Draft Poland Country Strategy

2018-2023

European Bank
for Reconstruction and Development

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Glossary of Key Terms

ABI	Annual Business Investment
ATC	Advanced Transition Country
ATQ	Assessment of Transition Qualities
BEEPS	Business Environment and Enterprise Performance Survey
BRRD	EU Bank Recovery and Resolution Directive
CEB	Council of Europe Development Bank
COOs	Countries of Operation
COP21	2015 United Nations Climate Change Conference
CSR	Corporate Social Responsibility
DCM	Debt Capital Markets
E&S	Environmental and Social
EBRD	European Bank for Reconstruction and Development
ECM	Equity Capital Markets
EIB	European Investment Bank
EIF	European Investment Fund
ESIF	European Structural and Investment Funds
ETI	Expected Transition Impact
ETS	Emissions Trading Scheme
EC	European Commission
EU	European Union
FDI	Foreign Direct Investment
FI	Financial Institution
GEFF	Green Economy Financing Facility
GET	Green Economy Transition
GHG	Greenhouse Gas
IFI	International Financial Institution
IPO	Initial Public Offering
MSME	Micro, Small and Medium Enterprise
MREL	Minimum Requirement for own funds and Eligible Liabilities
NPL	Non Performing Loan
ODA	Official Development Assistance
OFE	Open Pension Funds (Otwarte Fundusze Emerytalne)
PolSEFF	Poland Sustainable Energy Financing Facility
PPP	Private-Public Partnership
PTI	Portfolio Transition Impact
REIT	Real Estate Investment Trust
R&D	Research and Development
SME	Small and Medium Enterprise
SOE	State Owned Enterprise
TC	Technical Cooperation
VCIP	Venture Capital Investment Programme

Executive Summary

Poland is committed to and applying the principles of multiparty democracy, pluralism and market economics in accordance with the conditions specified in Article 1 of the Agreement Establishing the Bank.

Poland has made impressive progress in building democratic institutions since the beginning of transition, having consolidated its democratic system in the process of acquiring EU membership. Political pluralism is further strengthened by the existence of a vibrant civil society, independent media and democratic political tradition. Some recent legislative and institutional changes have however raised questions as to the impact on the rule of law and independence of the judiciary, and led to the triggering of Article 7(1) of the Treaty on European Union by the European Commission (EC). The EC is ready to reconsider its reasoned proposal should the Polish authorities implement the recommended actions within three months. An intensive dialogue between the EC and the Polish Government is ongoing.

In over twenty five years of transition and thirteen years within the EU, Poland has staged an impressive economic convergence. Since EU accession, Poland has avoided a recession and financial retrenchment – suffered by all its peers in the region amidst the European financial crisis. There are no major imbalances in private debt, domestic demand or external financing requirements. The fiscal balance is one of the few recurring macroeconomic concerns, with debt to GDP steadily increasing even in an environment of strong domestic demand. However the spectacular expansion of the past decade has started to meet fundamental headwinds as overall productivity growth has slowed.

Poland is well-advanced in its transition to a sustainable market economy and has benefited from substantial EU/ESIF inflows and EIB loans. Nevertheless, the experience over the last strategy period reveals that the Bank is still additional in select areas where transition gaps remain, and where the Bank is well positioned to respond. These include **competitiveness** (where Poland trails advanced countries in productivity and innovation), **green economy** (where Poland still suffers from high carbonisation) and **resilience** (where the country's capital markets are too shallow relative to the private sector's needs). Demand for the Bank's specialised products and services in these targeted areas remain high and are not fully served by the commercial market. In addition, although the Bank has limited means to directly affect issues of labour supply and quality, it will remain alert to bankable opportunities to promote inclusive growth, including in underserved regions.

With that in mind, and mindful of the Government's reform agenda, as well as of its own comparative advantages vis-à-vis other IFIs, the Bank is set to pursue the following strategic priorities in Poland:

- Enhancing competitiveness through innovation, commercialisation and stronger global linkages;
- Promoting Green Economy Transition; and
- Strengthening resilience through expanded and diversified equity and debt capital markets.

Poland – EBRD Snapshot

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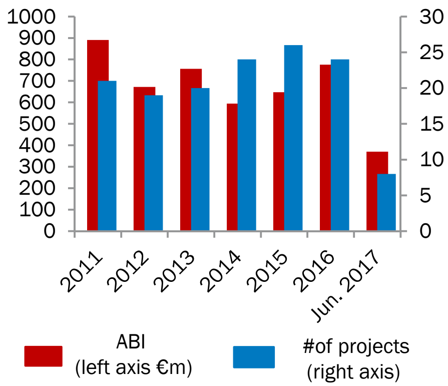
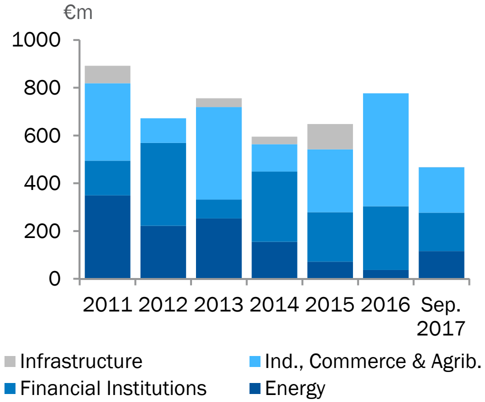
EBRD Investment Activities in Poland

Portfolio	€2.8 bln	# of active projects	117
Equity share	27%	Operating assets	€2.3 bln
Private share[1]	88.3%	Net cum. investment	€8.6 bln

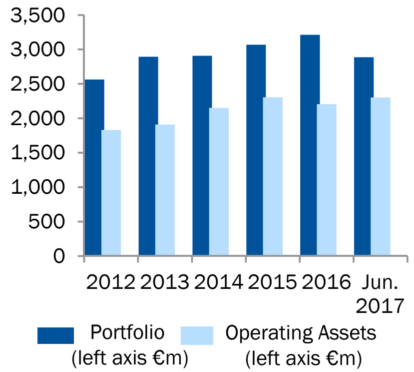
ABI and Operations



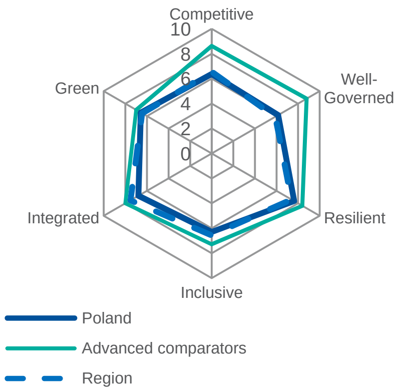
ABI Sectoral Composition



Portfolio Dynamics



Transition Gaps[2]



Poland Context Figures

Population (m)[4]	38.4	2016
GDP per capita (PPP, const. int. 2011 USD)[4]	26,003	2016
Global Competitiveness Index (WEF)	36th *Out of 138*	2016
Corruption Perception Index (Transparency International)	*29th* *Out of 176*	2016
Youth unemployment (%, ILO est.)[4]	17.0%	2016
Female labour participation (%, ILO est.)[4]	49.1%	2016
Energy intensity toe/thousand 2005 USD (TPES/GDP)[5]	0.18	2014
Emission intensity/GDP (kgCO2/05'$)[5]	0.31	2014

[1] Cumulative Bank Investment: 5 year rolling basis on portfolio.. [2] For methodological details refer to the 2017-18 Transition Report. [3] Those sub-components within the EBRD's Sustainable Market Economy Qualities which score the lowest (the worst performance). [4] World Bank's WDI [5] IEA's Energy Atlas

