



THE REPUBLIC OF POLAND



NATIONAL
REFORM
PROGRAMME

EUROPE 2020

UPDATE 2014/2015

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1. Introduction

The National Reform Programmes (NRPs), updated in April each year, constitute at the EU Member State level the basic instrument for the implementation of the Europe 2020 strategy adopted in 2010. The update is carried out under the European Semester, along with the update of Stability and Convergence Programmes, which makes it possible to link the processes of structural reforms programming with budget planning.

The document entitled “*The National Reform Programme for the implementation of Europe 2020 strategy. Update 2014/2015*” (hereinafter referred to as NRP 2014/2015) is the fourth edition of the NRP in this cycle *The National Reform Programme for the implementation of Europe 2020 strategy*, adopted by the Council of Ministers on 26 April 2011, which specified how Poland – in the 2020 perspective – will fulfil the national commitments undertaken in terms of the five leading Europe 2020 strategy objectives, constituted the first, initial document in this regard. Taking into account specific national conditions and directions of activity established in Polish strategic documents, in the NRP the Government of the Republic of Poland concluded that it is necessary to focus on actions aimed at compensating for deficiencies in terms of development (catching-up) as well as building new competitive advantages in three priority areas:

1. Infrastructure for sustainable growth;
2. Innovation for smart growth;
3. Activity for inclusive growth.

The process of catching-up will mainly consist in reducing the infrastructure gaps in areas such as transport, the energy sector, telecommunications, social infrastructure, as well as in enhancing the regulatory environment and in carrying out activities for improving the quality of law-making processes, while ensuring the high quality of the public administration services.

Building new competitive advantages requires, above all, activities related to the improvement of the innovation capacity of enterprises and society. These activities should focus on supporting the teaching staff in developing competences related to creativity and innovation in the field of teaching methodology. Strengthening the links between universities, science and economy is also of major importance. As a result, these activities should translate into an increased level of employment as well as into the creation of high-quality jobs. Attaining a state of digital momentum is also essential, as it will be one of the key driving forces necessary to maintain the fast pace of economic development in the future. The above applies, in particular, to new competitive advantages that will be created based on advanced technologies, and will allow Poland to stimulate innovation of its economy and to improve social adaptability in the medium-term perspective.

The priority areas of action designated in the original NRP continue to apply, although due to the need to attain greater precision in the monitoring of progress in the process of implementation of the Europe 2020 strategy as well as the monitoring of implementation of the recommendations of the Council of the EU, the layout of the document was changed in 2013. In the document entitled “*The National Reform Programme for the implementation of Europe 2020 strategy. Update 2013/2014*”, adopted by the Council of Ministers on April 30, 2013, the actions were grouped according to five national objectives, supplemented by actions which contribute towards the implementation of the recommendations of the Council of the EU

pertaining to the Republic of Poland¹ the scope of which extends beyond the objectives referred to above. Actions which make an indirect contribution towards the objectives of the Europe 2020 strategy and at the same time meet the challenges identified in the flagship initiatives accompanying the said strategy have been described in a separate chapter.

NRP 2014/2015 retains the document layout referred to above, based on the national objectives of the Europe 2020 strategy as well as the Recommendations of the Council of the EU for the Republic of Poland². The list of actions has been verified, resulting in the removal of those actions which have already been implemented; new stages of implementation for years 2014-2015 were designated for continuing actions, while new actions were included in the document.

NRP 2014/2015 takes into account the priorities contained in the *Annual Growth Survey 2014*³ pertaining to fiscal consolidation, actions aimed at the reduction of unemployment (especially among young people), supporting economic growth and competition on the single market as well as reducing regulatory burdens. Apart from the EU documents referred to above, the priorities of the *National Development Strategy 2020: active society, competitive economy, efficient state* (NDS 2020) also formed the basis for the preparation of NRP 2014/2015, as did the integrated strategies⁴.

During the preparation of the *NRP 2014/2015* the role of the NRP in the mechanisms for the implementation of EU cohesion policy in the new 2014–2020 financial perspective was also taken into account. On one hand, funds provided under the cohesion policy will constitute an important source of financing for tasks provided for in the NRP. On the other hand, the monitoring of the NRP implementation in line with the projected regulations is meant to direct the cohesion policy towards the implementation of Europe 2020 strategy. As a consequence, the document contains priorities for the 2014-2010 financial perspective linked to the implementation of individual national objectives of the Europe 2020 strategy.

Given the current macroeconomic situation, as well as economic forecasts and priorities of the Government of the Republic of Poland specified in strategic documents, the NRP 2014/2015 identifies the most important actions that translate into meeting the national Europe 2020 strategy objectives and fulfil at least one of the following conditions:

¹ Council Recommendation of 10 July 2012 on the National Reform Programme 2012 for Poland and delivering a Council opinion on the Convergence Programme of Poland 2012–2015, OJ (2012/C 219/19)

² Council Recommendations of 9 July 2013 on the National Reform Programme 2013 for Poland and delivering a Council opinion on the Convergence Programme of Poland 2012-2016 (2013/C 207/16)

³ Communication from the Commission: Annual Growth Survey 2014, COM(2013) 800

⁴ The main mid-term national development objectives were established in the *National Development Strategy 2020: active society, competitive economy, efficient state* (NDS 2020), adopted by the Council of Ministers on 25 September 2012. In addition, achievement of individual objectives of the Europe 2020 strategy will be ensured by implementing the provisions of integrated development strategies – employment objective (main activities provided for in the *Human Capital Development Strategy – HCDS*), innovation objective (main activities provided for in the *Strategy for Innovation and Efficiency of the Economy – SIEE*), energy and climate objective (main activities provided for in the *Strategy for Energy Security and the Environment – ESE*), education objective (main activities provided for in the HCDS and SIEE), poverty objective (main activities provided for in the HCDS). Furthermore, other integrated strategies, i.e., the Human Capital Development Strategy, Transport Development Strategy until 2020 (with a 2030 horizon), Efficient State Strategy, Strategy for Development of the National Security System and National Strategy for Regional Development will also contribute to the achievement of Europe 2020 strategy objectives.

- will contribute towards the implementation of the recommendations of the Council of the EU of 9 July 2013;
- have been indicated in the European Council conclusions and/or the Annual Growth Survey 2014;
- have been indicated as an ex-ante condition in Annex IV to the general regulation on the future cohesion policy;
- correspond with activities specified in the National Development Strategy 2020;
- are included in the list of legislative works of the Council of Ministers.

The Inter-Ministerial Team for the Europe 2020 Strategy (Team), which is an advisory and consulting body of the Prime Minister, was involved in works on the *NRP 2014/2015*. The Team comprises social and economic partners, in addition to representatives of the government administration, which is meant to contribute towards the promotion of the Europe 2020 strategy as well as to strengthen the cooperation between various stakeholders and the ownership of its implementation at the national and local level. The institutional process of the NRP as well as stakeholder involvement are described in chapter 5. In addition, annex 2 contains a summary of the involvement of social and economic partners in the works of the Team and the public consultations conducted.

2. Macroeconomic scenario

From the beginning of 2013, the rate at which economic activity in the Polish economy increased gradually went up (QoQ, sa). As a consequence, in Q4, Poland's GDP was 2.7% higher than a year before. The increase in exports was facilitated by high competitiveness of Polish enterprises and favourable exchange rates, and since Q2 2013, also by higher activity on Poland's main export markets. There were also early recovery signs on the labour market, namely increased demand for labour and decreasing unemployment rate, while the wage pressure still remained low. From the 2nd half of 2013, the significance of domestic (consumer and investment) demand increased, but the main growth factor was still net exports.

