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| 1. CAS Data | |
| Country: Poland | |
| CAS Year: FY2005 | CAS Period: FY2005 – FY2007 |
| CASCR Review Period: FY2005 – FY2008 | Date of this review: June 10, 2009 |

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| 2. Executive Summary |
| <p>(i) The FY05 CPS supported Poland during the period immediately following Poland's accession to EU membership and was geared to Poland's overarching objective to reach two-thirds of EU average per capita income by 2013. Bank support was focused on helping Poland strengthen its public finances (fiscal consolidation), increase its competitiveness (competitiveness/convergence), and promote employment and social inclusion (employment, poverty, and equity). The CPS envisaged a flexible, partnership modus operandi for the Bank's program, with evolution of the program driven by government demands and a set of principles of engagement in a rolling annual process. The outcomes targeted by the CPS were substantively relevant to Poland's convergence objectives and the instruments/operations were appropriate and well-linked, in an explicit results framework, to intended outcomes of Bank assistance. However, some of the targeted sectoral reforms in sensitive sectors, while necessary given Poland's income convergence objectives, may have been overly ambitious given the political environment and their daunting nature.</p> <p>(ii) Lending and non-lending deliveries were roughly as envisaged in the CPS. Portfolio quality, as gauged by project at risk indicators and evaluations of projects at closing, was generally moderately lower than Bank and ECA Region averages. Individual product AAA quality, as reflected in a QAG country AAA assessment covering two years of the CPS period and the Region's assessment in the CPSCR, was satisfactory, but both QAG and the Region found that the deliveries, while demand driven, tended to be opportunistic and that the Bank's program lacked strategic coherence and impact.</p> <p>(iii) Country outcomes during the CPS period, prior to the onset of the current global financial crisis and recession, were good, with strong growth of income and employment, underpinned by strong macroeconomic management. Outcomes with regard to the specific structural reforms intended to sustain growth at levels needed for rapid income convergence were, however, mixed. In general, at least some progress was made in most areas. Overall, the outcome of Bank support to Poland during this period is rated as Moderately Satisfactory.</p> <p>(iv) The Bank's performance was also mixed. The CPS represented a sensible approach to post-EU accession engagement with Poland, and was developed with considerable client and partner input. Deliveries and product technical quality were generally consistent with Bank norms. However, in retrospect, the principles of engagement set forth in the CPS were not sufficient to ensure that the resultant program would be strategically coherent. The consequent ad hoc approach of the Bank came about primarily because of the absence of a major champion of reform on the government side, at least until recently, and hence was beyond the Bank's control. On balance, IEG rates Bank performance as moderately satisfactory.</p> <p>(v) The CPSCR is complete and exceptionally candid in its evaluation of outcomes and Bank performance. IEG concurs with the lessons drawn. The key to successful implementation of the CPS during the forthcoming period will be achieving and maintaining strategic focus, via the specific ex ante measures outlined in the CPSCR (e.g., sharper definition of Bank value added) and through continuing in media res management review of the strategic coherence of the program as it evolves during CPS implementation.</p> |

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3. CASCR Summary

Overview of CAS Relevance:

1. The FY05 CPS was designed to support Poland's development in the period immediately following Poland's accession to EU membership and was driven in substance by Poland's overarching objective to reach two-thirds of EU average per capita income by 2013. To this end it envisaged Bank support to strengthen Poland's fiscal position, to increase Poland's competitiveness, and to promote expanded employment and social inclusion. The CPS was supported by an expected initial program for FY05-06 of investment lending (5 projects/US\$620-680 million) and AAA program of 19 deliveries.
2. The CPS also foresaw a somewhat different modus operandi for the Bank in Poland than had been characteristic of the previous strategy period, with evolution of the program driven by Government demands in a flexible, rolling annual process. In part, this reflected recognition of the unpredictable changing opportunities and incentives Poland would face as an EU member but was also a reflection of the Bank's assessment of Poland's volatile, rapidly shifting political environment. To further guide the process, the CPS further set forth three principles (in addition to demand) for Bank involvement: (i) significant policy or structural issues are involved; (ii) the Bank can add value; and (iii) effective partnerships with Polish and international partners are continued. The strategy was to remain in force as long as it remained relevant, as reflected by the level of demand for Bank services and the existence of a macroeconomic environment consistent with Poland's convergence program. The CPS envisaged a CPSPR by mid-2007 to reassess relevance.
3. The outcomes targeted by the Bank's strategy were substantively relevant to Poland's convergence objectives and the instruments/operations were appropriate and well-linked, in an explicit results framework, to intended outcomes of Bank assistance. A notable feature of the framework was the recognition of the importance of the information environment for policy-making and policy implementation, as reflected in targeted outcomes of Bank assistance related to public perceptions of the importance of sound fiscal policy and the impact of public sector policies on private sector development. The CPS program was also well-grounded in the Bank's previous operational experience and was developed on the basis of what seems to have been a very thorough process of consultations and in-depth discussions with the Government. It may have been a bit on the ambitious side in the outcomes it projected with regard to sectoral reforms in sensitive sectors given the political environment and the daunting nature of the required reforms, but this was a reasonable and probably unavoidable choice given Poland's overarching income convergence objective.

Overview of CAS Implementation:

4. Lending volumes and composition were as envisaged in the CPS, with some modest delay in the delivery of one project—Odra River Basin Flood Protection, which slipped into FY07. No new lending took place in FY08 and one operation has been approved in FY09 to date. None of the lending approved during this period was evaluated by QAG for quality at entry.
5. The CPSCR notes increasing implementation delays associated with relatively frequent changes in government (three during the period covered by this Review) and changes in key counterparts. This is reflected in slower than anticipated progress on some difficult policy measures (particularly privatization and social sector and social insurance reforms) and some deterioration of portfolio performance: at the end of FY2005, no projects were at risk; as of April 2009, 33.3 percent of projects and 40.6 percent of commitments were rated at risk, substantially in excess of ECA and Bank averages (17.3 and 21.2 percent of projects, respectively).

6. IEG evaluated eight operations exiting the portfolio during the period under review. Six operations (75 percent) were rated MS or better (4 S, 2 MS). Two (Geothermal and Coal Mine Closure) were rated MU. During the same period, about 80 percent of operations exiting the Bank portfolio and about 86 percent of ECA exits were satisfactory.

7. Non-lending deliveries were broadly consistent in number and substantive focus with CPS projected deliveries. However, a QAG assessment of the Bank's AAA work in Poland encompassing two years of the CPS period found that AAA products, though generally of high quality, tended to be "opportunistic" and were not well-integrated or coherent in a program framework nor likely to have an impact. With regard to the latter, although QAG found most deliverables to be demand driven, changes in government personnel frequently resulted in delivery to a different and many times disinterested government official.

Overview of Achievement by Objective:

Pillar I: Promote Fiscal Consolidation

8. Country fiscal performance improved significantly over the CPSCR period, meeting country ceilings on deficit and debt as a percentage of GDP. In 2008, the fiscal deficit was equivalent to 2.7 percent of GDP, compared to a target of less than 3 percent, while debt was estimated at 46 percent of GDP compared to a target of less than 60 percent. This was at least in part driven by robust GDP growth during the period. Hesitation with regard to entering the European Exchange Rate Mechanism (ERM-2), originally expected in 2009, indicates some lack of consensus about the degree to which Poland is willing to limit its fiscal policy freedom in the present volatile environment. The CPSCR notes that Bank work (EU 8 Cross Country Public Finance Reform, and EU 8 Quarterly Economic Reports) have contributed to discussion and debate surrounding fiscal policy. The CPSCR also states that substantial progress has been achieved in placing coal mining, railway, and health sector finances on a sustainable basis. In coal, where Bank support was provided through implementation of two restructuring loans (Coal Mine Closure Project and Hard Coal Social Mitigation Project) and AAA (e.g., Reform and Restructuring of the Hard Coal sector 1998-2006), financial performance improved—due in large measure to increases in coal prices—but a number of structural measures intended to improve finances on a sustained basis (environmental remediation and, most importantly for sustainability of performance, privatization of the financially vulnerable largest company, Kompania Weglowa), contemplated by the Bank's support were not completed. The government is addressing these areas under an action plan for the sector for 2007-2015. In rail, progress was made in restructuring and reducing staffing, capping subsidies, and improving financial performance. Bank support via the Railway Restructuring Project and Rail Reform Implementation Policy Dialogue contributed to these outcomes, although, as in coal, robust growth was also an important contributing factor. The CPSCR further notes that more remains to be done to achieve financial sustainability while limiting budget support to a sustainable level of social services. In health, with Bank AAA support on implementation of the government's health sector program, progress has been made in reducing the deficit associated with hospital operations, but other aspects of the reform (e.g., health insurance reform) have lagged. As in other areas, robust growth has been also a major factor in improved health sector financial performance.