1. Implementation of Previous Strategy – 2014-2017

1.1. Key Transition Results Achieved during Previous Strategy Period

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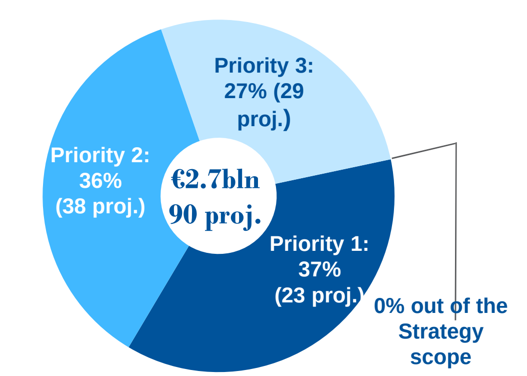
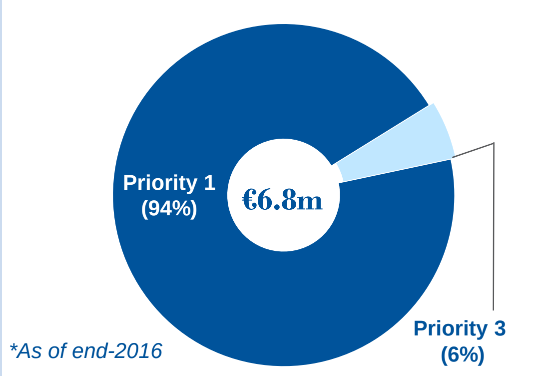
Strategic Alignment 2014-2017 [1]

Annual Business Investment (ABI)

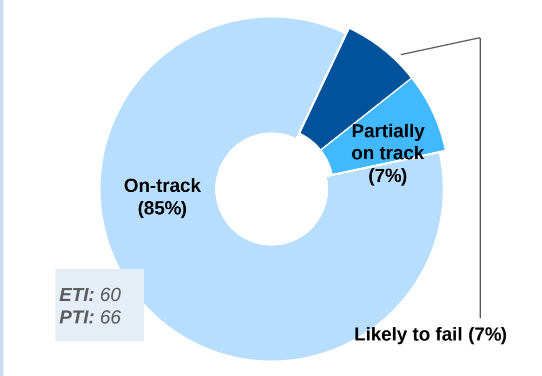


Technical Assistance & Investment Grants*



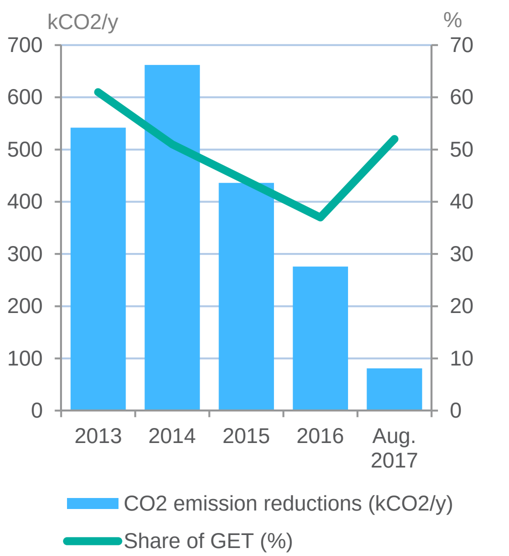
*As of end-2016

Transition Impact Performance [2]



Priority 1:Promoting the low-carbon economy

Green Economy Transition (GET)



Key Transition Results

- **Good results in GET**: more than €1 billion in investment with an average ABI share of 46% over the strategy period. However, the volume of GET commitments decreased from 2013 to 2016 as a result of regulatory uncertainty in renewable energy brought about by the July 2016 replacement of the Green Certificate support system with new feed-in premium auctions.
- **PolSEFF and PolREFF have been impactful** in promoting energy efficiency with:
  - 5,751 sub loans provided under PolSEFF (incl. leasing) and 18 under PolREFF
  - 151,635 MWh/year of energy savings achieved (combined).
- EBRD has also invested more than €472.7m in **projects leading to increased energy efficiency** across corporate, infrastructure and energy sectors (e.g., Azoty, Velvet Care, Arctic Paper, Żabka retail, Gdansk Port expansion), achieving energy efficiency savings of 24,440,903 GJ/year.
- Despite ongoing regulatory uncertainty, **financed several windfarms** (including Orla, Radzyn, Banie and Darlowo), resulting in more than 775,000 MWh/y of electricity generated from renewable sources.
- Provided ongoing **policy engagement on the new renewables support scheme**, leading to the successful 100MW renewable capacity auction in December 2016.
- Very few opportunities to participate **in gas market liberalisation and energy infrastructure** due to abundant EU/EIB financing and SOE dominance. EBRD nonetheless financed the TAMEH CHP modernisation and PGE's new renewables connection capacity and distribution grid.

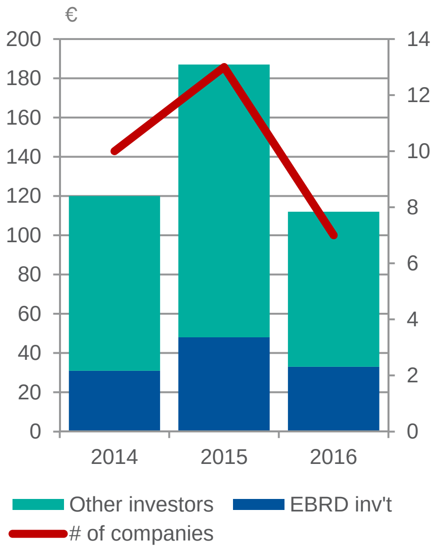
1. *Strategic priorities 2014-2017: 1) Promoting the low carbon economy; 2) Enhancing the private sector's role in the economy; 3) Assisting in the development of a sustainable financial sector.*
2. *Transition impact performance reflects how likely projects are to achieve the transition impact that was expected of them at signing .Calculated based on active mature portfolio (older than two years).*

1. Implementation of Previous Strategy – 2014-2017

1.1. Key Transition Results Achieved during Previous Strategy Period

Priority 2: Enhancing the private sector's role in the economy

Investment by EBRD Equity Funds



Key Transition Results

- Although there were no privatisation opportunities and only limited openings for SOE restructuring, EBRD provided an array of financial support and advisory to **develop the private sector.**
- Provided targeted **support to select SOEs** for operational improvements and development of new funding instruments. For example, new grid connection for renewables (Energa), Basel 3 eligible subordinated bonds (PZU) and covered bonds (PKO).
- In 2014-16 equity fund portfolio invested €419m in 30 companies (EBRD share €113m) with approx. half of the invested companies SMEs, and a third supporting internet technology and the green economy; and exited from 23 transactions, receiving €424m in proceeds (EBRD share €76m). The Bank also invested roughly €12m in 2 **early stage innovative businesses** under VCIP.
- Supported **cross-border expansion** of several companies with growth potential, improving their competitiveness and productivity (e.g. Selena, PKP Cargo). Other projects supported increased **innovation** and **new products and services**, such as Synthos's high-value added chemical production facility and the first IPO of an internet business (Wirtualna Polska) on the Warsaw Stock Exchange.
- Supported **private investment in traditionally public infrastructure**: e.g., the first commercial student housing project in the Bank's region (Griffin Student Depot) and a network of cardio-clinics setting a high benchmark in quality of outpatient service (American Heart of Poland) as well as the IPO of In-Post, a private sector challenger in the postal service market.

