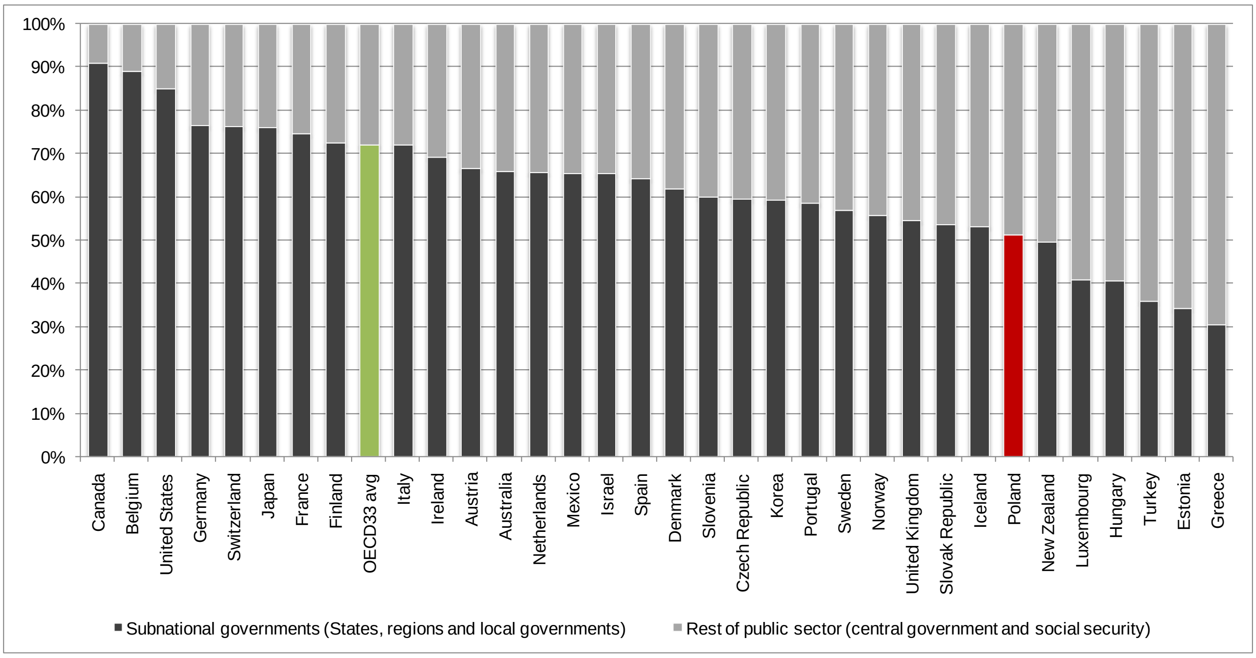
Country Fact Sheet

POLAND

Figure 1. Sub-national public direct investment in OECD countries, 2012

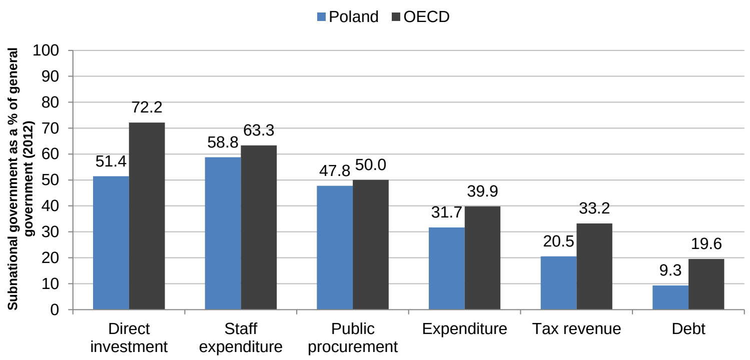
(as a share of public direct investment)



Note: Data for Australia, Mexico, Switzerland, the U.S., Israel, Japan, Korea, & Turkey from 2011; Data for Canada and New Zealand from 2010

