the PLR introduced the specific targets under this objective (discrepancy between Tables 1 and 2). World Health Organization road safety data for Poland are available only for 2013 (see country profile).

	CPS FY14-FY17: Focus Area IV: *Poland as a Global Development Partner*	Actual Results	IEG Comments
	10. CPS Objective: Contribution to development cooperation and global public goods		
Major Outcome Measures	Outcome 1: "Lessons from Poland, insights for Poland" completed and disseminated and at least two knowledge events with Eastern Partnership countries held. Baseline: No report and no knowledge events (2013) Target: Report completed and disseminated and two knowledge events hold (2017)	Mostly Achieved Various operations contributed to this Objective: - The TA Poland as a Global Partner (P130088, FY11 and closed in FY15, final report) - The ESW Lessons of experience from the Polish transition (P156326, FY17, see the Sustainable and Inclusive Transition to High Income Status report). As reported in the CLR, the Lessons from Poland, insights for Poland has been completed and disseminated.	The CPS original outcome was *Memorandum of Understanding signed and under implementation to develop partnerships in at least three areas of common interest*.

	CPS FY14-FY17: Focus Area IV: *Poland as a Global Development Partner*	Actual Results	IEG Comments
		The CLR also reports that IDA doubled its IDA contribution and the realization of the following activities: - Two knowledge exchange conferences with the Eastern Partnership countries (Tbilisi Jun 2015 and Warsaw Jun 2014) - Experience sharing on national audit system with Georgia, Azerbaijan, China; on aspects of the national health system – Mongolia; energy efficiency – Belarus - The IFC has organized two conferences for the largest exporters trying to help Polish companies to become regional players While the specific target was met, overall expansion in Poland's contribution to development cooperation was limited to the knowledge transfer.	

Annex Table 2: Planned and Actual Lending for Poland, FY14-FY17

Project ID	Project name	Instrument Type	Proposed FY	Approval FY	Closing FY	Proposed Amount	Proposed Amount	Approved IBRD Amount
Project Planned Under CPS/PLR 2014-2017						CPS	CPSPLR	
	DPL 1		FY14			800		
	DPL2		FY15			800		
Dropped	Railways Restructuring		FY14-15			100		
Dropped	Hospital Reform		FY14-15			100		
	DPL		FY16-17			1,200		
	Vistula River Basin Flood Protection		FY16-17			100		
Dropped	Social Inclusion		FY16-17			100		
P146243	Resilience and Growth DPL1 (PL DPL Resilience and Growth)	Dev Pol Lend	FY15	2015	2016		966	966
P149781	Resilience and Growth DPL2	Dev Pol Lend	FY17	2016	2017		1,000	1,000
P147460	Odra-Vistula Flood Management Project	Investment	FY16	2016	2024		506	504
	Total Planned					3,200	2,472	2,470
Unplanned Projects during the CPS and PLR Period								
	Total Unplanned							-
On-going Projects during the CPS and PLR Period				Approval FY	Closing FY			Approved Amount
P130459	Development Policy Loan 2	Dev Pol Lend		2013	2014			1,308
P086768	ODRA RIVER BASIN FLOOD PROT	Investment		2007	2020		184	184
	Total On-going							1,492

Source: Poland CPS and PLR, WB Business Intelligence Table 2b.1, 2a.4 and 2a.7 as of 3/9/18
*LIR: Latest internal rating. MU: Moderately Unsatisfactory. MS: Moderately Satisfactory. S: Satisfactory. HS: Highly Satisfactory.

Annex Table 3: Analytical and Advisory Work for Poland, FY14-FY17

Proj ID	Economic and Sector Work	RAS	Fiscal year	Output Type
P156326	Lessons Learnt from Poland	No	FY17	Country Economic Memorandum (CEM)
P149411	RAS Business entry & Property Registry	Yes	FY16	Sector or Thematic Study/Note
P149412	RAS Construction Lic. & Enforce Contract	Yes	FY16	Sector or Thematic Study/Note
P156650	Poland Policy Notes 2015	No	FY16	Sector or Thematic Study/Note
P132529	Poland Social Inclusion	No	FY15	Sector or Thematic Study/Note
P143978*	ECA Regional Aging Flagship	No	FY15	Sector or Thematic Study/Note
P143627	Poland: saving and growth	No	FY14	Country Economic Memorandum (CEM)