Priority 3: Assisting in the development of a sustainable financial sector

Key Transition Results

- **Actively promoted capital market development**, both through investments in innovative instruments and advisory on appropriate legislation and regulatory changes; through private equity investments, facilitated risk capital liquidity and contributed to banking sector consolidation.
- Invested €114.2m in **six issuances of covered bonds** in Poland (PKO BH), which followed the Bank's successful policy engagement resulting in introduction of the Covered Bonds Act in Poland; also, invested €347.9m in **corporate bond** issuances of Polish banks and corporates (e.g. PZU, Euro Bank, Orbis, Cyfrowy Polsat).
- Invested €90m in **first ever local-currency institutional second lien debt** finance (Allegro).
- Policy engagement to develop **REIT legislation**, aimed at introducing this new instrument to the Polish capital market.
- Participated in the **first fixed coupon bond issuance** by the Warsaw Stock Exchange (WSE); and implemented a **benchmarking study on the WSE**, aiming at operational improvements and the legal and regulatory environment.
- Through the **Integrated Approach to Private Equity** (IA), participated in policy engagement at a European level; under the IA signed five equity funds, which successfully raised the required additional capital to achieve a closing, including by attracting new international investors. However, the private equity fundraising environment remains challenging and the emergence of a class of local institutional investors remains subdued.

1. Implementation of Previous Strategy – 2014-2017

1.2. Challenges to Implementation and Key Lessons

Context for implementation: Poland has benefited from a high level of EU/ESIF inflows and EIB loans, as well as ample short-term commercial lending by its highly liquid banking sector. With limited need for traditional debt financing in the corporate sector, the EBRD has instead focused on niche products, such as energy efficiency credit lines, where it is still additional and can address remaining transition gaps. The Bank has also concentrated on financing new renewable energy capacity through limited recourse project finance structures and improvements in electricity distribution. In the financial sector it has worked to further enhance resilience by developing local capital markets, including through innovative instruments such as covered bonds and REIT, and has actively supported further expansion of risk capital and private equity. Finally the Bank has remained active in equity financing, for which demand and the Bank's additionality remain high.

Implementation Challenges	Key Lessons & Way Forward
• Availability of **EU funds/grants** and abundant financing from **EIB/domestic development institutions** has limited demand for the Bank's more traditional financing instruments, particularly for infrastructure and municipal projects.	• Sharpen focus to employ a flexible and innovative approach in delivering longer tenor debt and equity and **niche financing products** (e.g., covered bonds, MREL-eligible bonds, green bonds, project bonds, limited recourse renewable energy project finance & REIT), where EBRD's additionality is greatest.
• High liquidity of local banks has made EBRD financing redundant for **simple corporate lending.**	• The Bank has therefore concentrated on more **structured products** (e.g. institutional second lien loan for Allegro) that also assist in closing remaining transition gaps.
• Regulatory changes introduced by the current government have jeopardised the long term economic **viability of wind energy projects** financed by the Bank under the green certificates support system.	• EBRD will continue to finance viable energy projects under the new auction-based system, with appropriate safeguards. Further policy advocacy and reform engagement under the Integrated Approach for Polish Renewables will facilitate investments in new renewable energy generation capacity.
• **Lack of strong/resilient local investor base** has slowed development of the local capital market (few new instruments, shallow liquidity for secondary trades) and kept the supply of equity for PE/VC at insufficient levels.	• In addition to supporting PE/VC, continue policy engagement on **improvements of financial market infrastructure** to complement other efforts to further reform the Polish pension system (i.e. further development of Pillar 3 pension funds).
• **Limited privatisation** (no milestones achieved in the second half of the current strategy period) has inhibited private sector participation in SOE-dominated sectors.	• Despite limited success to date, the Bank should continue to promote **privatisation**, while also remaining open to opportunities to work with select SOEs on **corporate governance, competition policy** and **operational and efficiency improvements.**

2. Economic Context

2.1 . Macroeconomic Context and Outlook for Strategy Period

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Poland's well diversified economy has helped to insulate it from disruptive shocks, but further structural reforms are necessary to increase growth and productivity.

Poland - Main macroeconomic indicators

	2014	2015	2016	2017 proj.
GDP growth (% y-o-y)	3.3	3.8	2.9	4.1
CPI inflation (% avg.)	0.1	-0.7	-0.2	1.8
Government balance (% of GDP)	-3.5	-2.6	-2.4	-2.6
Current account balance (% of GDP)	-2.1	-0.6	-0.2	-0.4
Net FDI (% of GDP)	-2.4	-2.1	-0.9	-0.7
External debt (% of GDP)	72.7	71.5	76.0	74.5
Total investment (% of GDP)	19.7	20.1	18.1	17.0
General government gross debt (% of GDP)	50.2	51.1	54.1	53.8
Private sector credit (% of GDP)	49.8	51.1	52.7	53.5
Unemployment (%)	9.0	7.5	6.2	4.9
Nominal GDP (€bn)	410.9	429.9	424.2	448.4

- **In over 25 years of transition and 13 years within the EU Poland has staged an impressive economic convergence.** Since EU accession in 2004, Poland's GDP per capita has increased from 50 per cent to over 70 percent of the EU-average in 2016.
- **There are no major imbalances in private debt, domestic demand or external financing requirements.** The fiscal balance is one of the few recurring macroeconomic concerns.
- As elsewhere in the EU, **private capital formation has been weak since the financial crisis.** However, overall investment has been shored up by public spending from EU structural funds.
- **The short-term economic outlook is positive.** Nevertheless a recent drop in public investment weighed on GDP growth in 2016 (at 2.9 per cent, the lowest such rate since 2012), and threatens future potential output.
- **Tightening labour markets and consistent real wage growth should further underpin a consumption-led recovery.** This will likely be augmented by a more efficient disbursal of EU structural funds and increased state-led investment.
- **The labour force is projected to shrink substantially as rapid ageing sets in.** According to EC estimates, over the next 50 years Poland's total population may decrease by 5.3 per cent, with a parallel drop in total working age population of over 16 per cent.

Source: CEIC, EU Commission and EBRD estimates

2. Economic Context

2.2 . Key Transition Challenges[1]

Competitiveness (6.38)

- **General business environment** is favourable, although the informal sector remains at about 20% of GDP.
- **SOEs[2] and market regulations distort competition.** The state controls at least one firm in 39 out of 43 sectors analysed by the OECD.
- **Labour market is not fully efficient,** and 25% of the workforce are on flexible contracts, among the highest in the EU.
- **Innovation and knowledge-intensive activities are limited.** Poland is 23rd in the European Innovation Scoreboard, and spends only 0.94% of GDP on R&D.
- **Business sophistication needs to be improved.** The economy is driven by low-cost labour and natural resources rather than unique products and processes.

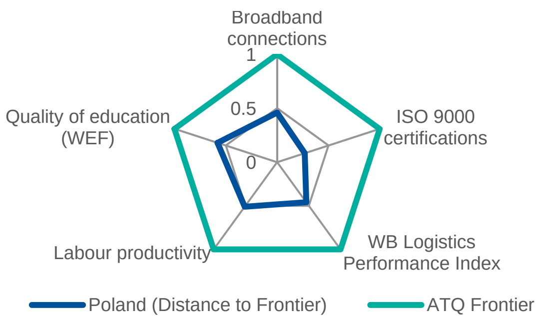
Governance (6.15)

- The **quality of Poland's institutions** has substantially converged to OECD standards, particularly since EU accession in 2004. Progress has also been made in combatting corruption.
- However, **SOEs still lack sufficient transparency**, e.g., the extent of state control and Board decision-making.
- The EC and Council of Europe have questioned the **rule of law**, particularly in relation to the functioning of the Constitutional Tribunal.
- **The pace of legislative changes** is the fourth highest in the EU, inhibiting oversight and making compliance difficult.