Despite the fact that in 2013 most macroeconomic categories saw a positive tendency, their average changes in 2013 were usually less positive than a year before. The GDP grew 1.6% (2.0% in 2012). A slight fall in the demand for labour translated into a rise of the unemployment rate to the level of 10.3% in comparison with 10.1% a year before (the unemployment rate remained below the EU average). Limited wage pressure and low growth in customer credits contributed to a reduced increase in private consumption at the level of 0.8% compared to 1.2% in 2012. In 2013, despite an increase in investments of the private sector, total investments were lower than a year before due to a slump in investments of the government and local government sector. Taking into consideration slower increase in private consumption and negative inventory investments, it is estimated that in 2013 the domestic demand stayed at the same level YoY for the second year in the row. Net exports remained the main growth factor as imports grew slower than exports.

Domestic demand recession and a negative output gap resulted in the fact that in 2013 inflation stayed at a low level. Since December 2012, it was below the target set by the National Bank of Poland, and since February 2013, it was even below the lower limit of the acceptable deviation from the target.

It is expected that the significant economic recovery that is forecasted for Poland's main trade partner - the EU - will also result in positive economic growth in Poland. Prognoses of the European Commission (February 2014) show that the level of the EU imports, which is the most important indicator of changes in the demand for Polish exports, will increase by 4.0% this year against 0.5% last year. It is expected that in 2015, the increase in the EU imports will be 5.6%. Taking into consideration high competitiveness of Polish enterprises, it is forecasted that in 2014 the real increase in Polish exports will be 5.0%, which will result in the highest share of exports in Poland's GDP in the history - it will amount to 48.4%. Over the forecast horizon, the Polish economy will become less dependent on the condition of external markets and will be based on domestic demand to a greater extent. In 2015, exports will increase by 4.9% in real terms, while in the following years, 2016 and 2017, it will grow by 4.8% and 4.1%, respectively⁵.

In 2014-2015, the share of public investments in the GDP will stay at the level observed in 2013, i.e. 3.9% of the GDP. Later on, in 2017, a slight decrease to the level of 3.5% is expected. It is related to the gradual shutdown of programmes financed as part of the 2007-2013 financial framework which will be implemented in 2014-2015 parallel to the programmes of 2014-2020 financial framework.

⁵ Exports/imports on national accounts basis

Considering an expected increase in labour force and a higher demand for labour, it is presumed that the unemployment rate will systematically go down. Other factors that will reduce wage pressure in the economy are: the fact that the unemployment rate will stay at the level above the natural rate of unemployment as well as the planned curb on the increase in wage funds in the majority of government and social insurance bodies.

As a result, it is expected that in 2014-2015, the real increase in private consumption will be 2.2% and 3.0%, respectively, although the rate of voluntary savings will grow. In the next years, as the labour market will recover and consumer mood will improve due to a better economic situation, the real increase in private consumption will amount to 3.9% and 4.0%. The forecasted increase in public consumption will be 2.4% in 2014, 1.1% in 2015, 1.4% in 2016 and 2.5% in 2017.

Although the situation on external markets was relatively unfavourable in 2011, having plummeted in 2009-2010, private investments in Poland have started to grow since then. It is expected that the tendency will continue and that in 2014 private investments will grow 4.5% in real terms, and in the following years, they will increase by 7.8% in 2015, 9.6% in 2016, and 9.3% in 2017.

In conclusion, forecasts regarding the evolution of main elements of the economic growth indicate that in 2014 Poland's GDP will grow 3.3%, i.e. it will be twice as high as in 2013. The GDP growth will mainly be accelerated by the expected rise in domestic demand, including a higher increase in private consumption and a high volume of private investments. It is forecasted that in 2015, the real GDP growth will be at the level of 3.8%, while in 2016-2017, it will stay at the level of 4.3%. By 2016, the macroeconomic policy will be implemented in the conditions of a negative output gap, although it will be gradually eliminated (to 0.0% of the GDP in 2016). By 2017, the gap will probably be positive - at the level of approx. 0.5%.

The expected evolution of basic macroeconomic figures in the subsequent years

Category	2013	2014	2015	2016	2017
GDP in real terms ⁶ % growth	1,6	3,3	3,8	4,3	4,3
Export	4,6	5,0	4,9	4,8	4,1
Import	1,2	4,0	5,1	5,5	5,4
Private consumption	0,8	2,2	3,0	3,9	4,0
Public consumption	2,8	2,4	1,1	1,4	2,5
Gross fixed capital formation, %growth	-0,2	4,1	7,2	6,9	7,8
GDP in current proces, PLN billion	1 635,7	1 704,6	1 805,5	1 929,4	2 058,2
Annual average growth in consumer proces, %	0,9	1,2	2,3	2,5	2,2
Employed population ⁶ , % growth	-0,1	0,6	0,8	0,8	0,8
Unemployment rate ⁷ , %	10,3	9,8	9,3	8,6	7,9

⁶ Employed population, average based on LFS (aged 15 and over).

⁷ Harmonised unemployment rate compliant with the Eurostat definition.

3. Achievement of the national objectives of the Europe 2020 strategy and recommendations of the Council of the EU dated July 9, 2013

Taking into account the Commission guidelines of October 2013, this section of the NRP update presents the main activities which contribute directly towards Poland's implementation of Europe 2020 strategy objectives and the recommendations for Poland provided by the Council of the EU, dated 9 July 2013.

Each subchapter is divided into a part summarising the main actions carried out in 2013 and a part presenting actions planned for 2014/2015. Relevant actions were assigned to ministries responsible for their implementation and are accompanied by the implementation schedule as well as information on estimated financial consequences. Information on the financial consequences of planned actions/interventions should be regarded as estimate calculations of their potential impact. With regard to 2014, these estimates are based on the Budget Law for 2014, while the final level of financing in 2015 will be established on the basis of Budget Law for 2015 and relevant legal acts. In case of actions which remain at project stage, these amounts should not be regarded as liabilities until they are officially accepted by the Council of Ministers.

3.1. Employment objective

As in the case of the previous years, the task of increasing the employment rate continues to pose a significant challenge in Poland. Among the population aged 20–64 the value of this indicator amounted to 64.7% (in 2012) and 64.9% (in 2013), while the average value for the entire European Union amounted to 68.4% (2012). The second important task still consists in stemming the rise of unemployment, which is the consequence of, inter alia, the unfavourable macroeconomic situation in Poland and in Europe. In 2014 the annual average unemployment rate among persons aged 15-64 calculated in line with the LFS methodology amounted to 10.5%. Another important challenge is to reduce the phenomenon of professional inactivity due to illness⁸ and disability.

Taking these challenges into account and bearing in mind the current demographic processes which will cause the population of working people to shrink after year 2020, it is necessary to activate social groups which up to this point were not sufficiently represented on the labour market, in particular young people – the group which bore the brunt of economic slowdown on the labour market – as well as women and persons aged 50+.

The high unemployment among young people – in 2013, the annual average unemployment rate for young people (15-24) calculated according to the LFS methodology amounted to 27.3% – is frequently related to difficulties in making a transition from education to employment. The situation of this group requires taking measures which would make it easier for them to find their first job, on the one hand, and measures aiming at improving competences and qualifications acquired within the education and training system, so that they correspond with the employers' needs in terms of employee skills. It is especially important to create conditions allowing universities to strengthen the practical aspects of education and to adjust courses of study to the needs of the labour market, as well as to create modern education

⁸ The implementation of programmes aimed at counteracting professional inactivity due to health condition has been included in part 4 of the Action pertaining to flagship initiatives.

programmes to address the challenges of an innovative economy⁹ in particular through the education of specialists in sectors with the highest potential for growth in employment rates¹⁰. In response to the needs of young people with respect to professional skills and experience, job preparation and practice constitute an important part of the Youth Guarantee Implementation Plan.

The actions for increase of the employment rate among women, persons aged 50+ and other disadvantaged groups on the labour market remain of great significance.