Pillar II: Promote Convergence with the EU and Improved Competitiveness

9. Growth performance has been very good, contributing to progress toward income convergence. Progress on structural measures to underpin and sustain this performance, however, has been mixed. Business confidence appears to be strengthening as suggested by increasing levels of both domestic and foreign investment. Some progress appears to have been made on deepening and broadening of financial intermediation, but expected improvements in the public environmental financing system have

not materialized. Several Bank AAA products contributed in these areas (Financial Services Development, Contract Enforcement Study). The picture with respect to targeted improvements in infrastructure has also been mixed. In roads, progress has been made in implementing a multi-year expenditure program and in improving planning and coordination of road works. The share of roads considered to be in acceptable condition increased to about 55 percent (2007) from a baseline of 37 percent. The Bank's series of road rehabilitation investment loans has made major contributions to these outcomes. Implementation of railway restructuring has lagged however, as has implementation of the government's strategy to improve energy efficiency. Delays have also been encountered in implementation of the Odra River Basin flood protection project. Good progress has been made to develop a knowledge economy through strengthening the education-labor market nexus and initiation of programs to fund and/or provide incentives to innovation, as recommended in the Bank's Knowledge Economy Assessment.

Pillar III: Promote Employment, Reduce Poverty and Encourage Social Inclusion

10. Robust growth performance resulted in substantial increases in the employment rate of persons aged 15-64 from 51.7 percent in 2004 to 60 percent in 2008. In 2007, payroll taxes were reduced by 7 percentage points, which should increase the employment-generating effects of future growth. In the social inclusion area, measures supported by the Bank (via the Post Accession Rural Support project) to increase capacity for local delivery were initiated, albeit with considerable delay. It is surprising that, given the importance of the issue of social inclusion (as distinct from poverty reduction) for the EU, there is little discussion of it in either the CAS or the CASCR.

| Achievement of CAS Objectives | | | |
|---|--------------|-------------------------|---|
| Objectives | CASCR Rating | IEG Rating | Explanation / Comments |
| Pillar 1: Promote Fiscal Consolidation | Not Rated | Moderately Satisfactory | Fiscal performance improved significantly, supported by Bank AAA. Bank lending and AAA contributed to progress in placing coal mining, railway and health sector finances on a sustainable basis, but important structural reforms (privatization, environmental remediation, health insurance reform) have lagged. |
| Pillar 2: Promote Convergence with the EU and Improved Competitiveness | Not Rated | Moderately Satisfactory | Good growth performance contributed towards income convergence with EU, but progress towards improved competitiveness was mixed. The business environment has changed little. With Bank support, road infrastructure has been strengthened but railway restructuring and energy sector reform lagged. Good progress was made in developing a knowledge economy. |
| Pillar 3: Promote Employment, Reduce Poverty, and Encourage Social Inclusion | Not Rated | Moderately Satisfactory | Good economic growth led to strong employment growth. A recent reduction in payroll taxes should lead to even better results. Bank-supported local capacity building efforts to improve social inclusion were delayed but are now proceeding. |

Comments on Bank Performance:

11. The flexible strategy developed with the government and efforts to move into a partnership modus operandi represented a sensible response to Poland's changed circumstances as a new member of the EU and uncertainty as to how that status, and Poland's uncertain political situation, might affect the demand for Bank services. Anchoring and calibrating the strategy in terms of an initial program based on Poland's overarching income convergence objectives, as was done, was also a very reasonable way to proceed under the circumstances. Finally, the development of engagement criteria was also a sensible approach to "bounding" the flexibility provided in the strategy, although the engagement criteria—while sensible—were not very specific, and the CPSCR does not evaluate the extent to which the engagement criteria were applied. The limited evidence available suggests that Bank products were of satisfactory quality, although there may have been some degradation of quality—reflected in portfolio implementation problems—at the end of the CPS period.

12. While the limited evidence available suggests that Bank products were overall of satisfactory quality, the CPSCR faults the Bank during this period for insufficient strategic focus and cohesion in its program, noting that the inadequate strategic orientation of Bank involvement reflected the nature of the Bank's dialogue in Poland which lacked a strong anchor and coordination on the government side and hence was largely bottom-up and built on connections built earlier with selected ministries and agencies. At the same time, in the absence of a more strategic engagement with Poland the CPSCR faults the Bank for continuing too long in a fairly traditional country relationship based on a mix of investment lending and ad hoc AAA activities rather than moving to a more selective knowledge partnership. The CPSCR does not explain, however, why a CPSPR was not prepared in FY2007, as was stated would occur in the CPS, and why these issues were not addressed at that time.

4. Overall IEG Assessment

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|--------------------------|--------------------------------|
| Outcome: | <i>Moderately Satisfactory</i> |
| Bank Performance: | <i>Moderately Satisfactory</i> |

13. While country performance measured by broad development aggregates was quite good, progress toward specific outcomes targeted by the Bank's assistance was mixed—good in some dimensions (e.g., knowledge economy development) but limited in others (e.g., railway reform, health sector reform). In retrospect, although carefully drawn in the CPS and well-anchored in Poland's EU integration objectives, targeted Bank outcomes proved to be too ambitious relative to Poland's capacity to deliver politically tough decisions and implementation capacity, given frequent government and personnel changes. The strong performance of the broader economy and the fact that the EU accession threshold had been crossed almost certainly weakened the urgency and weight of these objectives in the political calculus and made the politics of policy-making and policy implementation even more difficult. Given the mixed progress made toward achievement of most outcomes targeted by Bank assistance and modest contributions of Bank assistance in some cases, the outcome of Bank assistance is rated here as Moderately Satisfactory on the basis of (i) the continued relevance of Bank assistance objectives and (ii) the government's continued pursuit of those objectives—albeit at a slower pace than envisaged in the CPS and sometimes with different approaches (e.g., approach to privatization). Relatively recent developments suggest improved progress in a number of important areas (e.g., coal and railway restructuring, flood control, social inclusion).

14. IEG agrees with the CPSCR's analysis concerning the nature of and reasons for shortcomings in Bank performance. The Bank did not recognize that the program lacked coherence. The CPS outlined a management approach for maintaining coherence and focus, including a set of criteria for

Bank engagement, a provision for revision on an annual basis of the program in annual business plans, a progress report in FY2007 revisiting the strategy, and an undertaking to keep the strategy under review for its relevance. Collectively, if implemented as stated in the CPS, these provisions could and almost certainly would have triggered an earlier review of the strategy. On this basis, Bank performance could be rated as less than satisfactory. It is doubtful however, given the political environment and strong economic performance, that greater strategic focus or cohesion on the Bank's part would have resulted in materially better outcomes. Furthermore, the ad hoc approach of the Bank resulted primarily from the absence of a major champion for reform on the government side, until recently and hence beyond the Bank's control. On balance, IEG rates Bank performance as Moderately Satisfactory.

5. Assessment of CAS Completion Report

15. The CPSCR is complete, consistent, and candid in its coverage of progress toward achievement of CPS objectives and implementation of the CPS. A notable strength is its analysis of factors affecting CPS outcomes, taking into account the external environment, political developments, and the Bank's adaptation to these, and CPS implementation. Progress in many areas (e.g., strong fiscal performance, employment growth) was due primarily to the robust economic growth Poland experienced over this period. With regard to growth, as the CPSCR candidly notes "This had less to do with economic policy than with a natural catch-up after Poland's slow growth earlier in the decade, the positive effects of its recent EU membership, and a buoyant external environment."

6. Findings and Lessons

16. IEG concurs with the lessons drawn in the CPSCR regarding the Bank's possible future engagement in Poland: (i) Define the Bank's value added in EU members; (ii) Maintain a strategic focus and coherence of Bank activities in concert with a flexible, demand driven, programming framework in high-end MICs; (iii) Manage political volatility and transitions; and (iv) Develop fee for service as a core business area.

17. From IEG's perspective, the overarching lesson to emerge from the Bank's experience in Poland and the challenge going forward is the second of these, "Maintain a strategic focus...in concert with a flexible, demand driven programming framework." There is a tension between the two elements of this lesson..."strategic focus" on the one hand, and "flexible, demand driven" on the other. The other lessons provide some practical advice on ways in which this tension can be reconciled. IEG would particularly stress the development of central coordination arrangements, on both the Bank and the client side of the engagement. On the Bank side, such coordination can reduce supply-side freelancing and define and enforce selectivity criteria for engagement; on the client side, the Bank is at its best when driven by a client with a clear vision concerning its use of the Bank. Indeed, if the client is unable to articulate, at CPS design time, a coherent demand for Bank services, the prospects for productive engagement are limited and the Bank should be correspondingly cautious in engaging thereafter, absent evidence that coherent demand has emerged.