Resilience (7.64)

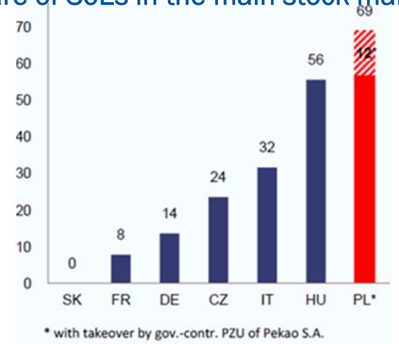
- By most accounts, Poland is a **resilient market economy**, although gaps remain.
- Macroeconomic resilience is aided by the economy's **remarkable diversity**, and **augmented by the exchange rate**, which has acted as a shock absorber.
- **Financial resilience is solid.** Bank supervision is strong, capital adequacy high (17.3% in Q3 2016), and deposit insurance system remains well funded. NPLs of around 6% of gross loans are not considered problematic.
- **Energy generation and infrastructure are obsolete.** About 17% of installed capacity is set for decommissioning by 2022, posing a risk to supply.
- **Capital markets are still under-developed**, forcing excessive reliance on bank financing.

Competitive ATQ[3]: Selected indicators



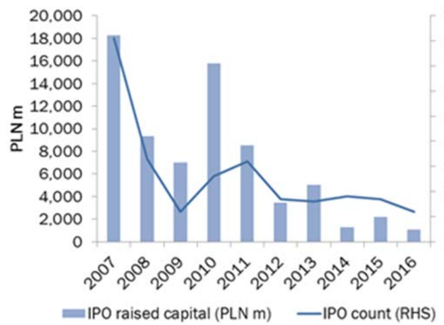
Source: EBRD calculations.

Share of SoEs in the main stock market



Source: EC (2017). Note: Calculations based of ORBIS.

IPO market on the WSE



Source: WSE, EBRD calculations.

1. *See EBRD Country Diagnostic for more details. Provisional transition scores measured on a 1-10 scale, where 10 represents the frontier – subject to change as methodology is finalised.*
2. *The definition is based on the scope of applicability of the OECD Guidelines on Corporate Governance of State-Owned Enterprises.*
3. *EBRD's Assessment of Transition Qualities. For details, refer to the Poland Country Diagnostics.*

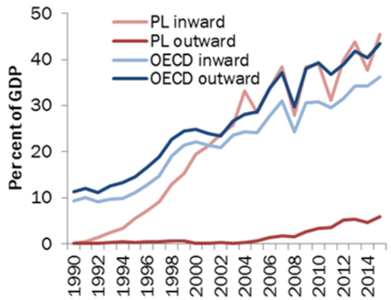
2. Economic Context

2.2 . Key Transition Challenges

Integration (6.79)

- **Exports are large and diversified**, and make up half of Poland's international trade, which stands at 100% of GDP.
- **Compared to Poland's peers inward FDI stock remains modest**, although close to the OECD average of 45% of GDP.
- **Outward FDI is even less developed**, at just 6% of GDP.
- **Infrastructure quality remains poor**, particularly in the transport sector. Poland ranks only 65th out of 137 economies in roads quality in the Global Competitiveness Index.
- **Broadband access is below CEB peers.** In 2015 only 70% of the population used the internet, compared to 90% in Estonia and 80% in Latvia.

FDI stock

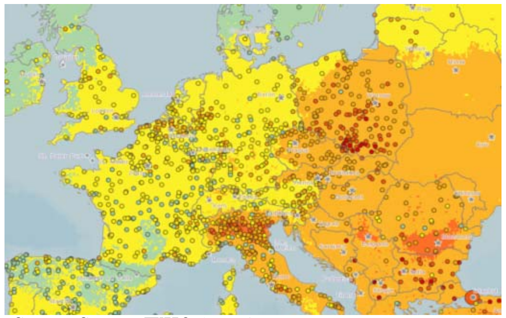


Source: UNCTAD.

Green Transition (6.56)

- **Despite a relatively high ATQ** vis-a-vis CEB peers,[1] **serious challenges remain.**
- **Energy intensity is nearly twice the EU average**, encouraged by domestic deposits of fossil fuels; Poland is the biggest producer of hard coal in the EU.
- **Hard coal and lignite are supported** by special social security regulations, free ETS certificates and co-generation subsidies.
- **Air pollution is a major issue**, with Poland home to 7 of 10 cities in the EU with the highest levels of particulates.
- **Share of renewables** in the energy mix is only 11.8%, still below the government's target of 15% by 2020. New laws have discouraged investment and may imperil current projects.
- **Recycling rate of municipal waste** is 42.5%, still below the EU average.

Ambient air pollution, PM2.5 concentration

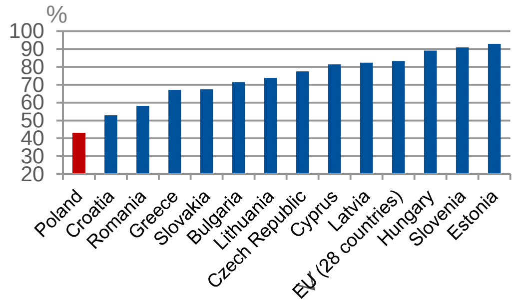


Source: Source: WHO (2017).

Inclusion (6.29)

- **Poland is a relatively inclusive economy,** ranking high in the UNDP Gender Inequality Index.
- However the **employment rate of women** is only 61%, below the EU average (64%) and that of men (75%).
- **Participation rates in childcare and pre-school services** are at only 11% (OECD average: 34%).
- **Excessive use of irregular labour contracts hampers productivity growth.** A quarter (25%) of employees are on fixed-term contracts (the highest among the OECD countries, apart from Chile).
- **Vocational education and training (VET) is not sufficiently aligned with labour market needs.** Only about two-thirds of VET graduates aged 20-34 are employed.

Formal childcare, b/n 3 & school age, 2015



Source: Eurostat

1. *CEB: Central Europe and the Baltics region. Poland still remains below certain advanced comparators, particularly Sweden (7.49) and Germany (7.39).*

3. Government Priorities and Stakeholder Engagement

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3.1. Government Reform Priorities

The Government's **Responsible Development Plan** outlines the following priorities until 2020:

- **Reindustrialisation:** Increased productivity in strategic sectors; focus on "intelligent" specialisations, clusters and industrial valleys; and FDI to create quality jobs and supply chains with local companies.
- **Support for innovative companies:** Less cumbersome regulation (New "Business Constitution"); incentives for start-ups (New Innovation Act); commercialisation of innovative solutions ("Start in Poland"); action plan for SMEs; and enhanced cooperation between research institutes and businesses.
- **Efficient use of available capital:** Increased savings through revamped pension programmes and employee stock ownership plans; bond market development; effective utilisation of EU Funds; and investments by SOEs.
- **Foreign expansion of Polish companies:** Export support through the Polish Development Fund; enhancement of the Polish brand; and expanded business diplomacy.
- **Social and regional development:** Comprehensive demographic programme, including improved education, health and labour markets; and effective regional policy, including enhanced use of renewable energy.
- **Efficient state:** e-Administration and nationwide payment system; intelligent public procurement; solid public finances; more efficient collaboration between ministries; and enhanced energy security (including energy efficiency and renewable energy).

3.2. EBRD Reform Areas Broadly Agreed with Authorities

- Need for further **capital market development**, including through new instruments
- Improvement of **stock exchange infrastructure** to facilitate SME access to equity and private debt
- Help for the **banking sector** in adjusting to a changing regulatory environment, including via new and/or MREL-eligible instruments (and potentially Fintech).
- Desirability of developing additional mechanisms for **energy efficiency finance**, which is currently dependent on the Government's donor contributions.