In order to increase the employment rate for women, which is lower than the employment rate for men, the scope of instruments that facilitate the reconciliation of professional and parenting roles is constantly being extended. The existing instruments, such as flexitime, teleworking and the system of childcare for children up to 3 years of age, will be supplemented by new ones, including, inter alia, teleworking grants and activation benefits for individuals who wish to re-enter the labour market following a break in employment related to childcare. The development of childcare institutions for children up to 3 years of age as well as kindergarten facilities will also continue. It also needs to be pointed out that within the recent period there has been a dynamic increase in the number of children aged 3-5 attending kindergarten – up from approximately 47% in 2007 to approximately 74% in 2013. This increase has been even more notable for rural areas – from approximately 23% to approximately 64%¹¹.

Due to the fact that the statutory retirement age was raised on 1 January 2013, measures aimed at improving employability of persons in the pre-retirement age group and of persons approaching retirement will continue to be implemented in order to allow such persons to function effectively on the labour market, which will contribute towards increasing the effective exit age.

Effective stimulation of labour force participation among the unemployed, in particular with regard to disadvantaged groups on the labour market, requires taking comprehensive measures in the field of labour market policy. In this context it is planned, inter alia, to introduce mechanisms aiming at improving the effectiveness of Public Employment Services, ensuring a wider scope of active labour market policy instruments as well as making it possible to establish close cooperation with social welfare institutions, non-governmental organizations and employment agencies in order to ensure the efficient stimulation of labour force participation with respect to individuals with the weakest links to the labour market.

Elements of the position and opinions of social and economic partners, reflected in the NRP 2014/2015

The suggestions of social and economic partners submitted in the course of works carried out by the Team are to a large extent consistent with government plans in terms of direction.

Among the recommendations directly reflected in the NRP 2014/2015, emphasis must be placed, in particular, on the action aimed at increasing the employment rate among young people, including the so-called youth guarantees as well as the further increase in the availability (both in spatial and financial terms) of nursery and kindergarten care.

The structure of the parental leave introduced in 2013 appears to be consistent with the recommendation pertaining to the increase of the scope for combining part-time work with leaves related to the birth of a child without loss of the entitlement to benefits or reduction of the scope

⁹ Activities aiming at adjusting the courses of study to the needs of the labour market are described in part 3.4 – Education objectives.

¹⁰ Green collar jobs, white collar jobs and the ICT sector (information and communication technologies)

¹¹ The Education Information System

thereof.

Actions will be taken in order to strengthen the links between education and the labour market. In accordance with the recommendation of social and economic partners pertaining to the introduction of a system for the forecasting of labour market needs, an integrated forecasting and information system is being developed which shall make it possible to make more efficient forecasts as to demand for labour. The system will provide forecasts of the number of individuals employed in the Polish economy up to the year 2020, grouped according to professions, economic sectors and provinces.

The changes planned in the amendment of the act on the promotion of employment and labour market institutions with respect to the manner of functioning of employment agencies appear to correspond to the suggestions pertaining to the change of the methods of operation and structure of public institutions dealing with employment issues in a way which increases the efficiency of the active labour market programmes and decreases the costs of stimulation of labour market participation of the unemployed.

Actions aimed at stimulating workforce participation of disabled persons shall be effected, inter alia, on the basis of European funds, including the new financial perspective of the European Social Fund Within the framework of the National Programme for Counteracting Poverty and Social Exclusion, the action designated as *Enhancement of the system of inclusion of disabled persons in professional and social life* was devised, comprising, inter alia, the development of amendments to the act on professional and social rehabilitation and the employment of disabled persons as well as the implementation of the said amendments, scheduled for years 2015-2020. At the present stage, no timetable for the implementation of legislative changes may be given.

Estimated employment rate of persons aged 20-64 (in percentages) – overall figures for Poland for years 2010-2020¹²

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
total	64.3	64.5	64.7	64.9	65.5	66.5	67.4	68.1	69.2	70.1	71.0

Source: Figures for 2010-2013 – Labour Force Survey (LFS), Central Statistical Office¹³. For 2014-2020 – estimates of the Ministry of Labour and Social Policy (MLSP)

Priorities for the 2014-2020 financial perspective

The employment objective will be implemented on the basis of both the Operational Programme Knowledge Education Growth (OP KEG) as well as the regional operational programmes (ROPs). The OP KEG takes into account long-term challenges related to globalization, economic growth, the quality of public policies, demographic changes and investments in human capital. The following investment priorities will, in particular, contribute towards the implementation of the employment objective:

- 8.6 sustainable integration into the labour market of young people, in particular those not in employment, education or training, including young people at risk of social exclusion and young people from marginalised communities, including through the implementation of the Youth Guarantee.
- 8.8 equality between men and women in all areas, including in access to employment, career

¹² Working population = people aged 15 and over, who during the week of the survey carried out any work for at least one hour, for which they got paid or received income, and persons who helped (without remuneration) in running a family agricultural holding or family activity outside agriculture, as well as persons who formally had a job, but did not work (e.g. due to illness, being on a leave, a break in the plant's activity, difficult weather conditions); if the period of time off from work amounted to more than 3 months, an additional criterion of receiving at least 50% of current remuneration was applicable to employed persons (persons employed on the basis of an employment relationship and homeworkers) since 2006. Source: Central Statistical Office, Labour Force Survey (LFS)

¹³ LFS-based indicators presented in the document are developed on the basis of data generalized in accordance with balance sheets prepared on the basis of the National Population and Housing Census of 2011 (NPC 2011). Currently, data concerning Poland's population aged 15 and over gathered from balance sheets developed on the basis of NPC 2011 results are used for the purpose of extending the results of the LFS study onto the general population. At the same time methodological changes were introduced in order to exclude persons living outside the household for the period of at least 12 months from the scope of the study (previously the length of this period amounted to 3 or more months).

progression, reconciliation of work and private life and promotion of equal pay for equal work

8.9 adaptation of workers, enterprises and entrepreneurs to change

8.10 active and healthy aging

8.11 modernisation of labour market institutions, such as public and private employment services and improving the matching of labour market needs, including through actions that enhance transnational labour mobility as well as through mobility schemes and better cooperation between institutions and relevant stakeholders.

10.2 improving the quality and efficiency of, and access to, tertiary and equivalent education with the view to increasing participation and attainment levels, especially for disadvantaged groups

10.3 enhancing equal access to lifelong learning for all age groups formal, informal and non-formal settings, upgrading the knowledge, skills and competencies of the workforce and promoting flexible learning pathways including through career guidance and validation of acquired competences

10.3 bis.– improving the labour market relevance of education and training systems, facilitating the transition from education to work, and strengthening vocational education and training systems and their quality, including through mechanisms for skills anticipation, adaptation of curricula and the establishment and development of work-based learning systems, including dual learning systems and apprenticeship

Furthermore, the objective will be implemented on a regional level, where direct support with respect to stimulation of labour force participation will be granted within the framework of regional operational programmes (ROPs).

Main actions adopted within the framework of NRP 2013/2014

In 2013, works were underway on the [reform of labour market policy](#). On November 5, 2013, the Council of Ministers adopted a draft act amending the act on promotion of employment and labour market institutions and certain other acts. The draft provided for solutions intended, inter alia, to improve the quality and efficiency of services provided by employment agencies as well as new instruments addressed to the most vulnerable groups on the labour market, including young people aged 30 or less, individuals aged 50+ as well as individuals returning to the labour market following a break in employment due to childcare.

The [Youth Guarantee Implementation Plan for Poland](#) has been prepared, encompassing a set of actions which will allow public employment services, organizational units of the Voluntary Labour Corps, Bank Gospodarstwa Krajowego (BGK) as well as non-public labour market institutions to offer individuals below the age of 25 (or, in the case of BGK, below the age of 29) support in their attempts to enter the labour market.

The “Youth on the labour market” programme has also been implemented, aimed at the reduction of youth unemployment. One of the most important components of the Programme has been the “Your Career – Your Choice” pilot programme. The solutions tested in the course of the pilot programme included: individual support of assistants/counsellors for the unemployed, the youth professional activation policy encompassing a training voucher, vocational/post-secondary school education voucher, postgraduate voucher, internship voucher, voucher for employers who create jobs for higher education graduates as well as subsidy for job-seekers who change their place of residence in order to obtain a job. Within the framework of the “Youth on the labour market” programme, in 2013 an amount of PLN 22.5 million was allocated for the implementation of special programmes for the unemployed. The activities in question made it possible to ensure the professional activation of nearly 3.5 thousand young people.