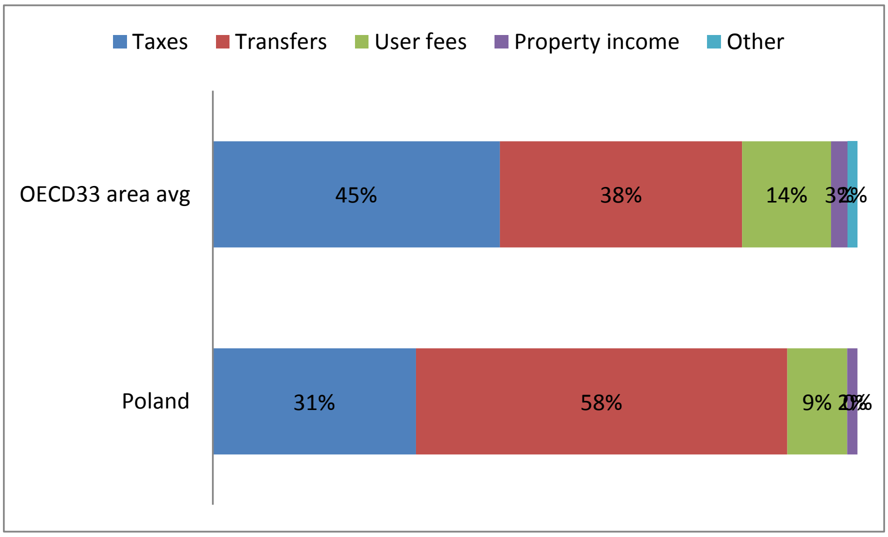
Source: OECD National accounts.

Figure 2. The role of sub-national governments in public finance in Poland



Sub-national investment represents 51% of total public investment. Education and economic affairs are the two largest spending items for SNGs in Poland: together they represent 45% of sub-national expenditure, in line with the OECD average (40%).

Figure 3. Indicators of sub-national fiscal autonomy in Poland



Source: OECD (2013), *Subnational governments in OECD countries: Key data.*

Figure 4. Trends in sub-national investment in Poland

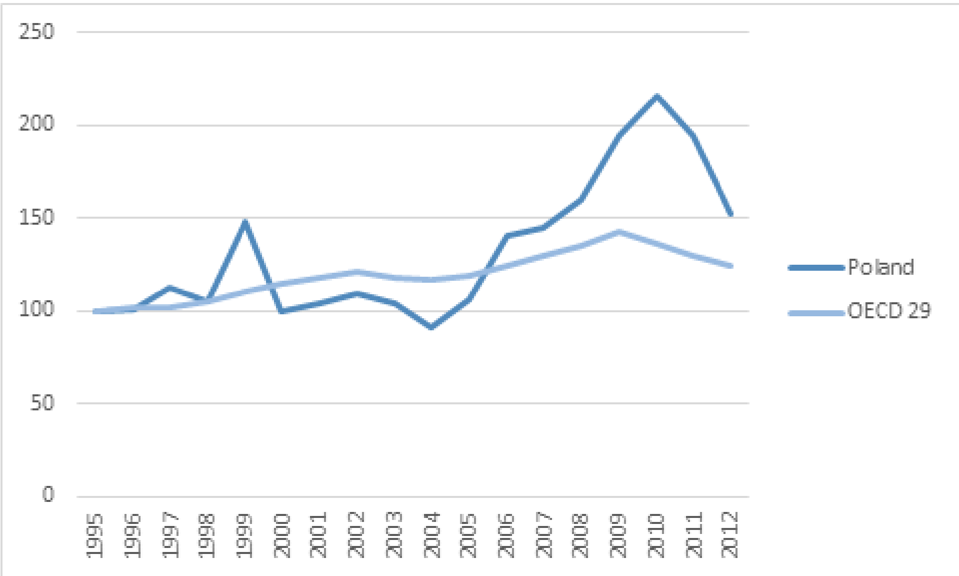
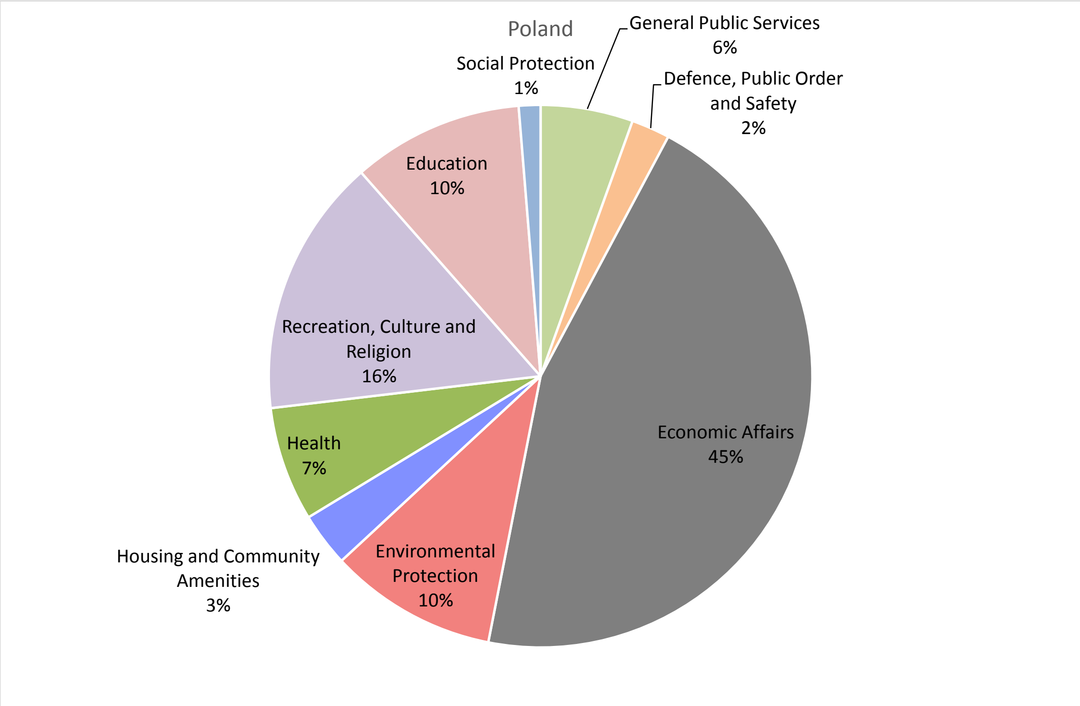