3.3. Key Messages from Civil Society to EBRD

- The shrinking labour force is a major impediment to greater productivity in Poland.
- Equity instruments, including private equity and venture capital, are key vectors for increasing innovation and competitiveness; complementing substantial public funds in this area will be important to develop the market properly.
- Support for SMEs and start-ups should play an important role in private sector development.
- EBRD's intermediated energy efficiency lines are appreciated by small businesses for their simplicity.
- Energy efficiency in buildings and other "green" investments to decrease air pollution have the potential to substantially improve public health.

4. Defining EBRD Poland Country Strategy Priorities

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What needs to change? *(Section 2)*	Can it be changed? *(Section 3)*	What can the Bank do? *(Section 4)*	Strategic Priorities (2018-2023)	What we want to see in 2023
• Slow productivity growth, including from an inefficient agriculture sector and fragmented industrial structure • Insufficient level of firm sophistication and corporate governance; int'l expansion low • Innovation and knowledge-intensive activities limited • SOEs dominant in strategic sectors, distorting competition • Transport infrastructure efficiency could be improved • Declining labour supply further inhibits growth and investment	• Government's plan for responsible development centred on increasing productivity and foreign expansion of private enterprise • Innovative projects remain underserved by banking sector • Although privatisation remains limited to date, select SOEs working to improve governance and competiveness • EBRD has limited means to directly address labour issues, but can help channel investments to more productive sectors	• EBRD well positioned to help promising corporates secure alternative sources of finance, including PE/VC, as they grow through their life cycles • EBRD can support new and innovative banking solutions • Bank can deploy further equity finance as more additional instrument vs debt • EBRD can support viable privatisations; extensive expertise in improving SOE operational and financial practices • EBRD can provide integrated solutions to develop more efficient transport infrastructure, e.g. Smart Cities	Enhancing competitiveness through innovation, commercialisation and stronger global linkages	• Expansion of competitive companies • Advanced privatisation of SOEs • Increased private sector participation in state-dominated sectors
• High energy/carbon intensity and dominance of coal-based power generation, resulting from large fossil fuel deposits • Low efficiency of supply and usage of energy and resources • Persistently high air pollution • Low renewables share in energy mix • Low recycling rate of municipal waste/high landfilled waste • Prevalence of carbon-intensive road transport	• Government's efforts to achieve 2020 EU Renewable Energy target and commitment to develop cost efficient renewable energy sources • Ongoing energy policy reform includes promotion of energy efficiency in corporate and residential sectors • Opportunities to work with municipalities on waste management and district heating to reduce pollution	• EBRD can build on the success of PolSEFF to design additional energy efficiency and green technology frameworks • Solid track record with municipalities • EBRD finance and advisory can leverage regulatory framework for renewables • EBRD can provide funding including with IFI partners to facilitate more efficient gas transmission, energy distribution and storage	Promoting Green Economy Transition	• Improved energy and resource efficiency • Increased use of renewable energy • More diversified energy mix • Reduced air pollution
• Capital markets lag behind developed peers and non-bank finance is scarce • Private equity funds remain dependent on foreign sources and IFI participation • No effective, organised money market • Although banking supervision strong, capitalisation adequate and deposit insurance system well funded, sector still not fully compliant with Basel III requirements	• High liquidity from commercial banks and EU/EIB financing limit development of deep money mkt & attractiveness of DCM instruments • Smaller role of OFEs and low private savings weigh on capital market development • Government's plan to raise pension savings by shifting to occupational and individual accounts should provide liquidity to stock exchange	• EBRD can deploy specialised expertise to develop new and sophisticated financial instruments • EBRD can help build critical mass for DCM development, including secondary markets • Successful track record in supporting private risk (PE/VC) capital directly and indirectly • EBRD can provide finance to support Basel III compliance	Strengthening resilience through expanded and diversified equity and debt capital markets	• Deepened and diversified debt and equity capital markets • Stable and resilient funding structures in the banking sector

5. Activities and Results Framework

European Bank
for Reconstruction and Development

Priority 1: Enhancing competitiveness through innovation, commercialisation and stronger global linkages

Objectives (Outcomes)	Activities (Outputs)	Tracking Indicators
Expansion of competitive companies	• Selectively support growth-oriented and/or innovative companies, including those seeking to expand internationally, through both equity and innovative, tailored debt solutions • Combine financing, including restructuring, with advisory or fund manager support to enhance corporate governance and productivity, skill transfer and/or backward linkages • Strengthen knowledge transfer, adoption of best practices and development of local supply chains by supporting foreign investment	• Number of new suppliers/customers reached • Number of clients introducing new technology • Increased free float measure in equity market
Advanced privatisation of SOEs Increased private sector participation in state-dominated sectors	• Advance privatisation through policy advocacy and investments • Encourage increased productivity through technological advancement, R&D and innovative processes, including in state-dominated sectors • Continue selective engagement with SOEs to promote market-based reform and commercial practices, particularly to improve corporate governance, diversify funding sources and enhance private sector involvement • Increase private sector participation in development of integrated and intermodal transport infrastructure, including through PPP and concession structures	• Number of projects outsourcing activities to private sector • PPP/concessions implemented

Impact Indicator: Global Innovation Index (Baseline 2017: 42 out of 100 / Rank 38 out of 127, Source: GII)

5. Activities and Results Framework

European Bank
for Reconstruction and Development

Priority 2: Promoting Green Economy Transition

Objectives (Outcomes)	Activities (Outputs)	Tracking Indicators
Improved energy and resource efficiency	• Support energy efficiency investments and innovative green economy technologies in the public and private sectors (e.g., GET projects in agribusiness, M&S and ICT), with an emphasis on district heating, green buildings and residential and commercial energy efficiency • Provide intermediated financing through PolGEFF, PolREFF and other credit lines targeting SMEs and residential projects • Support enhancement of energy storage and improved efficiency in generation, transmission and distribution; explore projects to improve energy interconnectivity	• Energy saved (Gj/y) • Total CO2 reduced (ton/y)
Increased use of renewable energy More diversified energy mix	• Support renewable energy projects and effective implementation/leveraging of the regulatory framework (e.g. wind energy regulations, new auction framework) to further incentivise renewable energy production and consumption • Seek to improve the energy mix (including CHP units) by financing alternative low GHG emission technologies (e.g. gas-fired, including biogas) and second generation biofuel facilities as well as promoting the concept of energy clusters	• Renewable energy produced (MWh/y)
Reduced air pollution Increased resource efficiency locally	• Promote green urban transport and regeneration projects, and e-mobility • Support introduction of the Smart City solutions to enhance efficiency and reliability of urban infrastructure • Support modernisation of municipal waste management and other circular economy investments, including waste-to-energy projects • Policy engagement to promote effective implementation of and compliance with existing environmental regulations, including at the corporate and municipal levels	• Total air emission reduced (ton/y) • Material reduced/recycled (tons/y)

Impact Indicators: Energy intensity TPES/GDP (Baseline 2015: 0.17, toe/thousand 2010 USD; Source: IEA),
Renewable energy consumption (Baseline 2014: 11.5%, Source: World Bank Dev. Indicators)

5. Activities and Results Framework

European Bank
for Reconstruction and Development

Priority 3: Strengthening resilience through expanded and diversified equity and debt capital markets