CSR 3
To reduce youth
unemployment

CSR 4
To increase the indicator of admittance of children to childcare and pre-school education

On 13 July 2013, the amended act on the care for children aged three and under entered into force, introducing, inter alia, changes which entail the reduction of the own contribution of the commune from 50% to 20% of the costs of implementation of the task when applying for state budget funds for the establishment and functioning of care institutions; the extension of the group of entities which may apply for state budget funds for [the establishment and functioning of care institutions](#) by making non-public entities eligible for such financial aid; the extension of the group of entities which may employ day caretakers; making it possible for individuals pursuing agricultural activities to employ a babysitter, whose retirement, disability, accident and health insurance contributions shall be paid by the Social Insurance Institution (ZUS). In 2013, in connection with the implementation of the “Maluch” (“Toddler”) Programme, 2 editions of an activity support competition were held, aimed at providing support for commune-wide projects pertaining to the development and continued functioning of care institutions for children aged 3 and under (edition 1) as well as at providing support to non-public entities providing care to children aged 3 and under for the purposes of reducing the amount of fees payable by parents for the provision of care activities by the institutions in question (edition 2).

According to the data as at December 31, 2013, a total of 1511 care institutions for children aged 3 and under (day care centres, children’s clubs, daily carers) entered into the register of day care centres and children’s clubs or the register of daily carers were active in Poland, including 1243 day care centres, 212 children’s clubs and 56 daily carers. It follows that the number of childcare institutions for children aged 3 and under increased by 63.2% compared to 2012. The increase of the number of care institutions for children aged 3 and under pertained to all forms of childcare.

CSR 4
To increase the indicator of admittance of children to childcare and pre-school education

On 1 September 2013 the act amending the act on the education system and certain other acts dated 13 June 2013 entered into force. The changes were introduced for the purposes of ensuring a systematic [increase of the availability of pre-school education](#), which, by 1 September 2017, shall result in a situation where all children aged 3 – 5 will be able to take advantage of kindergartens or other forms of pre-school education, with the amount of fees payable by parents for pre-school education being subject to a statutory cap.

CSR 4
To increase female labour market participation

The act amending the Labour Code and certain other acts dated 28 May 2013 introduces a [paid parental leave](#). The leave, which becomes available upon the birth of a child, consists of a 20-week maternity leave, 6-week additional leave and 26-week parental leave. The parent who decides to take advantage of a six-month leave shall receive a maternity allowance in the amount equivalent to 100% of his or her remuneration. Where the given employee decides subsequently to extend the leave by a further six-month period, the available allowance shall amount to 60% of his or her remuneration. On the other hand, where a parent decides at the outset to take a 12-month leave, he or she shall receive an allowance in the amount of 80% of his or her remuneration for the entire duration of the leave. The new solutions introduced by the amended act allow parents to share their parental leave – following 14 weeks of maternity leave, the father of the child may take advantage of the remainder thereof; parental leave may also be combined with part-time work. The implementation of changes was accompanied by a social campaign aimed at raising awareness of the provisions of applicable laws pertaining to the leave entitlement for fathers following the birth of a child as well as promoting the concept of conscious fatherhood.

Within the framework of Measure 1.5 of the Human Capital Operational Programme (HC OP) (“Supporting solutions for reconciling career and family life”), until the end of 2013 the following institutions have commenced their activities: 224 day care centres, 24 children’s clubs and 25 daily care institutions. Furthermore, support was provided with respect to the activities of non-governmental organizations in the field of ensuring equal opportunities for men and women on the labour market by providing co-financing for selected projects.

Measures aimed at [supporting the professional activities of the elderly](#) have been implemented. On 24 December 2013, the Council of Ministers has adopted an extensive package of documents intended to support the professional activities of the elderly in a variety of fields. The revised “Solidarity between generations. Measures to increase economic activity of people aged 50+” programme, “Tenets of the Long-term Policy for the Elderly in Poland for years 2014-2020” and the Governmental Programme for Social Activity of the Elderly for 2014–2020 were among the documents in question. In addition, the “In Plus in Time – Trainings for Entrepreneurs” project, aimed at ensuring that enterprises are prepared for the implementation of the applicable age management standards, as well as the “Active Pensioner” programme, intended to promote an efficient and active lifestyle for people aged 50+, have also been implemented.

On 23 August 2013, the act amending the Labour Code and certain other acts entered into force, allowing for a more [flexible organization of working time](#). The changes introduced should result in an increase of competitiveness of companies, thereby facilitating the retention of existing jobs and the creation of new ones as well as making it easier for employees to reconcile their career and family life.

On 21 November 2013, the act on [specific solutions pertaining to the protection of jobs](#) entered into force, introducing solutions which support employment through the provision of salary supplements for employees who find themselves at a risk of dismissal in cases where their employer faces transient difficulties.

Research was also carried out on an integrated forecasting and information system which shall make it possible to make forecasts as to the demand for work. In its final form, the system will provide a forecast of the number of professionally active individuals within the Polish economy until the year 2020, grouped according to professions, sectors of the economy and provinces. The on-line forecasting tool will become available in Q2 2014.

Main actions for years 2014-2015

Labour market policy reform (MLSP)

In order to ensure the efficient mitigation of the consequences of the economic crisis on the labour market, once Parliament passes the amendment to the act on promotion of employment and labour market institutions, new solutions pertaining to labour market policy shall be implemented in order to improve the quality and efficiency of the services provided by employment agencies. The planned solutions assume an increased role of the local government of the province in the implementation of labour market policies, changes in the manner in which funds provided by the Labour Fund (labour market council) are distributed, making the allocation of funds for the professional activation of the unemployed and for the remuneration of the employees of district employment agencies dependent on the results of their activities, as well as the involvement of the funds provided by the Labour Fund in the implementation of projects based upon EU funds.

Furthermore, the improvement of the efficiency of employment agencies is to be attained through the reinforcement of individual approach in the provision of services for the unemployed. Plans include introducing the institution of client advisor, improving the standards of operation of employment agencies, introducing the concept of profiling the support granted to the unemployed, increasing the scope in which non-public entities perform labour activation services aimed at the unemployed with the weakest links to the labour market as well as introducing new forms of cooperation between district employment agencies and communes.

There are also plans for the introduction of new labour market instruments aimed at the most vulnerable groups on the labour market – Young people under 30 years of age, elderly people aged 50+, persons re-entering the labour market after a break related to childcare; these instruments shall be described in more detail in sections dedicated to further measures.

Timetable

- Expected date for the adoption of the act by Parliament – **Q2 2014**.
- Planned date for the act to enter into force – **Q2 2014**.

Financing

The planned new solutions will not result in an increase of expenditure of the Labour Fund in 2014 and in subsequent years as these solutions will be financed within the framework of the existing limits of the Labour Fund financial plan.

At the same time, it is assumed that through the introduction of the planned changes it will be possible to attain additional revenues on account of the Personal Income Tax as well as social security contributions payable with respect to the salaries of individuals who will be offered jobs as a result of the implementation of the changes proposed under the act. It is therefore assumed that the proposed solutions will have a positive impact on public finance. The maximum level of revenues in question was estimated at approximately PLN 300 million per annum.

Implementation of Youth Guarantees in Poland (MLSP)

The implementation of Youth Guarantees in Poland will encompass the reduction of the periods within which public employment services are under an obligation to present job offers or perform activities pertaining to professional activation with respect to persons aged 25 and under – the periods in question will now be reduced from 6 to 4 months. This solution is provided for under the draft amendment of the act on the promotion of employment and labour market institutions. In addition, a number of measures aimed at young people have been planned for implementation by the Ministry of Labour and Social Policy, employment agencies, Voluntary Labour Corps (OHP), Bank Gospodarstwa Krajowego (BGK) as well as the interested partners on the labour market.