Proj ID	Technical Assistance		Fiscal year	Output Type
P120358	FBS - PUBLIC OVERSIGHT (SECO-PL)	Yes	FY17	Technical Assistance
P120359	FBS - QUAL ASSURANCE (SECO-PL)	Yes	FY17	Technical Assistance
P120360	FBS - TAX & ACCNTG (SECO-PL)	Yes	FY17	Technical Assistance
P120361	FBS - FIN RPTING CAPACITY (SECO-PL)	Yes	FY17	Technical Assistance
P120362	FBS - REGULATORY FRMWK (SECO-PL)	Yes	FY17	Technical Assistance
P120364	FBS - ENGLISH TRNG (SECO-PL)	Yes	FY17	Technical Assistance
P120365	FBS - ISA IMPLEM (SECO-PL)	Yes	FY17	Technical Assistance
P120366	FBS - CONTINUING EDUC (SECO-PL)	Yes	FY17	Technical Assistance
P146529	Poland - Road Safety TA 2	No	FY17	Technical Assistance
P147652	NCBiR Mid Term Eval and TA	Yes	FY17	Technical Assistance
P150558	Road Safety Capacity Development	Yes	FY17	Technical Assistance
P154754	Public Sector Accounting Enhancement	Yes	FY17	Technical Assistance
P157015	GDDKiA Road Safety Practices Review	Yes	FY17	Technical Assistance
P157538	Public Finance Work on Poland	No	FY17	Technical Assistance
P158179	PL Innovation/Business Environment	No	FY17	Technical Assistance
P161965	Poland Catching Up Regions - RGDV	No	FY17	Technical Assistance
P161966	Poland Catching Up Regions - TVET	No	FY17	Technical Assistance
P161967	Poland Catching Up Regions - SDBR	No	FY17	Technical Assistance
P120363	FBS - M&E, A&A ROSC (SECO-PL)	Yes	FY17	Technical Assistance
P148020	Poland Jobs Dialogue	No	FY16	Technical Assistance
P148022	Activation and Employment Promotion	No	FY16	Technical Assistance
P148489	Green Urban Transport Solutions	No	FY16	Technical Assistance
P150185	Poland Public Spending Review Program	No	FY16	Public Expenditure Review (PER)
P150188	Poland: Pilot RIS3 Needs Assessment	Yes	FY16	Technical Assistance
P151200	Poland Social Inclusion TA	No	FY16	Technical Assistance
P152813	Poland National Reform Program	No	FY16	Technical Assistance
P154375	Poland National Reform Program (CMU)	No	FY16	Technical Assistance
P156047	Poland LTC Strategy Preparation	No	FY16	Technical Assistance
P156600	Poland - Construction reform RAS	Yes	FY16	Technical Assistance
P160303	Health Financing & Delivery Innovations	No	FY16	Technical Assistance
P130088	Poland as a Global Partner	No	FY16	Technical Assistance
P143120	Economic Modeling for Climate Policy	No	FY15	Technical Assistance
P145107	Smart Growth Operational Program Review	Yes	FY15	Technical Assistance
P145109	Smart Specialization (RIS3) Review	Yes	FY15	Technical Assistance
P147841	Regional Development Support	No	FY15	Technical Assistance
P147903	Euro Adoption Support	No	FY15	Technical Assistance
P153474	PL-Business Environment/Innovation	No	FY15	Technical Assistance
P127916	ROAD SAFETY SUPPORT	No	FY15	Technical Assistance
P132781	Support to Subnational Govts. in Health	No	FY14	Technical Assistance
P133603	Moving to accrual based accounting/IPSAS	No	FY14	Technical Assistance
P146072	RAS - Infrastructure Program	Yes	FY14	Technical Assistance
P148388	PL Swietokrzyskie Voivodship RAS	Yes	FY14	Technical Assistance

Source: WB Business Intelligence 3/9/18
RAS - Reimbursable Advisory Services
*Regional project