Objectives (Outcomes)	Activities (Outputs)	Tracking Indicators
Deepened and diversified debt and equity capital markets	• Couple policy engagement and advisory on equity and debt capital market development with investments to support introduction of alternative sources of long-term finance and new and more sophisticated funding instruments • Encourage greater formation of private risk capital and sustainable development of venture capital and private equity through investments (including via PE/VC funds) • Continue investing in new issuances on the debt capital market, enhancing the formation of a critical mass of corporate bonds and supporting secondary trading • Continue policy engagement and technical cooperation with the authorities and Warsaw Stock Exchange to further develop capital market infrastructure, support access by SMEs and deepen money markets	• New financing instruments/products introduced and/or expanded • Total size of equity funds supported
Stable and resilient funding structures in the banking sector	• Enhance the capital base of the Polish banking sector, including via MREL-eligible financial and risk-sharing instruments • Continue policy engagement with the regulator to develop new BRRD-compliant capital market instruments (e.g. non-preferred senior bonds) and establish effective regulatory mechanisms to ensure stable availability of long-term liquidity in the banking sector	• Legal, institutional and/or regulatory improvements related to banking sector resilience

Impact Indicators: Corporate bonds issue value (Baseline 2016: PLN M 78,502, Source: Warsaw Stock Exchange)

6. Mapping of International Partners' Complementarity in EBRD Business Areas

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EBRD BUSINESS AREAS

		Sectors															Other					
		Corporate				Energy		Infrastructure				Financial					Green Transition			Inclusion		
Indicative annual investment/ grants (2014-2016 average unless otherwise specified, excluding budget support)		Agribusiness	General industry	Real estate	ICT	Natural resources	Electric power	Water and wastewater	Urban transport	Roads	Railways	Banking	Insurance	MSME finance	Private equity	Capital markets	Water efficiency	Materials efficiency	Sustainable energy	Gender	Youth	Region
EU	€13.4bn*	€P			€P		€P	€P	€P	€P	€P								€P			€P
EIB	€5.2bn	€	€		€	€	€		€	€	€			€			€	€	€			€
CEB	€468m							€P	€P					€P					€P			€P
EIF	€178m**													€	€				€			
IFC	€117m	€												€	€		€		€	€		€
World Bank	€73m							€P														€P
EBRD	*€672m*		€						€P			€P			€P	€P	€P	€P	€P			

€ Area of significant investments	Focus mostly on private sector
P Area of significant policy engagement	Focus mostly on public sector

Areas for Future Cooperation

Competitiveness:
Partner with the EIB and IFC to co-finance leading private companies

Green Transition:
Co-finance with the EU projects with "green" elements

Resilience:
Provide capital to corporates by investing in private equity funds with the EIF

* Based on the total EU spending in Poland in 2015 only. ** Based on the volume of the fund-of-funds agreement signed in 2016.
Note: IFI activity mapping based on publicly available information.
Significant IFI investment defined as projects exceeding 5% of annual investment and signed from 2014. The exchange rate used is of 15 August 2017.

7. Implementation Risks, Environmental and Social Implications

Risks to the Strategy Implementation	Probability	Effect
Deterioration of investment climate: new banking and retail taxes may chill foreign investment in these sectors. REIT legislation setbacks may limit the scope of available instruments in the Polish capital market. Continued controversy over the Constitutional Tribunal could also undermine investor confidence in the Polish legal system.	Medium	Medium
Insufficient regulatory framework to incentivise "green investments," including renewables. Transition to the new auction-based support system is still ongoing, and may continue to undermine investor confidence and the economics of existing projects in the meantime. A new law is also hindering investment in on-shore wind.	Medium	High
Continued fossil fuel support may discourage development of energy efficient industries, and limit the Bank's ability to diversify the energy mix.	Medium	Medium
A stronger state role in strategic sectors and in managing SOEs creates the potential for politicisation, which could negatively impact the Bank's efforts to improve corporate governance and commercial practices, as well as foster more competitive market segments.	Medium	Medium
Uncertain status of pension reform may have a negative effect on EBRD's ability to build critical mass in DCM and promote widening of investor base in ECM, and PE in particular.	Medium	Medium

Environmental and Social Implications

- **Assessment and Management of Environmental & Social Impacts, Stakeholder Engagement:** Ensure that direct, indirect and cumulative impacts of projects are appropriately assessed and mitigated, and work with clients to ensure adequate implementation capacity. The Bank will work to improve clients' knowledge and practice of CSR and stakeholder engagement.
- **Labour and Working Conditions:** Ensure that clients' HR policies and labour practices comply with EBRD requirements. The Bank will pay particular attention to working time and sectoral wage standards, potential discrimination towards minority groups and women, and employment terms and conditions of foreign workers. Large scale retrenchment may be associated with the privatisation of SOEs and will require specific planning.
- **Resource Efficiency and Pollution Prevention and Control:** Environmental legislation is well aligned with EU standards. The Bank's investment priorities will help reduce GHG emissions although total emissions will remain high due to carbon-intensive heat and electricity generation. The Bank will support the development and implementation of projects with GET elements in support of a shift to a less energy intensive economy and lower levels of air pollution. The Bank will work to improve solid waste management, including infrastructure and systems to encourage separation at source and recycling.
- **Health and Safety:** The Bank will aim to improve occupational and community health and safety culture and practice. Road safety and client fleet management are priority issues for transport projects and may require TC funds.
- **Land Acquisition, Involuntary Resettlement and Economic Displacement:** The Bank will encourage clients to improve consultation and information provision with affected people. Where occupiers have no legal titles clients will need to ensure compensation and livelihood restoration are provided in accordance with EBRD requirements.
- **Biodiversity Conservation and Sustainable Management of Living Natural Resources:** Renewable energy and infrastructure projects may have impacts through encroaching or fragmenting sensitive habitats, protected areas or proposed or existing Natura 2000 sites. To avoid or minimise such impacts, the Bank will ensure robust biodiversity impact assessments of projects in sensitive locations are carried out and provide TC support where needed. Biomass projects will require examination of sustainability of supply chains.
- **Cultural Heritage:** Work with clients to identify and consult with key stakeholders and protect sensitive cultural heritage.
- **Financial Intermediaries:** Ensure that FI partners have adequate E&S capacity and risk management procedures in place.
- **Monitoring and supervision:** Work with clients to monitor E&S performance and address legacy issues associated with the Bank's portfolio.

High *Medium* *Low*

8. Donor Co-Financing Assessment

8.1. Grant Needs Assessment for the New Country Strategy Period

Grant funding will be required to provide technical assistance for the implementation of resource efficiency facilities envisaged in the Bank's pipeline. The overall objectives of this support are to reduce Poland's energy consumption, promote the use of renewable energy and lessen the country's dependence on coal.

Other selected investments may also benefit from grants for project preparation and implementation support.

Support for structural reforms and capacity building will also require grants. Such projects are likely to materialise across such thematic areas as capital market development and public procurement.

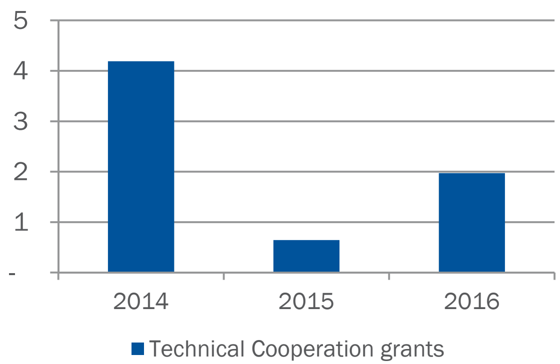
8.2. Potential Sources for Grant Funds

- **Bilateral funds from Poland:** Advanced transition countries are expected to contribute towards the cost of technical cooperation and other grant-funded instruments supporting implementation of projects in those countries. It is expected that Poland will make available some funds to that effect.
- **Bilateral donors:** Bilateral donor funds for advanced transition economies are very limited. However selected projects may attract bilateral donors' interest, especially in green economy transition support.
- **EU:** EBRD will explore opportunities to access European Structural and Investment Funds allocated to Poland in support of selected transactions. Funding opportunities are also likely to include other EU instruments and programmes such as the Structural Reform Support Programme and Horizon 2020.