According to the accepted implementation plan for Youth Guarantees, the said Guarantees are aimed at

- unemployed persons aged 25 and under, including, in particular, persons registered at the district employment agencies,
- youths aged 15-17 who terminate their education prematurely,
- persons aged 18-25 from the so-called NEET group (not in employment, education or training),
- persons aged 18-29 who are covered by the loan system by Bank Gospodarstwa Krajowego.

Support for the aforementioned groups will be provided depending on the individual needs of young people.

Employment agencies, apart from standard activation measures aimed at young people, will utilize new tools introduced in the amended act on the promotion of employment and labour market institutions (including training, internship and employment vouchers as well as vouchers for job-seekers who change their place of residence in order to obtain a job, telework grants, professional activation allowances, tripartite training agreements). For the purposes of implementation of Youth Guarantees, competitions will be held in the field of professional activation at the regional level (Provincial Employment Agencies) as well as competitions pertaining to innovative activation measures at the central level (organized by the Ministry of Labour and Social Policy). The measures referred to above are intended for broadly construed labour market partners such as non-public job agencies, social partners, NGOs etc.

The activities of the Voluntary Labour Corps for the purposes of implementation of Youth Guarantees in Poland shall focus on the provision of support to two groups: young people aged 15-17 who neglect their school attendance or educational duties as well as unemployed young people aged 18-25 who have no professional qualifications or experience or whose professional qualifications do not correspond to the requirements of the labour market, including, in particular, residents of rural areas or smaller communities. Support for the first of the aforementioned groups will be granted for the purposes of ensuring that young people are reincorporated into the educational system. Support granted with respect to the second group will be intended to make it possible for recipients to acquire jobs, change profession or enhance professional qualifications, obtain professional experience and commence the performance of works leading to the attainment of an independent status of the young person in question as well as the acquisition of the so-called soft skills. Should the need arise, young people will also be given additional social support.

An important component of the Youth Guarantee programme in Poland will also be a loan system of Bank Gospodarstwa Krajowego aimed at students and graduates, which is currently being tested in the form of a pilot programme designated as “My first business – Support at the Start”. The programme comprises two types of loans: loans for starting a business (basic loan) – up to 20 times the amount of average salary, and loans for creating jobs for the unemployed (supplementary loan) – up to 6 times the amount of average salary.

Timetable

- Expected date for the adoption of the act by Parliament – **Q2 2014**.
- Planned date for the act to enter into force – **Q2 2014**.
- The programming of funds for the systems of central and regional competitions – **2014**
- Announcement of central and regional competitions – **2014 – 2015**

Financing

Youth Guarantees in Poland will be implemented both on the basis of national funds and EU budget funds within the framework of the European Social Fund and the Youth Employment Initiative.

Measures aimed at young people will be implemented at employment agencies on the basis of Labour Fund monies earmarked for the professional activation of the unemployed. The estimated annual average amount shall be approximately PLN 1.5-1.6

billion (taking into account the expenses due to the pre-financing of measures implemented for European Social Fund monies). The activities of the Voluntary Labour Corps shall be performed on the basis of budget funds allocated for registered scope of activities (it is estimated that the annual average amount will be approximately PLN 75 million).

The EU budget funds for the implementation of Youth Guarantees – with respect to young people aged 25 and under – will be derived from the Operational Programme Knowledge Education Growth (OP KEG), within the framework of which support will be provided to young people in all provinces, both those covered by the Initiative and those which are not the beneficiaries of the said Initiative. The estimated amount of funds under OP KEG for the “Youth Guarantees” actions will amount to approximately EUR 1.7 billion in 2014-2020.

Counteracting the consequences of the crisis on the labour market (MLSP)

At a time of crisis, where demand for work remains low, the increase of unemployment may bring about adverse consequences in the form of long-term unemployment. In this context emphasis must be placed on those instruments which make it possible to maintain employment despite the decrease in economic activity (sale of goods or services).

Pursuant to the act on specific solutions related to job protection dated 11 October 2013, agreements are entered into on the basis of which the payment of benefits intended to provide partial satisfaction of claims relating to employee salaries for periods of economic stoppage as well as benefits intended to provide partial compensation of salaries due to reduced working time is effected and on the basis of which co-financing for employee training is provided.

The measure in question is intended to introduce solutions which support employment by way of providing direct financial aid for salary supplements paid to those employees who face the risk of dismissal by employers whose conditions of business have temporarily deteriorated as well as by way of designating the principles for Labour Fund co-financing of the costs of training of employees facing economic stoppage or reduced working time.

The agreements referred to above may be concluded until 30 June 2013; following the lapse of this period, the minister in charge of labour issues will conduct a monthly monitoring of the registered unemployment rate at a national level in order to obtain the necessary data for the Council of Ministers. In cases where the unemployment rate change dynamics equals or exceeds 7% in two consecutive months in comparison to an analogous period in the previous year, following the presentation by the minister in charge of labour issues of information on the change dynamics in question as well as up-to-date information on economic results, the Council of Ministers shall determine, by way of a regulation: the amount of support which may be granted on the basis of the act from the Guaranteed Employee Benefits Fund and the Labour Fund, the period for the application of the aid in question, deadlines for the performance of activities which involve the change of the financial plans for both of the above Funds as well as the deadlines for the notification of province marshals and district governors on the amounts of limits provided for in the financial plans of both Funds.

Timetable

- Conclusion of agreements for the payment of benefits and agreements for the co-financing of employee training expenses – **until the end of Q2, 2014**

Financing

In 2014 the Guaranteed Employee Benefits Fund and the Labour Fund will earmark amounts of PLN 204.6 million and 51.2 million respectively for payments specified under the act,. It is estimated that in 2015 the Guaranteed Employee Benefits Fund and the Labour Fund may allocate PLN 209.7 million and 52.4 million respectively for the purposes referred to above.

Providing universal pre-school education (Ministry of National Education – MNE)

The current plans provide for continuing the implementation of the solutions provided for under the act amending the act on the educational system and certain other acts, intended to ensure a systematic increase of the availability of pre-school education, which, by 1 September 2017, shall result in a situation where all children aged 3 – 5 will be able to take advantage of kindergartens or other forms of pre-school education, with the amount of fees payable by parents for pre-school education being subject to a statutory cap. From 1 September 2013, this fee may not exceed PLN 1 for each hour of classes exceeding the limit of free education, care and instruction time specified by the governing authority.

Timetable

- Implementation of the duty to provide a place in pre-school educational facilities to every child at the age of 4 – **September 1, 2015.**
- Implementation of the duty to provide a place in pre-school educational facilities to every child at the age of 3 – **September 1, 2017.**

Financing

The measure in question – as an own task of local government units – will be financed from local government budgets and will receive support from the state budget in the amount of PLN 1567 million in 2014 and 1652 million in 2015.

Increasing the availability of childcare for children aged 3 and under (MLSP)

In order to increase the availability of places at care institutions for children aged 3 and under, in 2014 the “Toddler” (“Maluch”) ministerial programme for the development of care institutions for children aged 3 and under will continue to be implemented. Financial support from the state budget for the organization and development of the system of care for children aged 3 and under will be granted to public and non-public entities for the purposes of the establishment of new institutions, new care capacities at existing institutions and the reduction of fees imposed upon parents for childcare services provided by the institutions in question.

Timetable

- Announcement and conducting of competitions within the framework of the “Toddler” ministerial programme for the development of care institutions for children aged 3 and under – **Q1 and Q2 2014**

Financing

The measure in question – as an own task of local government units – will be financed from local government budgets and will receive support from the state budget. For the implementation of tasks specified under the act on care for children up to 3 years of age the state budget plans to allocate amount of PLN 101 million in 2014.