Figure 5. Breakdown of sub-national investment in Poland by economic function (% of total direct investment, average 2008-2012)



Source: OECD (2013), *Subnational governments in OECD countries: Key data.*

FACTS AND FIGURES RELATED TO PUBLIC INVESTMENT:	
General government public direct investment (USD billion), 2012	37.3
• Percent of GDP	4.4
• Percent of public expenditure	10.3
• In USD per capita	967
Sub-national government public direct investment (USD billion), 2012	19.2
• Percent of GDP	2.2
• Percent of sub-national public expenditure	16.7
• Percent of total public direct investment	51.4
• In USD per capita	497
INDICATOR SUBNATIONAL FISCAL ATONOMY	
• Tax revenues (2012) [Percentage in total sub-national revenues]	31%
• User fees (2012) [Percentage in total sub-national revenues]	9%
• Property income	2%
• Transfers (2012) [Percentage in total sub-national revenues]	58%
MAIN MECHANISMS FOR COORDINATING PRIOTISATION AND IMPLEMENTATION OF PUBLIC INVESTMENT BETWEEN NATIONAL AND SUB-NATIONAL LEVELS (2012)	
Vertical relations	
• Sectoral body in charge of national/sub-national co-ordination	No
• National body in charge of national/sub-national co-ordination;	Yes
• Forum gathering sub-national governments	Yes
• Contractual arrangements across levels of government	Yes
• National sectoral representatives appointed to sub-national levels	Yes
• Regional Development Agencies	No
Horizontal relations	
• Mechanisms or incentives exist to encourage co-operation for public investment (horizontally) across sub-national authorities, 2012	No
STRENGTHENING CAPACITIES FOR PUBLIC INVESTMENT AT DIFFERENT LEVELS OF GOVERNMENT	
• There is recognition of procurement officials as a specific profession, 2010	Yes
• Percent of general government procurement occurring at the sub-national level, 2011(1)	47.8%
• PPP unit(s) exist at the national (Nat'l) or sub-national (SN) levels	National
• Use of relative and/or absolute value-for-money (VFM) assessments of PPPs	Abs. VFM
• Intergovernmental co-ordination mechanisms impose obligations in regulatory practice	Yes

Sources: OECD (2013), *Subnational governments in OECD countries: Key data*; OECD (2013), *OECD Regions at a Glance 2013*,; OECD (2013), *Government at a Glance 2013*; OECD (2012), Questionnaire: Multi-Level Governance of Public Investment, unpublished; OECD (2010), *Dedicated Public-Private Partnership Units: A Survey of Institutional and Governance Structures*; OECD (2009), "Indicators of Regulatory Management Systems, 2009 Report".