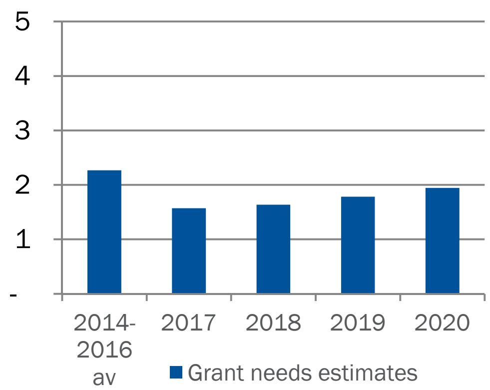
Selected Affordability Indicators

		EBRD regional percentile rank[1]
GDP per capita 2016 (PPP, USD)	26,003	83rd
ODA Recipient	No	N/A

Donor finance during last strategy (€m)[2]



Grant Needs Projection (€m)



1.Reported as the share of EBRD countries (ODA CoOs in case of ODA indicators) that score below Poland.
2.The 2014-2016 TC data is based on commitments as at the end of March 2016 (the latest available date before data migration to a new Donor Funds System). 2016 TC data is based on 2016 earmarks at the project level.

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ANNEXES

Annex 1 – Political Assessment in the Context of Article 1

Poland is committed to and applying the principles of multiparty democracy, pluralism and market economics in accordance with the conditions specified in Article 1 of the Agreement Establishing the Bank.

Poland is a functioning multi-party democracy. The country has made impressive progress in building democratic institutions since the beginning of transition in 1989, having consolidated its democratic political system in the process of acquiring EU membership in 2004. Political pluralism is further strengthened by the existence of a vibrant civil society, independent media and democratic political tradition.

Since the adoption of the last country strategy, the presidential election in May 2015 and parliamentary elections in October 2015 have resulted in the transfer of power from the liberal Civic Platform (PO) to the conservative Law and Justice (PiS) party. Drawing on a popular mandate and driven by a programme combining an emphasis on national sovereignty with a socially-oriented economic outlook, the PiS and its government have implemented a number of policy, legislative and institutional changes. Some of the initiatives, like the introduction of the new child benefit scheme, were broadly welcomed in society as having a positive impact in the social sphere. Some other changes, notably in the composition and functioning of the Constitutional Tribunal as well as the ongoing reform of the judiciary, have raised questions as to the impact on the rule of law and independence of the judiciary. The European Commission, being of the opinion that there is "a clear risk of a serious breach" by Poland of the rule of law referred to in Article 2 of the Treaty on European Union (TEU), has submitted a reasoned proposal to the European Council inviting it to adopt a decision under Article 7(1) of the TEU.[1] The EC is ready to reconsider its Reasoned Proposal should the Polish authorities implement the recommended actions within three months. An intensive dialogue between the EC and the Polish Government is ongoing.

Free Elections and Representative Government

Free, fair and competitive elections

Parliamentary and presidential elections in Poland have been held consistently in accordance with international standards, have been competitive and have offered a free and fair choice to voters, resulting in a regular alteration of power.

The last presidential election took place in May 2015. The last parliamentary elections were held in October 2015. The OSCE/ODIHR Election Assessment Mission concluded that the elections "were competitive and pluralistic, conducted with respect of fundamental principles for democratic elections in an atmosphere of freedom to campaign and on the basis of equal and fair treatment of contestants," and that "the campaign environment remained free and pluralistic despite polarisation between the two leading parties."[2] The next parliamentary elections are due in autumn 2019 and the next presidential election in spring 2020, with the local elections in autumn 2018 expected to be a political barometer.

Separation of powers and effective checks and balances

Poland is a mixed parliamentary-presidential republic. The Polish Constitution provides for the separation of powers and institutional checks and balances within the political system, and these have generally been effective in practice.

The president is the head of state with relatively limited executive powers, although he has the authority *inter alia* to nominate and appoint the prime minister and initiate and veto legislation. The president is elected for up to two consecutive five-year terms by direct popular vote. Executive power rests mainly with the prime minister and the Council of Ministers, who represent a majority party or a majority coalition. The legislative branch, the National Assembly, is bicameral, with the lower house (the Sejm) composed of 460 members elected by proportional representation for a four-year term, and the upper house (the Senate) comprised of 100 constituency-based members also elected for a four-year term. The legislature holds the government to

1. European Commission: Reasoned proposal in accordance with Article 7(1) of the Treaty on European Union regarding the rule of law in Poland, Brussels, 20 December 2017.
2. OSCE/ODIHR: Republic of Poland, Parliamentary Elections, 25 October 2015, Election Assessment Mission Report, Warsaw, 26 January 2016, pp. 2-3.

account through its approval of the prime minister and the mechanism of a "no confidence" vote. The judiciary has generally provided an effective check on executive and legislative powers. However the recent amendments to the composition and functioning of the Constitutional Tribunal as well as the ongoing reform of the judiciary, including of the Supreme Court, the National Council for the Judiciary and the organisation of ordinary courts, were met with concerns by the European Commission, the European Parliament, the OSCE/ODIHR, the Council of Europe Venice Commission and Commissioner for Human Rights regarding the impact on separation of powers.[3] The Polish government nevertheless argues that the reorganised Constitutional Tribunal functions with no legal obstacles, while the changes to the judiciary will not infringe on the independence of courts or judges.

Effective power to govern of elected officials
Elected officials have full and effective power to govern.

Civil society, Media and Participation

Scale and independence of civil society
Polish civil society is large, diverse and vibrant. There are over 120,000 civil society organisations (CSOs) registered in Poland, both associations and foundations. CSOs participate in the policy-making process through various expert bodies and consultations on legislation. A new office of the Government Plenipotentiary for Civil Society under the Prime Minister's Office was established in 2016. Several positive changes, including shortening the maximum time for consideration of a registration application for associations, were made to the legal environment governing CSOs in Poland in 2015. Tax measures are also in place to incentivise donations to CSOs, although the donor base remains fairly narrow while the largest CSOs tend to win most of the available funding due to their greater organisational capacities. Many CSOs, however, have reacted negatively to the government's recent creation of the National Institute for Freedom – Centre for the Development of Civil Society, which has responsibility for disbursing public money to CSOs.

Polish society is overwhelmingly Catholic and the Catholic Church plays an important role in Polish life.

Independence and pluralism of media operating without censorship
The Constitution guarantees media freedom and prohibits censorship. Poland's media environment is open and pluralistic, and the media is independent and diverse. Television represents the most important news source, with the public broadcaster playing a dominant role together with two private channels. Printed and social media as well as radio also serve as important sources of news and provide free content. Internet use is not restricted. Overall, public trust in the media and the Internet is high.[4]

A reform of public service media took place in 2016, following the adoption of the so called "Small Media Law" in December 2015. The law amended regulation regarding the governance, editorial independence and institutional autonomy of public service media, raising concerns as to whether media freedom and pluralism are respected. The Constitutional Tribunal ruled that those changes were partially unconstitutional.