- Annex Table 1: Planned and Actual Lending FY2005-09**
- Annex Table 2: Planned and Actual Analytical and Advisory Work, FY2005-09**
- Annex Table 3a: IEG Project Ratings for Poland FY2005-09**
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Annex Table 1: Planned and Actual Lending FY05-09, Base Case Scenario

| | Project ID | Proposed FY | Approval FY | Proposed Amount (US\$ million) | Approved Amount (US\$ million) |
|---|------------|----------------|----------------|--------------------------------------|--------------------------------------|
| 2005 | | | | | |
| <i>Hard Coal Mine Closure</i> | P083093 | FY05 | FY05 | 100.0 | 100.0 |
| <i>Road Rehabilitation and Maintenance II</i> | P088824 | FY05 | FY05 | 130.5 | 130.5 |
| 2006 | | | | | |
| <i>Road Rehabilitation and Maintenance III</i> | P096214 | FY06 | FY05 | 195.0 | 180.2 |
| <i>Post Accession Rural Support</i> | P065270 | FY06 | FY05 | 65.0 | 88.8 |
| 2007 | | | | | |
| ODRA River Basin Flood Protection | P086768 | FY06 | FY07 | 130-190 | 184.0 |
| Non-programmed projects | | | | | |
| 2009 | | | | | |
| Public Finance Management, Employment and Private Sector Development Programmatic Policy Loan (DPL) | P112765 | | FY09 | | 1,250.0 |
| Total projects FY05-09 | | | | 621-681 | 1,933.5 |

Source: Poland CPS FY06, CPSCR 09 and WB Business Warehouse as of May 7, 2009.

Annex Table 2: Planned and Actual Analytical and Advisory Work, FY05-09

| | Project ID/ Report No. | Proposed FY | Delivered to Client | Output Type |
|--|---------------------------|----------------|------------------------|---|
| Economic and Sector Work | | | | |
| Planned (CPS FY05-FY08) | | | | |
| EU8 Cross-country Public Finance Reform (“Administrative capacity in the new EU member states: the limits of innovation?”) | 40559 | 05-06 | FY07 | Report |
| EU8 Quarterly Economic Reports | | 05-06 | 06-09 | Report |
| Health Reform Implementation Dialogue | | 05-06 | FY05 | |
| IDF Accounting and Auditing Reform | | 05-06 | 05-08 | |
| ROSC Updates | | 05-06 | | |
| Report on the Observance of Standards and Codes (ROSC): Corporate Governance Country Assessment | P083941/ P085096 | 05-06 | FY05 | Corporate Governance Assessment (ROSC) |
| Poland - Report on the Observance of Standards and Codes (ROSC): Accounting and Auditing (English) | P090350 | 05-06 | FY05 | Accounting and Auditing Assessment (ROSC) |
| Influence of the Legal System on the Financial Market in Poland (Legal Barriers to Contract Enforcement) | P093248 | 05-06 | FY06 | Legal and Judicial Sector Assessment |
| Financial Services Policy Notes | P089146 | 05-06 | FY06 | Policy Note |
| <i>Housing Finance Policy Note</i> | 37143 | 05-06 | FY06 | Policy Note |
| <i>The Polish fixed-income securities market</i> | 38062 | 05-06 | FY07 | Policy Note |
| <i>A firm-level analysis of small and medium size enterprise financing in Poland (English)</i> | WPS3984 | 05-06 | FY07 | Policy Note |
| Public Environmental Financing | | 05-06 | | Dropped |
| Energy Efficiency | | FY06 | | Dropped |
| Energy Policy Dialogue | | 05-06 | | Dropped |
| PPPs for Roads - <i>Second Generation PPP in Roads Sector</i> | P093686 | 05-06 | FY06 | Report |
| EU8 Cross-country Labor Market (“Enhancing Job Opportunities in Eastern Europe and the Former Soviet Union”) | 34720 | 05-06 | FY05 | Report |
| CGE Model Building (“An empirical recursive-dynamic general equilibrium model of Poland's economy - including simulations of the labor market effects of key structural fiscal policy reforms”) | Ongoing | 05-06 | FY06 | Report |
| Renewable Energy | | FY06 | | Dropped |
| Additional Actual Deliveries | | | | |
| Transition Brief | P099316 | | FY06 | Policy Note |
| FSAP Poland update | P100035 | | FY06 | Financial Sector Assessment Program (FSAP) |
| Report on the Observance of Standards and Codes (ROSC) for Insolvency and Creditor Rights (ICR) | P102074 | | FY08 | Insolvency Assessment (ROSC) |
| Poland Housing Finance | P101695 | | Planned for FY09 | Other Financial Sector Study |
| Conference of the Parties meeting on Climate Change in Poznan | P109756 | | FY09 | Other Environmental Study |
| Mazowieckie region PEIR | P112653 | | FY09 | Public Expenditure Review (PER) |
| Polish Social Housing Evaluation - Fee Based | P115317 | | FY09 | Other Financial Sector Study |

| | Project ID/ Report No. | Proposed FY | Delivered to Client | Output Type |
|---|---------------------------|----------------|------------------------|--------------------------------|
| Technical Assistance | | | | |
| Planned (CPS FY05-FY08) | | | | |
| Railway Reform Implementation Policy Dialogue | P089092 | 05-06 | FY05 | "How-To" Guidance |
| Public Administration Improvement Program | P093728 | 05-06 | FY06 | Institutional Development Plan |
| NDP 2007 - 13 Policy Dialogues | P093727 | 05-06 | FY06 | Institutional Development Plan |
| Additional Actual Deliveries | | | | |
| Education Policy TA | P084756 | | FY05 | Knowledge-Sharing Forum |
| Living Standards Assessment | P090262 | | FY05 | "How-To" Guidance |
| Drug Monitoring Workshop | P094462 | | FY05 | "How-To" Guidance |
| Anticorruption TA | P079340 | | FY06 | Institutional Development Plan |
| Ownership Policy for State Owned Enterprises | P102650 | | FY07 | "How-To" Guidance |
| Reform and Restructuring of the Hard Coal sector 1998-2006 | P103509 | | FY07 | "How-To" Guidance |
| Performance Based Budgeting TA | P108384 | | FY09 | Knowledge-Sharing Forum |
| PPP Support | P112506 | | FY09 | Client Document Review |
| Education Reform in Poland TA | P113025 | | FY09 | "How-To" Guidance |
| Additional Working Papers | | | | |
| Truck drivers and casual sex - an inquiry into the potential spread of HIV/AIDS in the Baltic region | 29891 | | FY05 | Publication |
| Poland 1999 global youth tobacco survey | 30191 | | FY05 | Working Paper |
| Poland and the knowledge economy - enhancing Poland's competitiveness in the European Union | 30079 | | FY05 | Publication |
| Beyond transition 15 | 32568 | | FY05 | Newsletter |
| Economic growth, income distribution, and poverty in Poland during transition | WPS3467 | | FY05 | Policy Research Working Paper |
| Poland - Administrative barriers to investment | 34705 | | FY05 | Working Paper |
| ECA railways: trends, prospects, and challenges | 33880 | | FY05 | Working Paper |
| Public expectations for corporate social responsibility in Poland | 35872 | | FY05 | Working Paper |
| Institutional and policy analysis of river basin management: the Warta River Basin, Poland | WPS3528 | | FY05 | Policy Research Working Paper |
| Trade protection and industry wage structure in Poland | WPS3552 | | FY05 | Policy Research Working Paper |
| Comparison of institutional arrangements for river basin management in eight basins | WPS3636 | | FY05 | Policy Research Working Paper |
| Road freight logistics, competition, and innovation: downstream benefits and policy implications | WPS3768 | | FY06 | Policy Research Working Paper |
| Rental choice and housing policy realignment in transition: post-privatization challenges in the Europe and Central Asia region | 35103 | | FY06 | Working Paper |
| Post-implementation impact assessment: the Poland Efficient Lighting Project | 37464 | | FY06 | Working Paper |
| Entering the Union: European accession and capacity-building priorities | WPS3832 | | FY06 | Policy Research Working Paper |
| CSR implementation guide: non-legislative options for the Polish government | 41009 | | FY07 | Working Paper |