GOOD PRACTICE EXAMPLES IN POLAND

Principle	Good practice examples from different levels of government
Principle 1.	***Invest using an integrated strategy tailored to different places and coordinate across sectors***
Principle 2.	***Co-ordinate among levels of government***
	Contracts A new generation of contractual arrangements, the “territorial contract”, was introduced with the National Regional Development Strategy 2010-2020. In an effort to create synergies between all policy instruments having a territorial dimension, these territorial contracts aim to ensure the effective co-ordination of initiatives implemented by the regional self-governments with those implemented by the national government in the region. The territorial contract covers: • the central government’s regional development strategic priorities for each of the 16 regions; • the relevant strategic objectives in the remaining integrated national strategies having an incidence on territorial growth and development; • the EU’s Cohesion Policy strategic objectives; • the regional self-government’s own regional development policy priorities as defined in their own development strategies. **Platform of dialogue** Poland introduced in 2007 a forum for vertical co-ordination of strategic programming for EU investment funding, named the Committee for Co-ordination of the National Development Strategy. The Committee for Co-ordination of the National Strategic Reference Framework is headed by the Ministry of Regional Development and includes representatives of various ministries, sub-national authorities and economic and social partners. Its mission is to monitor the implementation of the development strategies and ensure complementarities between the operational programmes and sectoral policies. In addition, a so-called “demarcation line” has been used as a somewhat “soft” mechanism for co-ordination, demarcating the tasks of each level of government and the fields of intervention for each of the operational programmes in order to avoid duplication. Sources: OECD (2012) Public Governance Review of Poland OECD (2008), OECD Territorial Reviews: Poland 2008, OECD Publishing. doi: 10.1787/9789264049529-en.
Principle 3.	***Encourage effectiveness through cross-jurisdictional co-ordination***
	Cooperation across local governments for investment Sub-national governments can work by setting up a syndicate. Syndicates are the most frequently used form of cooperation. They are established to fulfill sub-national governments’ tasks such as water provision and treatment, public transport, gas distribution, telecommunications and environmental protection. Syndicates are financed by fees or grants from its members, and by revenues from its activity. Source: OECD (2008), OECD Territorial Reviews: Poland 2008, OECD Publishing. doi: 10.1787/9789264049529-en.

Principle 4.	***Use long-term and comprehensive appraisals for investment selection***
Principle 5.	***Engage public, private and civil society stakeholders throughout the investment cycle***
Principle 6.	***Mobilise private actors and innovative financing arrangements to diversify sources of funding and strengthen capacities***
Principle 7.	***Reinforce the capacity of people and institutions throughout the investment cycle***
	Technical assistance funds have been used to train regions and beneficiaries of project funds to enhance their understanding and capacity in performance monitoring.
Principle 8.	***Focus on results and promote learning***
	Performance monitoring Programme monitoring on investment financed by EU funds focus attaining strategic and interim objectives specified in the programme (monitoring of delivery) and full absorption of EU allocated funds (financial monitoring). Progress and effectiveness of implementation are measured by means of physical and financial indicators specified in the different programmes. Emphasis is placed on output and results indicators. Monitoring of programmes co-financed by the structural and cohesion funds is performed by the managing authorities and monitoring committees appointed for each programme. The SIMIK IT system (Informational System for Monitoring and Controlling Structural and Cohesion Funds) is supposed to be used to monitor the financial and physical progress of programme implementation. OECD (2008), OECD Territorial Reviews: Poland 2008, OECD Publishing. doi: 10.1787/9789264049529-en.
Principle 9.	***Develop a fiscal framework adapted to the objectives pursued***
Principle 10.	***Require sound and transparent financial management***
	New spending rule Poland has recently introduced a new spending rule, covering 90% of general government expenditures. Spending growth will be capped by nominal targets based on a moving average of GDP growth, which will enhance transparency and credibility. It is also based on two corrective debt thresholds at 50 and 55% of GDP. The new spending rule could help to smooth the effects of EU transfers and the related public investment cycle. Source: OECD (2013) Economic Survey of Poland.

Principle 11.	***Promote transparency and smart use of public procurement at all levels of government***
Principle 12.	***Pursue high-quality and coherent regulation across levels of government***

Areas of focus of recent/current/planned reforms (national level)

Please mention whether your country has recently conducted or is currently conducting reform(s) in the field of governance of public investment across levels of government (territorial reforms, fiscal reforms, capacity building initiatives, performance monitoring, procurement reforms, reforms linked to PPPs or innovative financing arrangements, etc.). You may provide explanations in the box below (or just briefly mention which of the 12 OECD Principles are currently high on your government agenda).