Annex Table 4: Poland Grants and Trust Funds Active in FY14-17

Project ID	Project name	TF ID	Approval FY	Closing FY	Approved Amount
P148489*	Piloting Sustainable and Green Urban Transport Solutions for Sub National Governments	TF16175	2013	2017	610,658
P129098	Economic Policy Sector Board	TF 12225	2013	2016	434,000
P117333	PL - GIS - GREEN INVESTMENT SCHEME	TF 13500	2013	2017	1,299,545
	PL - GIS - GREEN INVESTMENT SCHEME	TF 13479	2013	2019	26,010,847
	PL - GIS - GREEN INVESTMENT SCHEME	TF 10657	2012	2017	5,887,720
	PL - GIS - GREEN INVESTMENT SCHEME	TF 10551	2012	2017	17,106,693
P078251	WALBRZYCH FUEL SWITCH (PCF)	TF 55855	2008	2014	2,587,957
P074546	Poland Puck Wind Farm Project	TF 90394	2007	2014	2,971,898
P078250	POLAND - Stargard Geothermal Project (PCF)	TF 55843	2006	2014	1,392,000
	Total				58,301,317

Source: Client Connection as of 10/30/17
* P148489 / TF 16175 approved amount based on MyTF Portal
** IEG Validates RETF that are 5M and above

Annex Table 5: IEG Project Ratings for Poland, FY14-17

Exit FY	Proj ID	Project name	Total Evaluated ($M)	IEG Outcome	IEG Risk to DO
2014	P130459	Development Policy Loan 2	1,327.1	SATISFACTORY	MODERATE
		Total	1,327.1		

Source: AO Key IEG Ratings as of 3/9/18

Annex Table 6: IEG Project Ratings for Poland and Comparators, FY14-17

Region	Total Evaluated ($M)	Total Evaluated (No)	Outcome % Sat ($)	Outcome % Sat (No)	RDO % Moderate or Lower Sat ($)	RDO % Moderate or Lower Sat (No)
Poland	1,327.1	1	100.0	100.0	100.0	100.0
ECA	14,204.1	121	93.7	80.2	60.1	50.8
World	75,191.5	821	85.8	74.5	52.0	43.0

Source: WB AO as of 3/9/18

Annex Table 7: Portfolio Status for Poland and Comparators, FY14-17

Fiscal year	2014	2015	2016	2017	Ave FY14-17
Poland					
# Proj	1	2	3	2	2
# Proj At Risk				1	1
% Proj At Risk	-	-	-	50.0	50.0
Net Comm Amt	184.0	1,149.8	1,688.0	688.0	927
Comm At Risk				184.0	184
% Commit at Risk				26.7	19.8
ECA					
# Proj	280	290	279	292	285
# Proj At Risk	37	36	47	37	39
% Proj At Risk	13.2	12.4	16.8	12.7	13.8
Net Comm Amt	26,927.9	26,544.5	27,637.3	25,808.5	26,730
Comm At Risk	2,635.4	3,533.8	4,350.5	5,466.2	3,996
% Commit at Risk	9.8	13.3	15.7	21.2	15.0
World					
# Proj	2,048	2,022	1,975	2,072	2,029
# Proj At Risk	412	444	422	449	432
% Proj At Risk	20.1	22.0	21.4	21.7	21.3
Net Comm Amt	192,610.1	201,045.2	220,331.5	224,473.4	209,615
Comm At Risk	40,933.5	45,987.7	44,244.9	52,549.1	45,929
% Commit at Risk	21.3	22.9	20.1	23.4	21.9

Source: WB BI as of 3/9/18

Annex Table 8: Disbursement Ratio for Poland, FY14-17

Fiscal Year	2014	2015	2016	2017	Overall Result
Poland					
Disbursement Ratio	24.5	48.3		14.1	18.6
Inv Disb in FY	29.8	41.9		77.2	148.9
Inv Tot Undisb Begin FY	121.2	86.7	44.8	547.1	799.8
ECA					
Disbursement Ratio	22.8	23.5	17.5	20.7	21.0
Inv Disb in FY	2,612.0	2,664.4	2,275.6	2,857.1	10,409.1
Inv Tot Undisb Begin FY	11,467.5	11,342.1	13,028.9	13,776.0	49,614.4
World					
Disbursement Ratio	20.8	21.8	19.5	20.5	20.6
Inv Disb in FY	20,757.7	21,853.7	21,152.9	22,129.9	85,894.1
Inv Tot Undisb Begin FY	99,854.3	100,344.9	108,600.3	108,175.4	416,974.9