| | Project ID/ Report No. | Proposed FY | Delivered to Client | Output Type |
|---|---------------------------|----------------|------------------------|--------------------------------------|
| Poland - Financial Sector Assessment | 38311 | | FY07 | Board Report |
| Competition and performance in the Polish second pillar | 40537 | | FY07 | Publication |
| Financing cities: Fiscal responsibility and urban infrastructure in Brazil, China, India, Poland and South Africa | 40480 | | FY07 | Publication |
| Higher education financing in the new EU member states: leveling the playing field | 40539 | | FY07 | Publication |
| Differentiated products and evasion of import tariffs | WPS4123 | | FY07 | Policy Research Working Paper |
| Returns to education in the economic transition: a systematic assessment using comparable data | WPS4225 | | FY07 | Policy Research Working Paper |
| Doing business 2008 Poland: a project benchmarking the regulatory cost of doing business in 178 economies | 42892 | | FY07 | Working Paper |
| Public-private partnerships in the new EU member states | 40558 | | FY07 | Publication |
| Social assistance in the new EU member states: strengthening performance and labor market incentives | 40541 | | FY07 | Publication |
| Vocational education in the new EU member states: enhancing labor market outcomes and fiscal efficiency | 40560 | | FY07 | Publication |
| Taking on the bailiff monopoly in Poland | 45658 | | FY08 | Brief |
| Doing business 2009: country profile for Poland - comparing regulation in 181 economies | 45889 | | FY09 | Working Paper |
| In focus: an update on labor migration from Poland | 46691 | | FY09 | Working Paper |

Sources: Poland CPS FY05, CASCR, WB Business Warehouse, and IRIS as of May 7, 2009.

Annex Table 3a: IEG Project Ratings for Poland, Exit FY05-09

| Exit FY | Approval FY | IEG Outcome | IEG Sustainability* | IEG ID Impact* | IEG Impact* | Development Objective* | IEG Risk to |
|---------|-------------|---|---------------------------|----------------|-------------|------------------------|-------------|
| | | | | | | | |
| 2005 | 2000 | Podhale Geothermal District Heating and Environment Project | Moderately Unsatisfactory | Modest | Modest | # | # |
| | 2000 | Rural Development | Satisfactory | Substantial | Substantial | # | # |
| 2006 | 1996 | Bielsko-Biala Water | Satisfactory | Highly Likely | High | # | # |
| | 1998 | Floor Emergency | Satisfactory | Likely | High | # | # |
| | 2001 | Railway Restructuring | Moderately Satisfactory | Likely | Modest | # | # |
| 2007 | 1998 | Roads 2 | Satisfactory | Likely | Substantial | # | # |
| | 2004 | Hard Coal Social Mitigation Project | Moderately Satisfactory | # | # | | Moderate |
| 2008 | 2005 | Coal Mine Closure | Moderately Unsatisfactory | # | # | | Significant |

*Sustainability and Impact were rated until FY06. Risk to Development Objective is rated in projects from FY07 onwards.

Annex Table 3b: IEG Project Ratings for Poland and Comparators, Exit FY05-09

| Region | Total Evaluated (\$M) | Total Evaluated (No) | Outcome % Sat (\$) | Outcome % Sat (No) | RDO % | | Inst Dev Impact % Subst (\$)* | Inst Dev Impact % Subst (No)* | Sustainability % Likely (\$)* | Sustainability % Likely (No)* |
|-------------------------|-----------------------|----------------------|--------------------|--------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | | | | | Moderate or Lower Sat (\$)* | Moderate or Lower Sat (No)* | | | | |
| Poland | 1,020.8 | 8 | 93.3 | 75.0 | 78 | 50.0 | 85.0 | 66.7 | 100.0 | 100.0 |
| Bulgaria | 321.4 | 5 | 100.0 | 100.0 | 100 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| Lithuania | 72.2 | 4 | 81.2 | 75.0 | 100 | 100.0 | 20.7 | 50.0 | 100.0 | 100.0 |
| Latvia | 35.4 | 4 | 100.0 | 100.0 | 100 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| Romania | 1,007.1 | 14 | 100.0 | 100.0 | 100 | 100.0 | 99.0 | 83.3 | 100.0 | 100.0 |
| ECA | 9,482.3 | 198 | 89.5 | 85.1 | 89 | 75.3 | 78.0 | 64.9 | 95.1 | 91.3 |
| Bankwide Average | 60,469.6 | 925 | 87.0 | 80.0 | 81 | 68.5 | 65.0 | 56.0 | 89.1 | 82.8 |

*Sustainability and Impact were rated until around FY06. Risk to Development Objective is rated in projects from FY07 onwards.

Source: WB Business Warehouse tables 4a.5 and 4a.6 as of May 7, 2009.

Annex Table 4: Portfolio Status Indicators, FY05-09

| Country | 2005 | 2006 | 2007 | 2008 | 2009 |
|------------------|--------|--------|--------|---------|---------|
| Poland | | | | | |
| # Proj | 10 | 9 | 7 | 6 | 3 |
| Net Comm Amt | 1,233 | 1,173 | 756 | 725 | 453 |
| # Proj At Risk | 0 | 0 | 1 | 0 | 1 |
| % At Risk | 0.0 | 0.0 | 14.3 | 0.0 | 33.3 |
| Comm At Risk | 0 | 0 | 89 | 0 | 184 |
| % Commit at Risk | 0.0 | 0.0 | 11.7 | 0.0 | 40.6 |
| Bulgaria | | | | | |
| # Proj | 8 | 5 | 7 | 6 | 5 |
| Net Comm Amt | 377 | 206 | 400 | 366 | 338 |
| # Proj At Risk | 1 | 0 | 0 | 0 | 0 |
| % At Risk | 12.5 | 0.0 | 0.0 | 0.0 | 0.0 |
| Comm At Risk | 30 | 0 | 0 | 0 | 0 |
| % Commit at Risk | 8.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Latvia | | | | | |
| # Proj | 1 | 1 | | | |
| Net Comm Amt | 2 | 2 | | | |
| # Proj At Risk | 0 | 0 | | | |
| % At Risk | 0.0 | 0.0 | | | |
| Comm At Risk | 0 | 0 | | | |
| % Commit at Risk | 0.0 | 0.0 | | | |
| Lithuania | | | | | |
| # Proj | 3 | 3 | 1 | 1 | |
| Net Comm Amt | 82 | 82 | 35 | 35 | |
| # Proj At Risk | 0 | 0 | 0 | 0 | |
| % At Risk | 0.0 | 0.0 | 0.0 | 0.0 | |
| Comm At Risk | 0 | 0 | 0 | 0 | |
| % Commit at Risk | 0 | 0 | 0 | 0 | |
| Romania | | | | | |
| # Proj | 19 | 19 | 20 | 20 | 17 |
| Net Comm Amt | 1,396 | 1,458 | 1,743 | 1,756 | 1,595 |
| # Proj At Risk | 0 | 1 | 3 | 3 | 4 |
| % At Risk | 0.0 | 5.3 | 15.0 | 15.0 | 23.5 |
| Comm At Risk | 0 | 80 | 455 | 218 | 433 |
| % Commit at Risk | 0.0 | 5.5 | 26.1 | 12.4 | 27.1 |
| ECA | | | | | |
| # Proj | 276 | 294 | 286 | 283 | 271 |
| Net Comm Amt | 15,675 | 16,295 | 16,473 | 17,900 | 18,886 |
| # Proj At Risk | 24 | 28 | 26 | 34 | 47 |
| % At Risk | 8.7 | 9.5 | 9.1 | 12.0 | 17.3 |
| Comm At Risk | 1,413 | 1,178 | 1,648 | 2,217 | 4,003 |
| % Commit at Risk | 9.0 | 7.2 | 10.0 | 12.4 | 21.2 |
| Bankwide | | | | | |
| # Proj | 1,332 | 1,345 | 1,347 | 1,386 | 1,372 |
| Net Comm Amt | 93,212 | 92,889 | 97,791 | 105,292 | 118,969 |
| # Proj At Risk | 224 | 188 | 224 | 250 | 291 |
| % At Risk | 16.8 | 14.0 | 16.6 | 18.0 | 21.2 |
| Comm At Risk | 12,553 | 10,850 | 15,176 | 18,179 | 20,210 |
| % Commit at Risk | 13.5 | 11.7 | 15.5 | 17.3 | 17.0 |

Source: WB Business Warehouse tables 3a.4 as of May 7, 2009.