3. OSCE/ODIHR: Final Opinion on Draft amendments to the act on the National Council of the Judiciary and certain other acts of Poland, 5 May 2017, pp. 4-5; Council of Europe Venice Commission: Opinion on the Act of 25 June 2015 on the Constitutional Tribunal of Poland, 11 March 2016, pp. 23-25, and Opinion on the Act of the Constitutional Tribunal, 14 October 2016, pp. 23-24; European Commission: Recommendation of 20 December 2017 regarding the rule of law in Poland, Recommendation of 26 July 2017 regarding the rule of law in Poland, Recommendation of 21 December 2016 regarding the rule of law in Poland, and Recommendation of 27 July 2016 regarding the rule of law in Poland; Council of Europe Commissioner for Human Rights: Statement of 3 April 2017.
4. OSCE/ODIHR: Republic of Poland, Presidential and parliamentary elections 2015, Needs Assessment Mission Report, Warsaw, 7 April 2015, pp. 8-9; OSCE/ODIHR: Republic of Poland, Parliamentary Elections, 25 October 2015, Election Assessment Mission Report, Warsaw, 26 January 2016, p. 13.

Subsequent legislation in June 2016 altered the form of managing public service media by creating a new regulatory institution: the National Media Council, consisting of representatives appointed by the parliament and the president. Concerns that this new body does not adequately safeguard the independence of public service media from political influence were raised by the OSCE Representative on Freedom of the Media and the Council of Europe Commissioner for Human Rights.[5]

Multiple channels of civic and political participation
Polish citizens enjoy multiple channels of civic and political participation.

Freedom to form political parties and existence of organised opposition
Polish citizens are free to form political parties. Poland's political system is pluralistic, with parties representing a wide range of views within Polish society. Opposition parties contest elections freely. Over time the country's political landscape has been changing, with the two major parties – PO and PiS – dominating national politics for well over a decade and alternating in office. The polarisation of Poland's political scene as well as division in society has increased in recent years.

Rule of Law and Access to Justice

Supremacy of the law
Legislative and institutional safeguards for the supremacy of the law are in place. The Constitution guarantees the right to a fair trial and citizens are free from arbitrary arrest and detention.

Independence of the judiciary
The Constitution provides for an independent judiciary and judicial independence has been generally respected. The Polish justice system has suffered, however, from lengthy proceedings, resulting in a backlog of cases. The efforts by the authorities to address this challenge have been welcomed and further efforts have been recommended.[6]

Recent amendments to the composition and functioning of the Constitutional Tribunal as well as the ongoing reform of the judiciary, including of the Supreme Court, the National Council for the Judiciary and the organisation of ordinary courts, have been seen by relevant organisations as weakening the independence of the judiciary. The European Commission has taken a view that there is "a clear risk of a serious breach" by Poland of the rule of law referred to in Article 2 of the TEU and has submitted a reasoned proposal to the European Council inviting it to adopt a decision under Article 7(1) of the TEU, as well as has issued four recommendations to the Polish government under the Commission's Rule of Law framework.[7]The European Commission also launched an infringement procedure against Poland for breach of EU law by the law on the Organisation of Ordinary Courts. The European Parliament,

5. OSCE Representative on Freedom of the Media: Statement of 30 December 2015; Council of Europe Commissioner for Human Rights: Report following his visit to Poland from 9 to 12 February 2016, 15 June 2016, pp. 2, 23-27; European parliament: Resolution on Recent developments in Poland and their impact on fundamental rights as laid down in the Charter of Fundamental Rights of the European Union, 14 September 2016, paras N., O., 8.
6. The UN Human Rights Committee: Concluding observations on the seventh periodic report of Poland, 23 November 2016, p. 7, para 33; Council of Europe Commissioner for Human Rights: Report following his visit to Poland from 9 to 12 February 2016, 15 June 2016, pp. 1-2, 16-17; European Commission: Country Report Poland 2017, p. 35.
7. European Commission: Reasoned proposal in accordance with Article 7(1) of the TEU regarding the rule of law in Poland, Brussels, 20 December 2017, Recommendation of 20 December 2017 regarding the rule of law in Poland, Recommendation of 26 July 2017 regarding the rule of law in Poland; Recommendation of 21 December 2016 regarding the rule of law in Poland; and Recommendation of 27 July 2016 regarding the rule of law in Poland.

the OSCE/ODIHR and the Council of Europe Venice Commission and Commissioner for Human Rights as well as the Parliamentary Assembly of the Council of Europe (PACE) have also voiced their concerns,[8] as have Polish judges, civil society and the political opposition. The Polish government, however, has considered those concerns to be unjustified and has maintained that deep reforms are needed to make the judiciary more accountable. The Polish government continues its efforts to provide explanation of the reforms to all partners.

Government and citizens equally subject to the law
The government and citizens are equally subject to the law. Equality before the law is guaranteed by the Polish Constitution and is generally upheld in practice.

Effective policies and institutions to prevent corruption
Since the adoption of the previous country strategy, Poland has made further progress in combatting corruption. For the past eight years Poland's score and ranking in Transparency International's Corruption Perceptions Index have been gradually improving. In 2016, Poland was ranked 29th out of 176 countries and was the 2nd highest ranking of all EBRD countries of operations. The current government places special focus on the vigorous fight against corruption and tax evasion.

Civil and Political Rights

Freedom of speech, information, religion, conscience, movement, association, assembly and private property
All fundamental freedoms are fully guaranteed in the Constitution and supporting legislation, and are largely observed in practice.

The amendments to the law governing public assemblies adopted by the parliament in December 2016 were seen by civil society and opposition as restricting freedom of assembly. The OSCE/ODIHR and the Council of Europe Commissioner for Human Rights have called on the Polish parliament to reconsider the changes.[9] However, the re-organised Constitutional Tribunal ruled in March 2017 to uphold the law.

Political inclusiveness for women, ethnic and other minorities
The Polish Constitution provides for equal treatment for women and ethnic and other minority groups, and these protections are generally upheld in practice.

The 2011 Electoral Act introduced a minimum requirement whereby either gender must make up at least 35% of candidates on party lists for elections at all levels. Women comprise 27% of members of the parliament elected in October 2015. Moreover, the previous two Polish Prime Ministers were women. Nevertheless, the representation of women in politics could be strengthened. About 44% of managerial posts are also held by women, putting Poland among the highest ranking EU nations.

8. Council of Europe Venice Commission: Opinion on the Act of 25 June 2015 on the Constitutional Tribunal of Poland, 11 March 2016, pp.23-25, and Opinion on the Act of the Constitutional Tribunal, 14 October 2016, pp. 23-24; OSCE/ODIHR: Final Opinion on Draft amendments to the act on the National Council of the Judiciary and certain other acts of Poland, 5 May 2017, pp. 4-5; Council of Europe Commissioner for Human Rights: Statement of 3 April 2017; PACE: Resolution 2188 (2017) of 11 October 2017 "New threats to the rule of law in Council of Europe member States: selected examples,", pp.1-2; and the report accompanying it., pp. 19-21; European Parliament: Resolution (2017/2931(RSP)) on "The situation of the rule of law and democracy in Poland", 15 November 2017.
9. OSCE/ODIHR and Council of Europe Commissioner for Human Rights: Statement, 5 December 2016 at: http://www.osce.org/odihr/286166

Recent years have been marked by a reported increase in the number of incidents of violence, hate speech and discrimination based on race, nationality, ethnicity, religion and sexual orientation. The authorities have been responding to such incidents, although some consider this response to be insufficient.[10]

Freedom from harassment, intimidation and torture
The Polish Constitution provides for freedom from harassment, intimidation and torture, and these freedoms are generally upheld in practice.

10. UN Human Rights Committee: Concluding observations on the seventh periodic report of Poland, 23 November 2016, p. 3, para 15.