* Calculated as IBRD/IDA Disbursements in FY / Opening Undisbursed Amount at FY. Restricted to Lending Instrument Type = Investment.
AO disbursement ratio table as of 3/9/18

Annex Table 9: Net Disbursement and Charges for Poland, FY14-17

Period	Disb. Amt.	Repay Amt.	Net Amt.	Charges	Fees	Net Transfer
FY14	1,356,804,934.7	500,134,063.9	856,670,870.8	49,249,074.4	3,578,525.2	803,843,271.2
FY15	940,881,230.9	167,111,464.9	773,769,766.0	49,390,415.1	2,440,609.2	721,938,741.7
FY16	1,025,327,180.0	142,608,882.8	882,718,297.2	36,900,616.9	4,606,391.8	841,211,288.5
FY17	77,240,451.0	128,745,012.3	(51,504,561.3)	26,935,409.3	1,216,060.7	(79,656,031.3)
Report Total	3,400,253,796.6	938,599,424.0	2,461,654,372.6	162,475,515.7	11,841,587.0	2,287,337,270.0

World Bank Client Connection 11/2/17

Annex Table 10: Economic and Social Indicators for Poland, 2014-2016*

Series Name				Poland	ECA	World
	2014	2015	2016	Average 2014-2016		
Growth and Inflation						
GDP growth (annual %)	3.3	3.8	2.7	3.3	1.8	2.7
GDP per capita growth (annual %)	3.4	3.9	2.8	3.4	1.3	1.5
GNI per capita, PPP (current international $)	24,760.0	25,850.0	26,770.0	25,793.3	30,313.4	15,667.0
GNI per capita, Atlas method (current US$) (Millions)	13,680.0	13,340.0	12,680.0	13,233.3	24,457.4	10,598.2
Inflation, consumer prices (annual %)	0.1	(1.0)	(0.6)		0.4	1.9
Composition of GDP (%)						
Agriculture, value added (% of GDP)	2.9	2.5	2.4	2.6	2.2	3.8
Industry, value added (% of GDP)	33.2	34.1	33.3	33.6	25.6	27.5
Services, etc., value added (%of GDP)	63.8	63.4	64.2	63.8	72.2	68.7
Gross fixed capital formation (% of GDP)	19.7	20.1	18.1	19.3	20.1	23.5
Gross domestic savings (% of GDP)	21.8	23.6	23.5	23.0	23.7	24.9
External Accounts						
Exports of goods and services (% of GDP)	47.6	49.5	52.3	49.8	41.5	29.8
Imports of goods and services (% of GDP)	46.1	46.4	48.4	47.0	38.3	29.2
Current account balance (% of GDP)	(2.1)	(0.6)	(0.3)	-1.0		
External debt stocks (% of GNI)	..	..	..			
Total debt service (% of GNI)	..	..	..			
Total reserves in months of imports	4.2	4.5	5.3	4.7	7.4	13.2
Fiscal Accounts /**						
General government revenue (% of GDP)	38.8	39.0	38.9	38.9		
General government total expenditure (% of GDP)	42.3	41.6	41.3	41.7		
General government net lending/borrowing (% of GDP)	(3.5)	(2.6)	(2.4)	-2.8		
General government gross debt (% of GDP)	50.2	51.1	54.4	51.9		