Annex Table 5: IBRD Net Disbursements and Charges Summary Report for Poland
(in US\$ millions)

| Fiscal Year | Disb. Amt. | Repay Amt. | Net Amt. | Charges | Fees | Net Transfer |
|-------------------------|----------------|----------------|--------------|--------------|-------------|--------------|
| 2005 | 415.6 | 1,034.4 | -618.8 | 62.9 | 8.8 | -690.4 |
| 2006 | 197.2 | 162.0 | 35.2 | 53.0 | 0.5 | -18.3 |
| 2007 | 161.0 | 195.4 | -34.4 | 75.6 | 1.4 | -111.3 |
| 2008 | 31.3 | 255.4 | -224.1 | 96.3 | 1.3 | -321.7 |
| 2009* | 1,443.5 | 91.2 | 1,352.2 | 61.3 | 3.8 | 1,287.1 |
| Total (FY 05-07) | 2,248.4 | 1,738.3 | 510.1 | 349.1 | 15.7 | 145.3 |

* Subtotal July 08 - May 7, 2009.

Source: WB Client Connections, Net Disbursements and Charges Report of May 7, 2009.

Annex Table 6: Poland - Selected Balance of Payments Items (in US\$ million)

| | 2005 | 2006 | 2007 | 2008 |
|---|----------|-----------|-----------|-----------|
| Financing | | | | |
| M & LT debt inflows | 37,182.4 | 47,290.5 | 51,100.0 | 57,300.0 |
| Commercial bank loans | 25,297.1 | 42,157.9 | 44,500.0 | 50,000.0 |
| Officially guaranteed loans | 252.6 | 634.5 | 1,500.0 | 2,800.0 |
| International bond issues | 11,632.7 | 4,498.0 | 5,100.0 | 4,500.0 |
| Inward direct investment | 10,309.0 | 19,876.0 | 22,883.0 | 17,411.0 |
| Outward direct investment | -3,358.0 | -9,149.0 | -4,928.0 | -4,765.0 |
| Net direct investment flows | 6,951.0 | 10,727.0 | 17,955.0 | 12,646.0 |
| Net portfolio investment flows | 1,216.3 | -6,158.0 | -9,646.2 | -7,981.2 |
| Memorandum item | | | | |
| Capital flight | -4,889.3 | -14,108.2 | -18,082.0 | -12,803.0 |
| Foreign debt service | | | | |
| M & LT foreign debt service by official creditors | 8.0 | 2.8 | 1.9 | 2.0 |
| M & LT foreign debt service by private creditors | 25.2 | 32.6 | 34.1 | 45.2 |
| Short-term debt (interest only) | 0.8 | 0.7 | 0.9 | 1.7 |
| Principal repayments | | | | |
| M & LT principal repayments to official creditors | 7,766.8 | 2,610.8 | 1,507.0 | 1,620.0 |
| M & LT principal repayments to private creditors | 22,829.1 | 29,633.1 | 28,786.0 | 38,379.0 |

Source: Economist Intelligence Unit (using the IMF's International Financial Statistics, the World Bank's Global Development Finance, OECD's Financial Statistics Monthly, BIS, National Bank of Poland and the Ministry of Finance) as of June 3, 2009.

Note: some data are estimates

Annex Table 7: Economic and Social Indicators

| Series Name | Poland | | | | | Average 2002 - 2007 | | | | | | | Middle Income Countries | | |
|---|--------|--------|--------|--------|--------|---------------------|--------|----------|----------------|---------|--------|-----------|-------------------------|-----------------|------------------|
| | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | Poland | Bulgaria | Czech Republic | Hungary | Latvia | Lithuania | Romania | Slovak Republic | Income Countries |
| Growth and Inflation | | | | | | | | | | | | | | | |
| GDP growth (annual %) | 1.4 | 3.9 | 5.3 | 3.6 | 6.2 | 6.5 | 4.5 | 5.8 | 4.7 | 3.8 | 9.2 | 8.2 | 6.1 | 6.7 | 6.5 |
| GNI per capita, Atlas method (current US\$) | 4,830 | 5,440 | 6,240 | 7,280 | 8,350 | 9,840 | 6,997 | 3,160 | 10,198 | 8,847 | 6,430 | 6,620 | 3,665.0 | 7,545 | 2,035 |
| GNI per capita, PPP (current international \$) | 11,450 | 11,800 | 12,600 | 13,270 | 14,270 | 15,330 | 13,120 | 9,057 | 18,955 | 15,670 | 12,615 | 13,235 | 8,888.3 | 15,400 | 4,758 |
| GDP per capita growth (annual %) | 1.5 | 4.0 | 5.4 | 3.7 | 6.3 | 6.7 | 4.6 | 6.4 | 4.5 | 4.0 | 9.9 | 8.7 | 6.6 | 6.6 | 5.5 |
| Inflation, consumer prices (annual %) | 1.9 | 0.8 | 3.6 | 2.1 | 1.1 | 2.4 | 2.0 | 5.8 | 2.0 | 5.3 | 5.7 | 2.1 | 11.7 | 4.9 | 4.9 |
| Composition of GDP | | | | | | | | | | | | | | | |
| Agriculture, value added (% of GDP) | 4.5 | 4.4 | 5.1 | 4.6 | 4.5 | 4.3 | 4.6 | 10.2 | 3.1 | 4.4 | 4.2 | 5.8 | 11.5 | 3.9 | 9.9 |
| Industry, value added (annual % growth) | 28.7 | 29.6 | 30.8 | 30.8 | 31.2 | 29.9 | 30.2 | 30.0 | 37.7 | 30.0 | 22.1 | 32.4 | 34.5 | 33.0 | 35.2 |
| Services, etc., value added (% of GDP) | 66.8 | 66.0 | 64.1 | 64.6 | 64.3 | 65.9 | 65.3 | 59.8 | 59.2 | 65.6 | 73.8 | 61.7 | 54.0 | 63.1 | 55.0 |
| External Accounts | | | | | | | | | | | | | | | |
| Exports of goods and services (% of GDP) | 28.6 | 33.3 | 37.5 | 37.1 | 40.3 | 40.5 | 36.2 | 59.4 | 68.0 | 68.5 | 43.9 | 54.9 | 33.2 | 78.4 | 31.3 |
| Imports of goods and services (annual % growth) | 32.1 | 35.9 | 39.5 | 37.4 | 41.0 | 41.6 | 37.9 | 74.0 | 67.6 | 69.7 | 58.4 | 63.0 | 42.5 | 81.9 | 29.4 |
| Current account balance (% of GDP) | -2.5 | -2.1 | -4.0 | -1.2 | -2.7 | -3.8 | -2.7 | -11.0 | -4.4 | -7.3 | -14.3 | -7.5 | -7.4 | -4.4 | -4.4 |
| Total debt service (% of exports of goods, services and income) | 22.1 | 24.9 | 34.7 | 28.7 | 24.7 | .. | 27.0 | 14.8 | .. | 30.4 | 25.8 | 18.5 | 18.0 | 16.6 | 15.5 |
| External debt, total (% of GNI) | 39.1 | 44.0 | 40.4 | 33.8 | 38.7 | .. | 39.2 | 64.8 | .. | 69.4 | 91.1 | 52.2 | 40.8 | 53.4 | 31.3 |
| Other Macro Indicators | | | | | | | | | | | | | | | |
| Gross domestic savings (% of GDP) | 15.3 | 16.3 | 18.2 | 19.1 | 19.4 | 20.5 | 18.1 | 11.9 | 27.6 | 23.7 | 17.6 | 17.1 | 13.2 | 23.8 | 27.7 |
| Gross national expenditure (% of GDP) | 103.3 | 102.4 | 101.8 | 100.1 | 100.7 | 101.0 | 101.6 | 114.6 | 99.6 | 101.2 | 114.7 | 108.1 | 109.3 | 103.5 | .. |
| Cash surplus/deficit (% of GDP) | -4.5 | -5.5 | -5.5 | -4.2 | -3.5 | .. | -4.6 | 1.6 | -4.4 | -7.5 | -1.1 | -1.0 | -1.3 | -3.3 | .. |
| Gross fixed capital formation (% of GDP) | 18.7 | 18.2 | 18.1 | 18.1 | 19.9 | 21.2 | 19.0 | 23.3 | 26.0 | 22.1 | 28.2 | 23.0 | 22.2 | 25.7 | 24.4 |
| Real effective exchange rate index (2000 = 100) | 108.1 | 96.3 | 96.2 | 107.5 | 109.8 | 114.1 | 105.4 | 120.5 | 124.7 | 128.8 | .. | .. | 115.4 | 131.6 | .. |
| Official exchange rate (LCU per US\$, period average) | 4.1 | 3.9 | 3.7 | 3.2 | 3.1 | 2.8 | 3.5 | 1.7 | 25.6 | 213.1 | 0.6 | 2.9 | 3.0 | 33.3 | .. |
| Revenue, excluding grants (% of GDP) | 29.4 | 32.9 | 30.7 | 31.7 | 31.9 | .. | 31.3 | 36.1 | 31.6 | 35.8 | 26.2 | 28.2 | 24.8 | 32.3 | .. |
| General government final consumption expenditure (% of GDP) | 19.0 | 19.3 | 18.6 | 19.1 | 18.6 | 16.8 | 18.6 | 17.2 | 22.3 | 10.1 | 19.3 | 17.9 | 10.6 | 20.2 | 14.5 |
| Social Indicators | | | | | | | | | | | | | | | |
| Health | | | | | | | | | | | | | | | |
| Immunization, DPT (% of children ages 12-23 months) | 99.0 | 99.0 | 99.0 | 99.0 | 99.0 | .. | 99.0 | 95.0 | 97.6 | 99.0 | 98.2 | 94.2 | 97.2 | 99.0 | 77.2 |
| Improved water source (% of population with access) | .. | .. | .. | .. | .. | .. | .. | .. | 100.0 | 100.0 | 99.0 | .. | 88.0 | 100.0 | 89.2 |
| Life expectancy at birth, total (years) | 74.5 | 74.6 | 74.5 | 75.0 | 75.1 | .. | 74.7 | 72.3 | 75.8 | 72.6 | 70.9 | 71.6 | 71.6 | 73.9 | 68.5 |
| Education | | | | | | | | | | | | | | | |
| School enrollment, preprimary (% gross) | 49.4 | 51.1 | 52.8 | 55.0 | 57.4 | .. | 53.1 | 77.8 | 106.9 | 81.6 | 81.3 | 62.3 | 75.2 | 90.1 | 38.5 |
| School enrollment, primary (% gross) | 99.8 | 99.6 | 99.1 | 98.2 | 97.6 | .. | 98.9 | 102.9 | 101.7 | 98.1 | 96.3 | 97.2 | 102.8 | 100.1 | 109.5 |
| School enrollment, secondary (% gross) | 103.2 | 104.7 | 96.9 | 99.6 | 99.6 | .. | 100.8 | 102.2 | 96.0 | 98.7 | 96.4 | 100.8 | 85.5 | 93.6 | 68.2 |
| School enrollment, tertiary (% gross) | 58.4 | 60.2 | 61.7 | 64.1 | 65.6 | .. | 62.0 | 42.3 | 42.5 | 58.1 | 72.4 | 71.2 | 41.2 | 37.7 | 21.4 |
| Population | | | | | | | | | | | | | | | |
| Population, total (millions) | 38.2 | 38.2 | 38.2 | 38.2 | 38.1 | 38.1 | 38.2 | 7.8 | 10.2 | 10.1 | 2.3 | 3.4 | 21.7 | 5.4 | 4,156.3 |
| Population growth (annual %) | 0.0 | -0.1 | 0.0 | 0.0 | -0.1 | -0.2 | -0.1 | -0.6 | 0.2 | -0.2 | -0.6 | -0.5 | -0.4 | 0.1 | 1.0 |
| Population ages 65 and above, total (millions) | 4.9 | 4.9 | 5.0 | 5.1 | 5.1 | 5.1 | 5.0 | 1.3 | 1.5 | 1.5 | 0.4 | 0.5 | 3.2 | 0.6 | 273.8 |
| Urban population (% of total) | 61.6 | 61.6 | 61.5 | 61.5 | 61.4 | 61.4 | 61.5 | 70.1 | 73.6 | 66.2 | 68.0 | 66.7 | 53.8 | 56.3 | 46.8 |