CSR 4
To increase the indicator of admittance of children to childcare and pre-school education

CSR 4
To increase the indicator of admittance of children to childcare and pre-school education

Ensuring equal opportunities for men and women on the labour market (MLSP)

The changes introduced, involving the implementation of flexitime arrangements, parental leaves and increasing the number of places at childcare institutions, are intended, inter alia, to establish conditions for the increase of the participation of women in the labour market. Having regard, inter alia, to the specific situation of women on the labour market, an assessment of the solutions proposed in the act amending the Labour Code and certain other acts dated 28 May 2013 shall be carried out until the end of 2014, in accordance with the obligation imposed upon the minister in charge of labour issues to present the Sejm with information on the implementation of the said act within 18 months following its entry into force.

In addition, the draft amendment of the act on the promotion of employment and labour market institutions contains new instruments aimed at the professional activation of persons willing to re-enter the labour market following a break in employment related to childbirth or childcare. The amended act will introduce a telework grant in the amount of up to 6 times the gross minimum salary, for the purposes of creating a job for an unemployed parent raising at least one child aged 6 or under, or an unemployed person who has discontinued his or her employment or other form of paid work due to the need to provide care to a dependent person. The amended act will also provide for a possibility of taking advantage of an activation benefit. The benefit will be paid to the employer for 12 (in the amount of 1/2 of the minimum salary) or 18 months (in the amount of 1/3 of the minimum salary) for creating a job for an unemployed parent re-entering the labour market following a break related to childcare or an unemployed person providing care to a dependent.

In addition, information and promotional activities for equal opportunities for men and women on the labour market as well as actions supporting the establishment and functioning of care institutions for young children will be implemented:

- within the framework of the Non-governmental Organization Initiatives Competition (1.)¹⁴,
- within the framework of the “Equality Between Men and Women in the Process of Economic Decision-making as a Tool of Social Change” project (2.),
- continuation of projects within the framework of Submeasure 1.3.2 of the Human Capital Operational Programme (HC OP) for equal chances between men and women and reconciliation of career and family life as well as within the framework of Measure 1.5 of the HC OP (3.).

Timetable

- The Non-governmental Organization Initiative Competition – decisions on the selection of offers and allocation of funds – **Q2/Q3 2014**
- Implementation of the “Equality Between Men and Women in the Process of Economic Decision-making as a Tool of Social Change” project – **until Q3 2015**
- Implementation of projects within the framework of Submeasure 1.3.2 HC OP – **until Q2 2015**; Measure 1.5 of the HC OP – **until Q1 2015**.
- Presentation to the Sejm by the minister in charge of labour issues of the act amending the Labour Code and certain other acts dated 28 May 2013 – **Q4 2014**

¹⁴ Numbers from (1.) to (3.) with respect to consecutive projects point towards the applicable lines in the financial table

Financing

	2014			2015		
	public sector expenditure – total (PLN thousand)	of which – state budget (PLN thousand)	of which – EU funds budget (PLN thousand)	public sector expenditure – total (PLN thousand)	of which – state budget (PLN thousand)	of which – EU funds budget (PLN thousand)
1.	300	300	0	300	300	0
2.	760	80	680	492	130	362
3.	189 115	28 367	160 748	21 013	3 152	17 861

The instruments provided for in the amendment to the act on the promotion of employment and labour market institutions shall be financed within the framework of the Labour Fund limits allocated for the given year. According to the financial plan of the Labour Fund for 2014, a total of PLN 50 million has been earmarked for instruments aimed at the professional activation of persons willing to re-enter the labour market after a break related to childcare or childbirth (telework grant – PLN 20 million, activation benefit – PLN 30 million). In subsequent years, in accordance with the statement of reasons for the draft act, the projected cost of application of the new solutions referred to above will amount to PLN 300 million per annum (telework grant and activation benefit – PLN 150 million each)¹⁵.

Support for the employment of persons aged 50+ (MLSP)

In order to increase the employment rate among the elderly and prepare for the imminent demographic change which will result in the society ageing, certain initiatives are implemented in order to ensure a more efficient use of the potential of persons aged 50+.

The implementation of the “Solidarity between generations. Measures to increase economic activity of people aged 50+” programme will continue. In December 2013, the Council of Ministers adopted the updated 50+ Programme in which six specific objectives have been specified:

- adjusting competences and increasing qualifications of persons aged 45+ according to the needs of the labour market;
- developing an organizational culture and work environment more friendly to employees aged 50+;
- increasing the efficiency of activities aimed at the promotion of employment and professional activity;
- supporting the concept of active and healthy ageing;
- developing cooperation in order to ensure an increased rate of employment of persons aged 50+;
- social transfers conducive towards the continuing professional activity of persons at pre-retirement age.

The document entitled “Assumptions for the long-term policy for the elderly in Poland for years 2014-2020” aims to complement the 50+ Programme; this document contains a selection of directions for intervention and recommendations for action with respect to various aspects of the life and functioning of the elderly.

In addition, the draft amendment of the act on the promotion of employment and labour market institutions contains new instruments supporting the employment of persons aged 50+. On the basis of an appropriate agreement, starosta will be able to provide the

¹⁵ The increase of the expenditure for the measures referred to above will be financed by changing the structure of the costs provided for in the financial plan of the Labour Fund.

entrepreneur or employer with co-financing of the remuneration for an unemployed person who has been offered a job, with the amount of co-financing from the Labour Fund not exceeding 50% of the minimum salary. Co-financing will be available for the unemployed at the age of 50 or more. Co-financing will be available for the following periods: 12 months – in case of unemployed persons aged 50-60, 24 months – in case of unemployed over the age of 60. The employer will have the obligation to include within the agreement a guarantee of continuing employment with respect to the given person following the lapse of the period of co-financing for a period equal to at least half of the period of co-financing, i.e. 6 and 12 months respectively. The plans also provide for the establishment of a National Training Fund (NTF). During the first two years of its functioning, the NTF will support the process of continuing learning of employees and employers aged over 45; subsequently, the scheme will be extended to include other adult employees and employers.

Furthermore, a promotional and information campaign aimed at the professional activation of persons aged 50+ on the labour market and at bringing about a change in social mentality is also being conducted.

Timetable

- Conducting information and promotional campaigns – **Q1/Q2 2014 and Q3/Q4 2014.**
- Entry into force of the act amending the act on the promotion of employment and labour market institutions – **Q2 2014**
- Preparation of a draft Implementation Document for the 50+ Programme and the report on the implementation of the 50+ Programme in years 2012-2013 – **Q4 2014**

Financing

A total amount of approximately PLN 4.3 million (including approximately 0.65 million from the state budget and approximately 3.7 million from EU budget funds) was earmarked for the information and promotional campaign pertaining to the activation of persons aged 50+ on the labour market. The amounts of expenditure with respect to tasks which shall be submitted for implementation within the framework of the renewed 50+ Programme shall be defined at the Implementation Document development stage.

The instruments intended to provide support with respect to the employment and qualifications of the elderly, provided for in the amended act on the promotion of employment and labour market institutions and specified under the measure in question shall be financed from the Labour Fund, subject to the limit on the funds earmarked for the given year. In the Labour Fund financial plan for 2014, funds in the amount of PLN 80 million were earmarked for the instruments referred to above (PLN 40 million for salary co-financing and PLN 40 million for the NTF). For 2015, on the other hand, in accordance with the statement of reasons for the draft act, the expenses are estimated to amount to PLN 290 million (PLN 90 and 200 million respectively)¹⁶.

Support for the employment of disabled persons / measures for the professional activation of disabled persons (MLSP)

In years 2014-2015, apart from continuing the tasks provided for under the act on professional and social rehabilitation and the employment of disabled persons, projects

¹⁶ The increase of the expenditure for the measures referred to above will be financed by changing the structure of the costs provided for in the financial plan of the Labour Fund.

intended to provide support for the professional activation of disabled persons will be implemented. Support granted within the framework of the projects in question will include, inter alia, developing an individual path of professional development, ensuring specialist support, increasing social and professional competences, professional training courses, workshops and internships.