Series Name				Poland	ECA	World
	2014	2015	2016	Average 2014-2016		
Health						
Life expectancy at birth, total (years)	77.6	78.2	..	77.9	77.3	71.8
Immunization, DPT (% of children ages 12-23 months)	98.0	98.0	98.0	98.0	93.1	85.4
Improved sanitation facilities (% of population with access)	97.2	97.2	..	97.2	93.1	67.3
Improved water source (% of population with access)	96.9	96.9	..	96.9	96.0	84.2
Mortality rate, infant (per 1,000 live births)	4.3	4.2	4.0	4.2	8.8	31.4
Education						
School enrollment, preprimary (% gross)	79.2	..	..	79.2	74.6	48.1
School enrollment, primary (% gross)	100.6	..	..	100.6	103.3	104.2
School enrollment, secondary (% gross)	108.1	..	..	108.1	106.0	76.4
Population						
Population, total (Millions)	38,011,735	37,986,412	37,948,016	37,982,054	907,504,936	7,355,447,389
Population growth (annual %)	(0.1)	(0.1)	(0.1)	-0.1	0.5	1.2
Urban population (% of total)	60.6	60.5	60.5	60.5	70.9	53.8
Poverty						
Poverty headcount ratio at $1.90 a day (2011 PPP) (% of pop)	-	..	..			
Poverty headcount ratio at national poverty lines (% of pop)	17.6	..	..	17.6		
Rural poverty headcount ratio at national poverty lines (% of rural pop)	..	..	..			
Urban poverty headcount ratio at national poverty lines (% of urban pop)	..	..	..			
GINI index (World Bank estimate)	32.1	..	..	32.1		

Source: WB Development Data Platform as of 11/1/17
* Data only available up to FY16
** International Monetary Fund, World Economic Outlook Database, October 2017

Annex Table 11: List of IFC Investments in Poland

Investments Committed in FY14-FY17

Project ID	Cmt FY	Project Status	Primary Sector Name	Project Size	Original Loan	Original Equity	Original CMT	Loan Cancel	Equity Cancel	Net Loan	Net Equity	Net Comm
37858	2017	Closed	Agriculture and Forestry	18,401	11,112	-	11,112	11,403	-	(291)	-	(291)
38099	2017	Active	Finance & Insurance	150,000	150,000	-	150,000	-	-	150,000	-	150,000
38703	2017	Active	Finance & Insurance	250,000	150,000	-	150,000	40	-	149,960	-	149,960
37365	2016	Closed	Finance & Insurance	75,000	75,000	-	75,000	-	-	75,000	-	75,000
36207	2015	Active	Collective Investment Vehicles	16,790	-	16,805	16,805	-	-	16,805	16,805	16,805
			Sub-Total	510,190	386,112	16,805	402,917	11,443	-	391,474	16,805	391,474

Investments Committed pre-FY14 but active during FY14-17

Project ID	CMT FY	Project Status	Primary Sector Name	Project Size	Original Loan	Original Equity	Original CMT	Loan Cancel	Equity Cancel	Net Loan	Net Equity	Net Comm
8125	1999	Active	Accommodation & Tourism Services	57,253	6,764	3,600	10,364	6,153	-	4,212	3,600	4,212
8198	1998	Active	Collective Investment Vehicles	5,000	-	1,600	1,600	-	-	1,600	1,600	1,600
			Sub-Total	62,253	6,764	5,200	11,964	6,153	-	5,812	5,200	5,812
			TOTAL	572,443	392,876	22,005	414,881	17,595	-	397,286	22,005	397,286

Source: IFC-MIS Extract as of 12/31/17

Annex Table 12: IFC net commitment activity in Poland, FY14 - FY17

		2014	2015	2016	2017	Total
Financial Markets	Commercial Banking	9,200,504	-	-	149,959,980	159,160,484
	Microfinance	(10,671,307)	-	-	-	(10,671,307)
	NBFI	-	-	75,000,000	150,000,000	225,000,000
Agribusiness & Forestry	Animal Protein	-	-	-	11,402,500	11,402,500
Collective Investment Vehicles	Private Equity Funds	-	16,775,250	(197,967)	151,754	16,729,037
Total		(1,470,804)	16,775,250	74,802,033	311,514,234	401,620,713

Source: IFC MIS as of 3/12/18

Annex Table 13: List of MIGA Projects Active in Poland, 2014-2017

ID	Contract Enterprise	FY	Project Status	Sector	Investor	Max Gross Issuance
9283	Linxtelecom Warsaw Data Center	2011	Active	Agribusiness	Netherlands	4
Total						4

Source: MIGA 3/12/18