Sources: WB DDP Database as of April, 2009.

Annex Table 8: Poland Millennium Development Goals

| | 1990 | 1995 | 2000 | 2007 |
|---|-------|-------|-------|-------|
| Goal 1: Eradicate extreme poverty and hunger | | | | |
| Employment to population ratio, 15+, total (%) | 55 | 51 | 47 | 46 |
| Employment to population ratio, ages 15-24, total (%) | 35 | 27 | 24 | 22 |
| Income share held by lowest 20% | 9.2 | 8.2 | 7.9 | 7.4 |
| Malnutrition prevalence, weight for age (% of children under 5) | .. | .. | .. | .. |
| Poverty headcount ratio at national poverty line (% of population) | .. | 14.6 | .. | .. |
| Prevalence of undernourishment (% of population) | .. | 3 | .. | .. |
| Vulnerable employment, total (% of total employment) | .. | 26 | 23 | 22 |
| Goal 2: Achieve universal primary education | | | | |
| Literacy rate, youth female (% of females ages 15-24) | .. | .. | .. | .. |
| Literacy rate, youth male (% of males ages 15-24) | .. | .. | .. | .. |
| Persistence to last grade of primary, total (% of cohort) | .. | .. | 99 | 98 |
| Primary completion rate, total (% of relevant age group) | 101 | 99 | 95 | 97 |
| Total enrollment, primary (% net) | .. | .. | 97 | 97 |
| Goal 3: Promote gender equality and empower women | | | | |
| Proportion of seats held by women in national parliament (%) | 14 | 13 | 13 | 20 |
| Ratio of female to male enrollments in tertiary education | 134 | .. | 140 | 140 |
| Ratio of female to male primary enrollment | 99 | .. | 99 | 100 |
| Ratio of female to male secondary enrollment | 105 | .. | 98 | 99 |
| Ratio of young literate females to males (% ages 15-24) | .. | .. | .. | .. |
| Share of women employed in the nonagricultural sector (% of total nonagricultural employment) | .. | 47.3 | 46.9 | 46.7 |
| Goal 4: Reduce child mortality | | | | |
| Immunization, measles (% of children ages 12-23 months) | 95 | 96 | 97 | 99 |
| Mortality rate, infant (per 1,000 live births) | 19 | 14 | 8 | 6 |
| Mortality rate, under-5 (per 1,000) | 18 | 15 | 9 | 7 |
| Goal 5: Improve maternal health | | | | |
| Adolescent fertility rate (births per 1,000 women ages 15-19) | .. | 20 | 17 | 13 |
| Births attended by skilled health staff (% of total) | .. | .. | 100 | 100 |
| Contraceptive prevalence (% of women ages 15-49) | 49 | .. | .. | .. |
| Maternal mortality ratio (modeled estimate, per 100,000 live births) | .. | .. | .. | 8 |
| Pregnant women receiving prenatal care (%) | .. | .. | .. | .. |
| Unmet need for contraception (% of married women ages 15-49) | .. | .. | .. | .. |
| Goal 6: Combat HIV/AIDS, malaria, and other diseases | | | | |
| Children with fever receiving antimalarial drugs (% of children under age 5 with fever) | .. | .. | .. | .. |
| Condom use, population ages 15-24, female (% of females ages 15-24) | .. | .. | .. | .. |
| Condom use, population ages 15-24, male (% of males ages 15-24) | .. | .. | .. | .. |
| Incidence of tuberculosis (per 100,000 people) | 52 | 51 | 35 | 25 |
| Prevalence of HIV, female (% ages 15-24) | .. | .. | .. | 0.1 |
| Prevalence of HIV, total (% of population ages 15-49) | .. | .. | 0.1 | 0.1 |
| Tuberculosis cases detected under DOTS (%) | .. | .. | 4 | 67 |
| Goal 7: Ensure environmental sustainability | | | | |
| Annual freshwater withdrawals, total (% of internal resources) | .. | .. | 30.2 | .. |
| CO2 emissions (kg per PPP \$ of GDP) | 1.7 | 1.2 | 0.7 | .. |
| CO2 emissions (metric tons per capita) | 9.1 | 9.0 | 7.8 | .. |
| Forest area (% of land area) | 29 | .. | 30 | 30 |
| Improved sanitation facilities (% of population with access) | .. | .. | .. | .. |
| Improved water source (% of population with access) | .. | .. | .. | .. |
| Marine protected areas, (% of surface area) | .. | .. | .. | .. |
| Nationally protected areas (% of total land area) | .. | .. | .. | .. |
| Goal 8: Develop a global partnership for development | | | | |
| Aid per capita (current US\$) | 35 | 98 | 36 | .. |
| Debt service (PPG and IMF only, % of exports of G&S, excl. workers' remittances) | 4.4 | 10.1 | 6.9 | 3.6 |
| Internet users (per 100 people) | 0.0 | 0.6 | 7.3 | 42.0 |
| Mobile phone subscribers (per 100 people) | 0.0 | 0.2 | 17.5 | 108.7 |
| Telephone mainlines (per 100 people) | 8.6 | 14.8 | 28.5 | 27.2 |
| Other | | | | |
| Fertility rate, total (births per woman) | 2.0 | 1.6 | 1.3 | 1.3 |
| GNI per capita, Atlas method (current US\$) | 1,970 | 2,970 | 4,570 | 9,840 |
| GNI, Atlas method (current US\$) (billions) | 73.3 | 114.6 | 175.6 | 374.6 |
| Gross capital formation (% of GDP) | 25.6 | 18.7 | 24.8 | 21.5 |
| Life expectancy at birth, total (years) | 71 | 72 | 74 | 75 |
| Literacy rate, adult total (% of people ages 15 and above) | .. | .. | .. | .. |
| Population, total (millions) | 38.1 | 38.6 | 38.5 | 38.1 |
| Trade (% of GDP) | 50.2 | 44.2 | 60.6 | 82.1 |

Source: World Development Indicators database, December 2008.