In addition, projects aimed at the development of guidelines with respect to designing facilities and premises and adjusting workplaces to the specific needs of disabled persons as well as with respect to the recruitment, training and monitoring of the activities of job coaches will also be implemented.

Furthermore, a series of training sessions will be held, intended for the representatives of government, provincial and central administration and aimed at the dissemination of knowledge and good practices in the area of disability management at the workplace.

Timetable

Completion of projects co-financed from the HC OP:

- Support for graduates entering the labour market – **until Q2 2014**
- Internships in public administration bodies as a method of supporting the professional and social activation of disabled persons and the creation of a positive image of disabled persons on the labour market – **until Q2 2014**
- Support for persons with rare forms of disability and certain coinciding disabilities aged 45+ on the labour market – **until Q2, 2014**
- Support for disabled persons with respect to uninhibited access to information and online services II – **until Q3 2014**
- Support for the blind on the labour market III – **until Q3 2014**
- Support for persons suffering from multiple sclerosis (including persons also suffering from coinciding disabilities) on the labour market – **until Q4 2014**
- Support for persons with selected genetically-conditioned syndromes – **until Q4 2014**
- Framework guidelines with respect to designing facilities and premises and adjusting workplaces to the specific needs of disabled persons – **until Q1 2015**
- Job coaches as a method of increasing the level of employment of disabled persons – **until Q4 2014**
- Support for the disabled residents of rural and small town communities – **until Q1 2015**
- Support for persons with moderate or advanced intellectual disability (including Down syndrome and/or coinciding disabilities) as well as for persons with significant intellectual disability III – **until Q1 2015**
- Support for graduates entering the labour market II – **until Q1 2015**
- Internships in public administration bodies as a method of supporting the professional and social activation of disabled persons and the creation of a positive image of disabled persons on the labour market II – **until Q1 2015**
- Support for persons with rare forms of disability and certain coinciding disabilities aged 45+ on the labour market II – **until Q1, 2015**

The “Disability management at the workplace” training project – **Q2 2014**

Financing

A total amount of approximately PLN 66.7 million was earmarked for the implementation of projects co-financed from the HC OP in 2014 (including PLN 56.7 million from the European Social Fund and approximately PLN 10 million from the

State Fund for Rehabilitation of Disabled Persons), whereas the amount for 2015 is approximately PLN 4.8 million (including PLN 4.1 million from the European Social Fund and approximately PLN 0.7 million from the State Fund for Rehabilitation of Disabled Persons).

The “Disability management at the workplace” training project will not result in additional expenditure for the public finance system due to the fact that it will be implemented by the Ministry of Labour and Social Policy within the framework of budget funds for 2014.

Reform of miners’ pension system (MLSP)

With respect to pension schemes, the most important task of the government of the Republic of Poland in 2013 was to establish the principles for the payment of pensions to the general public within the revised, multi-pillar pension system. The activities to be carried out in years 2014-2015 include the adoption of secondary legislation implementing the changes referred to above as well as the implementation of other significant tasks in the field of social security, i.e. changing the provisions of the act amending the act on monetary benefits from social insurance in the case of illness and maternity in order, inter alia, to rationalize the rules for the calculation of sickness payments for persons pursuing non-agricultural activities, as well as changing the provisions of the act on social insurance system and certain other acts. Taking the above into account, it does not seem that any additional changes in the pension system may be possible in the near future.

Changes in the Agricultural Social Insurance Fund and improvement of inter-sector mobility of employees (Ministry of Agriculture and Rural Development in cooperation with Ministry of Finance – MF)

In line with the Prime Minister’s *exposé*, the concept of the reform of social insurance system for farmers is to be developed after prior implementation of obligatory accounting system in agricultural holdings. This will allow for determining the income from agricultural activity generated by individual agricultural holdings, which in turn will make it possible to differentiate the amount of social insurance contributions paid by farmers. In 2013, a draft framework for the act on personal income tax from agricultural activities and amending certain other acts was developed.

Furthermore, additional activities aimed at supporting the inter-sector mobility of employees are also being performed. The draft act amending the act on social insurance system and certain other acts, prepared by the Minister of Labour and Social Policy, contains proposals for changes with respect to the farmers’ social insurance system. The changes in question are intended to extend the scope of the act on farmers’ social insurance to include persons (both farmers and household members who, apart from pursuing agricultural activities, also engage in the performance of additional works on the basis of a contract of mandate or the performance of functions in supervisory boards (up to a specific limit applicable to the revenues generated from the activities referred to above). It is proposed that the farmers and household members in question should be able to voluntarily remain within the scope of farmers’ social insurance despite the fact that they will also be subject to compulsory insurance in the Social Security Institution due to the performance of works under contracts of mandate or serving on supervisory boards¹⁷.

¹⁷ Other changes provided in the draft act as well as the applicable timetable have been specified in section 3.5. Counteracting poverty objective

CSR 4
To phase out the special pension scheme for miners with a view to fully integrating them into the general scheme

CSR 4
To reform the KRUS for the purposes of improving inter-sector mobility of employees

Actions aimed at supporting the creation of a possibility for farmers to perform non-agricultural works and activities, including, inter alia, works and activities performed with the use of EU funds. In years 2014-2015, the implementation of measures designated as “Establishment and Development of Micro-enterprises” and “Diversification Towards Non-agricultural Activities” within the framework of the Rural Development Programme 2007-2013 will continue. Furthermore, the 2020 Human Capital Development Strategy provides for a tool designated as “Improving the accessibility of aid provided by entities other than district employment agencies to persons intending to improve their situation on the labour market, including owners of agricultural land, their spouses and household members seeking alternative sources of income and intending to discontinue agricultural activities”.

3.2. R&D objective

The path of innovation and knowledge-based development represent an opportunity for ensuring the dynamic growth of Polish economy, especially in the context of diminishing impact of traditional sources of economic growth. Therefore it is necessary to carry out activities fostering the development of innovation, including increasing expenditure on R&D, especially from private sources, which currently remains at one of the lowest levels in the EU.

Activities and development of companies, and thus their innovativeness and competitive position, depends to a large extent on the nature of their legal and institutional environment. The implementation of the programme of economic law reform will be continued in order to remove barriers to conducting economic and investment activity which persist in this area. Enhanced role of knowledge and innovation as the driving forces of future development is meant to strengthen the position of Polish enterprises. It requires improving the quality of education, improving the results of research, supporting innovation and knowledge transfer between enterprises, making full use of information and communication technologies (ICT) and making sure that innovative ideas are turned into new products and services that are conducive towards enhancing growth, creating jobs and solving social problems. Access to financial resources is the key factor at every stage of the development of an enterprise – from establishment, through development, to restructuring or change of profile. Sources of financing used for increasing competitiveness, expansion and acquisition of new technologies are necessary to maintain the presence of the enterprise on the market, particularly in the current reality of progressing specialisation and intense search for new market niches. At the same time, access to the basic form of external financing, i.e. a bank credit, is a significant problem, especially for the small and medium-sized enterprises. In this context it is important to take measures aimed at extending accessibility of sources of financing for innovative companies by introducing adequate instruments, mechanisms and regulations intended to improve the flow of private capital, including also to the creative sector.

Taking into account the current level of innovation in Poland, investments aiming at establishing high quality research and development infrastructure are still considered to be very important.

In order to raise the level of expenditure on R&D, the research activity of private entities and scientific bodies needs to be supported, in particular by implementing research and development programmes in the field of applied research having a substantial commercial potential. Strengthening links between the research sector and entrepreneurs is a key task in the process of building a knowledge-based economy. The

industry should take more extensive advantage of the potential offered by science and research institutes and facilities, while the needs of the industry should play a key role when deciding upon the subject of science and research operations. Coordinated cooperation between businesses and the scientific community will result in the improvement of the competitiveness of the Polish industry and will exert a positive influence on the process of enhancement of the skills of the technical and engineering staff.