Annex Table 9: Summary of Achievements of CPS Objectives

| POLAND CPS 05-09: PILLAR 1: FISCAL CONSOLIDATION | | | |
|---|--|---|--|
| Promote fiscal adjustment and reverse negative debt dynamics through restructuring expenditures | | | |
| | Actual Results (as of December 2008) | Comments | |
| Outcomes influenced by WB program | 1. Consensus on key elements of public finance reform | Good Progress | |
| | 2. Viable <i>coal sector</i> that operates without budget support, meets all obligations, including taxes and social benefits, and is largely privatized. | Good Progress | |
| | 3. Viable and competitive <i>railway sector</i> which operates at a sustainable level of budget support only for socially necessary services, and is largely privatized. | Some Progress | |
| | 4. <i>Health service</i> delivery as required by law within established contributions and without further accumulation of debts. | Some Progress | |
| Intermediate indicators to track progress | 1. Consensus on key elements of public finance reform | Good Progress | |
| | - Progress towards reduction of general government deficit in line with convergence program for entry. (Deficit below 3% of GDP) | General Government Balance 2007: -2.0% of GDP | Good Progress Source: EU10 Regular Economic Report October 2008, statistical appendix |
| | - Progress towards evolution of public debt in line with convergence program for entry. (Debt below 60% of GDP). | General Government Debt 2007: 44.9% of GDP | Good Progress Source: EU10 Regular Economic Report October 2008, statistical appendix |
| | 2. Viable <i>coal sector</i> that operates without budget support, meets all obligations, including taxes and social benefits, and is largely privatized. | | Good Progress |
| | - Implementation of Hard Coal Restructuring Program 2004-2006 | - 2 out of 3 uneconomic mines were closed. - Environmental Management Plans for the two liquidated mines were prepared but not implemented - Mines showed higher labor productivity and adherence to hard budget constraints - Steps towards opening up the sector to full competition and private sector participation. | Some Progress Source: Hard Coal Mine Closure project ICR and ICR review |
| | 3. Viable and competitive <i>railway sector</i> which operates at a sustainable level of budget support only for socially necessary services, and is largely privatized. | | Some Progress |
| | - Implementation of Restructuring and Privatization Strategy of PKP Group | - PKP staff was reduced as targeted. - Financial restructuring largely implemented. - The restructuring of the Polish railways has resulted in significant cost savings. - Supply of railway services has improved but was lower than target. - Enterprise profitability as measured by the working ratio improved steadily. - Establishing the necessary legal and regulatory framework for more commercial and private operations has progressed with continuous increase in private sector market share in railway freight transport. | Some Progress Source: Railway restructuring ICR and ICR review |

| | | Actual Results (as of December 2008) | Comments |
|---|--|---|--|
| | | <ul style="list-style-type: none"> - No progress in privatization, with privatization of key state owned railway companies postponed until 2010. - Government compensation for social services was restored and maintained. - Slow increase in passenger and freight traffic noted in 2005-2007. - The financial situation of PKP and associated companies improved but not as envisaged at appraisal. - Second stage of restructuring of regional passenger services undertaken in 2008 by passing ownership over the respective company to regional self-governments. - Systemic financial support to infrastructure provided through budget support and creation of the Railway Fund, financed from road charges included in fuel price. | |
| | <u>4. Health service delivery as required by law within established contributions and without further accumulation of debts.</u> | | Limited Progress |
| | - Implementation of the Act on Health Care Services Financed from Public Funds (2004) | <ul style="list-style-type: none"> - Hospital restructuring resulted in deficit reduction in hospitals. - Hospital payment reform is being implemented gradually. - Health insurance reform has been discussed by different stakeholders but not implemented. | Limited Progress. |
| Ongoing pre CPS 05-09 | Hard Coal Mine Closure | Approved FY05. Closed FY08. | IEG outcome rating: Moderately Unsatisfactory. |
| IBRD Support | Railway Restructuring (PKP) | Approved FY01. Closed FY06. | IEG outcome rating: Moderately Satisfactory. |
| New IBRD Lending Support | Public Finance Management, Employment and Private Sector Development Programmatic Policy Loan (DPL) | Approved FY09. Active | Latest PDO rating: Satisfactory |
| Planned AAA | EU8 Cross-country Public Finance Reform | Delivered FY07 | "Administrative capacity in the new EU member states: the limits of innovation?" |
| | EU8 Quarterly Economic Reports | Delivered FY06-FY09 | |
| | Health Reforms Implementation Dialogue | Delivered FY05 | |
| | Railway Reform Implementation Policy Dialogue | Delivered FY05 | |
| | Public Administration Improvement Program | Delivered FY05-FY06 | |
| | CGE Model Building | Delivered FY06 | "An empirical recursive-dynamic general equilibrium model of Poland's economy - including simulations of the labor market effects of key structural fiscal policy reforms" |

| | | Actual Results (as of December 2008) | Comments |
|---------------------------|--|---|---|
| Additional AAA | Transition Brief | Delivered FY06 | |
| | FSAP Update | Delivered FY06 | QAC AAA Overall Assessment: Satisfactory |
| | Poland Housing Finance | In progress (FY09) | |
| | Mazowieckie region PEIR | In progress (FY09) | |
| | Polish Social Housing Evaluation (fee based) | In progress (FY09) | |
| | Drug Monitoring Workshop | Delivered FY05 | |
| | Anticorruption TA | Delivered FY05 | QAC AAA Overall Assessment: Moderately Unsatisfactory |
| | Ownership Policy for State Owned Enterprises | Delivered FY07 | |
| | Reform and Restructuring of the Hard Coal Sector | Delivered FY07 | |
| | Performance Based Budgeting TA | In progress (FY09) | |

POLAND CPS 06-09: PILLAR 2: CONVERGENCE/ COMPETITIVENESS
Promote convergence through an improved investment climate and enhanced competitiveness

| | | Actual Results (as of December 2008) | Comments |
|--|--|---|---|
| Outcomes influenced by WB program | 1. Increased stakeholder awareness of importance of a good business climate on the competitiveness of the economy. | | No Progress |
| | 2. Greater ease of firm entry and exit. | | Little Progress |
| | 3. Increased stakeholder awareness of the impact of an efficient public sector on <i>business climate</i> . | | No Progress |
| | 4. Continued development of a coherent <i>road</i> expenditure program with an adequate maintenance-investment balance to meet the country's needs. | | Good Progress |
| | 5. Viable and competitive <i>railway sector</i> which operates at a sustainable level of budget support only for socially necessary services, and is largely privatized. | | Some Progress |
| | 6. Improved flood prevention in the Odra River Basin. | | Some Progress |
| | 7. Increased <i>energy efficiency</i> on supply and demand sides. Improved competition in energy market, energy security and regional energy trade. | | Limited Progress |
| | 8. Improved linkages between tertiary education and requirements of the labor market in the new <i>knowledge economy</i> . | | Good Progress |
| Intermediate indicators to track progress | 1. Increased stakeholder awareness of importance of a good business climate on the competitiveness of the economy. | | No Progress |
| | - Improvement in perception of private sector about business climate. | No improvement in Doing Business Indicators. | No Progress |
| | 2. Greater ease of firm entry and exit. | | Little Progress |
| | - Reduction in the average number of days to state a new business. | No specific targets established. 31 days in 2008. (31 days in 2005) | No Progress Source: Doing Business 2009. |

| | | Actual Results (as of December 2008) | Comments |
|---|---|---|--|
| Intermediate indicators to track progress (con't) | - Reduction in the average number of days to enforce contracts through courts from the current level of 1,000 days. | No specific targets established. 830 days in 2008. (1000 days in 2005) | Limited Progress. Source: Doing Business 2009. |
| | - Better access to finance through broadening and deepening of financial intermediation. | - | No information provided in CPSCR |
| | <u>3. Increased stakeholder awareness of the impact of an efficient public sector on business climate.</u> | | No Progress |
| | - Improved environmental effectiveness and economic efficiency of the public environmental financing system and greater leveraging of private finance for environmental projects. | - | No information provided in CPSCR |
| | <u>4. Continued development of a coherent road expenditure program with an adequate maintenance-investment balance to meet the country's needs.</u> | | Good Progress |
| | - Updated rolling multi-year expenditure program elaborated on the basis of economic criteria. | Multi-year rolling expenditure program elaborated on the basis of economic criteria in place | Good Progress |
| | - GDDKIA Management Information System adopted and implemented. | Better planning and coordination of rehabilitations works. Implementation of computer-based information system started and was continued, although process was slower than foreseen due to system complexities and changes of top management. | Some Progress Source: Road Rehabilitation Projects I, II, and III. Status of Projects in Execution FY08. (Oct 2008), ISRs |
| | - Improvement of quality in existing national road network and reduction of backlog of roads in bad condition. | Baseline: <37% Increased share of roads in acceptable conditions reaching the level of 54.9% (2007) | Good Progress Source: Road Rehabilitation Projects I, II, and III. Status of Projects in Execution FY08. (Oct 2008) ISRs |
| | <u>5. Viable and competitive railway sector which operates at a sustainable level of budget support only for socially necessary services, and is largely privatized.</u> | | Some Progress |
| | - Implementation of Restructuring and Privatization Strategy of PKP Group. | See Pillar 1 | Some Progress. |
| | <u>6. Improved flood prevention in the Odra River Basin.</u> | | Some Progress |
| | - Implementation of Odra River Basin flood prevention program. | Resettlement and land & property acquisition in Reciborz reservoir areas began by implementing agencies. | Some Progress Source: ODA River Basin Flood Protection. Status of Projects in Execution FY08. (Oct 2008) |
| | <u>7. Increased energy efficiency on supply and demand sides. Improved competition in energy market, energy security and regional energy trade.</u> | | Limited Progress |

| | | Actual Results (as of December 2008) | Comments |
|--|---|---|---|
| Intermediate indicators to track progress (cont) | - Implementation of "Poland Energy Policy Until 2025" program. | - Poland has still to take significant steps to implement the National Energy Efficiency Action Plan (NEEAP) as part of requirement to reduce energy consumption by 9% from present level by 2016. - Poland has finished unbundling of electricity sector entities and the result is in accordance with the guidelines determined by the European Commission. | Limited Progress. |
| | <u>8. Improved linkages between tertiary education and requirements of the labor market in the new knowledge economy.</u> | | Good Progress |
| | - Adoption of proposed Higher Education legislation linked to law on Science Financing from Oct. 2004 | - Legislation on an Innovation Fund with Government and EU financing has been enacted to provide grants to innovating firms. - The Government has also adopted a strategy for Life Long Learning, one of the education sector reforms proposed in the KEA - Implemented reform of secondary education, by which general secondary education is strengthened and vocational education is modernized, streamlined and better aligned with needs of industry and the labor market. | Good progress. Status of specific legislation referenced in the progress benchmark unclear. |
| Ongoing pre CPS 05-09 IBRD Support | Road Rehabilitation and Maintenance I | Approved FY04. Closed | Latest PDO rating: Moderately Satisfactory. |
| New IBRD Lending Support | Road Rehabilitation and Maintenance II | Approved FY05. Active | Latest PDO rating: Moderately Satisfactory (07/10/2008). |
| | Road Rehabilitation and Maintenance III | Approved FY07. Active | Latest PDO rating: Satisfactory (08/27/2008). |
| | Odra River Basin Flood Prevention | Approved FY06. Active | Latest PDO rating: Satisfactory (10/24/2008). |
| | Public Finance Management, Employment and Private Sector Development Programmatic Policy Loan (DPL) | Approved FY09. Active | |

| | | Actual Results (as of December 2008) | Comments |
|--|---|---|---|
| Planned AAA | IDF Accounting and Auditing Reform | Delivered FY 05-08 | |
| | ROSC Updates (Corporate Governance) | Delivered FY05 | QAC AAA Overall Assessment: Satisfactory |
| | ROSC Updates (Accounting & Auditing Modules) | Delivered FY05 | QAC AAA Overall Assessment: Satisfactory |
| | Influence of Legal System on the Financial Market | Delivered FY06 | "Legal Barriers to Contract Enforcement" |
| | National Development Plan 2007-2013 Policy Dialogue | Delivered FY06 | QAC AAA Overall Assessment: Unsatisfactory |
| | Financial Services policy notes | Delivered FY06-FY07 | "Housing Finance Policy Note" "The Polish fixed-income securities market" "A firm-level analysis of small and medium size enterprise financing in Poland" QAC AAA Overall Assessment: Moderately Satisfactory |
| | Public environmental financing | Dropped | |
| | Public administration improvement program | Delivered FY06 | |
| | Energy Efficiency | Dropped | |
| | Renewable Energy | Dropped | |
| | Energy policy dialogue | Dropped | |
| | "Second Generation PPP in Roads Sector" | Delivered FY06 | "Second Generation PPP in Roads Sector" QAC AAA Overall Assessment: Moderately Satisfactory |
| | EU8 cross-country public finance reform, chapter on financing higher education | Delivered FY07 | "Higher Education Financing in the new EU member states: leveling the playing field" |
| | Additional AAA | Education Policy TA | Delivered FY05 |
| Legal Barriers to Contract Enforcement | | Delivered FY09 | |
| ROSC for Insolvency and Creditor Rights (ICR) | | Delivered FY08 | |
| Conference of the parties meeting on Climate Change | | Delivered FY09 | |
| Education Policy TA | | Delivered FY05 | |
| PPP Support | | In progress FY09 | |
| Education Reform in Poland TA | In progress FY09 | | |

POLAND CPS 06-09: PILLAR 3: EMPLOYMENT AND POVERTY
Reduce poverty, encourage social inclusion and bring employment closer to the Lisbon targets

| | Actual Results (as of December 2008) | Comments |
|--|--|--|
| Outcomes influenced by WB program | 1. Support employment creation 2. Increase level of social inclusion | Good Progress Some Progress |
| Intermediate indicators to track progress | 1. Increase dialogue on issues related to fostering job creation and enhancing labor market adaptability. - Implementation of strategies to foster job creation through improving the investment climate and enhancing labor market adaptability in accordance with the (revised) Lisbon agenda targets. [Main Lisbon targets: Total (public and private) investment of 3% of Europe's GDP in research and development by 2010 and an employment rate (the proportion of Europe's working age population in employment) of 70% by the same date.] | Some Progress Good progress. - In 2007-2008, payroll taxes were lowered by 7 percentage points. - Employment rate (aged 15-64, LFS) has increased from 51.7% in 2004 (13.50 million) to 60.0% in the 3Q 2008 (15.75 million). |
| | 2. Increase level of social inclusion - Increased social inclusion service delivery by 30% in 400-500 least developed gminas | Some Progress Some progress Source: Post accession rural support loan ISR (06/19/2008) Significant front-loading of training and capacity building activities has taken place. 27 regional consultants have been recruited to improve service. Social inclusion index is being conducted. |
| Ongoing pre CPS 05-09 IBRD Support | Rural Development Project | Approved FY00. Closed FY05 IEG outcome rating: Satisfactory. |
| New IBRD Lending Support | Post accession rural support loan | Approved FY06. Active Latest PDO rating: Moderately Satisfactory (06/19/2008). |
| | Public Finance Management, Employment and Private Sector Development Programmatic Policy Loan (DPL) | Approved FY09. Active Latest PDO rating: Satisfactory |
| Planned AAA | EU8 cross-country labor market | Delivered FY05 "Enhancing Job Opportunities in Eastern Europe and the Former Soviet Union" |
| | CGE model building | Delivered FY06 "An empirical recursive-dynamic general equilibrium model of Poland's economy - including simulations of the labor market effects of key structural fiscal policy reforms" |
| | EU8 Quarterly Economic Reports | Delivered FY06-FY09 |
| Additional AAA | Living Standards Assessment TA | Delivered FY05 QAC AAA Overall Assessment: Satisfactory |