Human capital, and in an even broader sense – social capital, constitutes an important factor which determines the innovative capacity of a given economy. Therefore, in parallel to the so-called “hard projects”, it is necessary to carry out activities aiming at improving the quality of education (in particular higher education) and fostering the development of the skills of Polish R&D sector staff, including also the employees of companies carrying out activities in the field of R&D, who initiate cooperation between different circles involved in this kind of activity.

Elements of the position and opinions of social and economic partners, reflected in the NRP 2014/2015

The recommendations of social and economic partners pertaining to strengthening, promoting and increasing the quality of cooperation between science and business are reflected in NRP 2014/2015. The implementation of measures in this area is provided for, inter alia, under the Enterprise Development Programme and the Operational Programme Smart Growth.

The partners have advocated the establishment of a system of incentives for organizations/entrepreneurs cooperating with the scientific community, including the introduction of a dedicated tax relief. Although the use of this mechanism is provided for within the framework of the draft Enterprise Development Programme contained in the NRP, the consequences of the implementation thereof are still being analysed and no decision has yet been taken as to the final form of the said mechanism.

NRP 2014/2015 contains information on changes to the public procurement system which appear consistent with the submitted suggestions as to relaxing the requirements of the act on public procurement with respect to research and development activities.

Projected levels of R&D expenditure in years 2011-2020 (expressed as percentage of the GDP)¹⁸

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
% share	0.76	0.90	0.91	0.93	1.02	1.12	1.23	1.33	1.57	1.70

Source: Data for years 2011-2012- the Central Statistical Office. Data for years 2013-2020 – Ministry of Science and Higher Education (MSHE)

Priorities for the 2014-2020 financial perspective

The smart growth objective, understood as economic growth based on knowledge and innovation and pertaining to the increase of R&D expenditure, will be implemented on the basis of the Operational Programme Smart Growth (OP SG). The development challenges and objectives of the Republic of Poland, including those pertaining to the competitiveness and innovativeness of the economy, are specified in national strategic documents and the associated implementing programmes; within the framework of the OP Smart Growth, these objectives will be implemented, in particular, under the following investment priorities:

- 1.1 enhancing research and innovation (R&I) infrastructure and capacities to develop R&I excellence, and promoting centres of competence, in particular those of European interest.
- 1.2 promoting business investment in R&I developing links and synergies between enterprises,

¹⁸ Gross Domestic Expenditure on Research and Development in relation to the GDP – total amount of expenditure on research and development in relation to the Gross Domestic Product (source: the Central Statistical Office).

research and development centres and higher education sector, in particular promoting investment in product and service development, technology transfer, social innovations, eco-innovations, public services applications, demand stimulation, networking, clusters and open innovations through smart specialization, and supporting technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production in particular in key enabling technologies and diffusion of general purpose technologies

- 3.1 promoting entrepreneurship, in particular, by facilitating the economic exploitation of new ideas and fostering the creation of new firms, including through business incubators
- 3.2 developing and implementing new business models for SMEs, in particular with regard to internationalisation
- 3.4 supporting the capacity of SMEs to grow in regional, national and international markets and to engage in innovative processes

At the same time, the following investment priorities within the framework of the Operational Programme Development of Eastern Poland will contribute towards the implementation of the objective of the Europe 2020 strategy:

- 1.2 promoting business investment in R&I developing links and synergies between enterprises, research and development centres and higher education sector, in particular promoting investment in product and service development, technology transfer, social innovations, eco-innovations, public services applications, demand stimulation, networking, clusters and open innovations through smart specialization
- 3.1 promoting entrepreneurship, in particular, by facilitating the economic exploitation of new ideas and fostering the creation of new firms, including through business incubators
- 3.2 developing and implementing new business models for SMEs, in particular with regard to internationalisation
- 3.3 supporting the creation and the extension of advanced capacities for product and service development

In addition, this objective will be implemented on the regional level on the basis of Regional Operational Programmes.

Main actions adopted within the framework of NRP 2013/2014

On 8 April 2014 Council of Ministers adopted [Enterprises Development Programme until 2020](#), as an implementing programme for the Strategy for Innovation and Efficiency of the Economy adopted by the Council of Ministers in January 2013. The programme constitutes a comprehensive system of support for enterprises, especially in the field of improving their innovativeness. An additional analysis of the rationality and feasibility (from the point of view of public finance) of the introduction of specific tax solutions was the key element of the final stage of the works.

Works pertaining to the identification of smart specializations on both national and regional levels have continued. A document entitled “National Smart Specialization” (NSS) has been developed; this document constitutes an appendix to the Enterprise Development Programme. Works have also continued on the “InSight 2030 Project Implementation Programme”, aimed at developing a system for the updating and monitoring of the project.

In 2013 works were underway on the [Operational Programme Smart Growth \(OP SG\)](#), the main objective of which is the support of innovativeness and competitiveness of the Polish economy, in particular through supporting enterprises in the fields of innovativeness and research and development activities, increasing the quality of research and development activities as well as making them more interdisciplinary in nature and increasing the degree of commercialization and internationalization of research and development activities.

Activities were performed which were intended to establish a comprehensive system for the financing of construction and maintenance of research infrastructure of regional

and national importance. On December 17, 2013, the Council of Ministers adopted a draft [act amending the act on the principles of the financing of scientific activities](#). The draft act in question provides for, inter alia, a more efficient financing of the strategic research infrastructure according to the rules applicable in the European Research Area, the concentration and more efficient spending of funds earmarked for the promotion of science and the streamlining of procedures pertaining to the financing of science.

On March 14, 2014, Parliament passed the act amending the [public procurement law](#) and certain other acts, introducing changes which take into account the specific nature of science, research and cultural activities. The act contains more precise preconditions for the exclusion of the application of the public procurement law with respect to orders pertaining to services in the field of science and research activities as well as the provision of research services where such services are not financed entirely by the ordering party or where the benefits of such services (and not the ownership thereof, as the current act provides) do not accrue exclusively to the ordering party for the purposes of its own activities. Furthermore, the list of exemptions from the obligation to apply the public procurement law with respect to orders with a value below the applicable EU thresholds was extended, as was also the list of preconditions for the application of a single-source procurement procedure, which now includes situations where the order pertains to items manufactured exclusively for research, experimental, scientific or development purposes which are not intended to serve the process of series production by the ordering party for the purposes of attaining market profitability or of covering the costs of research or development and which may only be provided by a single manufacturer. In addition, the draft act introduces the possibility of cancellation of public contract awarding procedure due to the denial of all or part of the funds (grants) that ordering authority intended to use to fund all or part of a particular contract for research and development.

Programmes in the field of applied research and development (PBS, BLUE GAS, GEKON, INNOMED, INNOLOT, CuBR), strategic programmes (STRATEGMED, BIOSTRATEG, Modern material technologies) and programmes supporting the process of commercialisation of the results of R&D activities for economic purposes (Graf-Tech, InnoTech, Spin-Tech, Start-Tech) were implemented or prepared for implementation in 2014–2020. The share of private funding in the co-financing of research carried out under the above-mentioned programmes is growing.

In order to increase the commercialization of the results of research, the Bridge VC (public-private support for the commercialization of the results of R&D activities with the participation of capital funds) as well as the Bridge Alpha projects have been implemented in order to ensure the implementation of joint projects conducted by the National Centre for Research and Development and private investors in the area of the co-financing of R&D projects in early stages of development (proof-of-principle and/or proof-of-concept phases) as well as the testing of new types of public intervention instruments which maximize the effects of public R&D expenditure.

On August 13, 2013, the Council of Ministers has amended the rules pertaining to the granting of support provided for within the framework of the “Programme for the support of investments of considerable importance for Polish economy for years 2011-2020”. The objective of the change in question was to increase the investment attractiveness of the Republic of Poland. In 2013, a total of 21 contracts were implemented within the framework of the Programme.

The “Innovation voucher” and “Support under large innovation voucher” programmes were implemented, supporting micro-enterprises and small enterprises in cooperation with scientific entities. The experience obtained during the implementation of the above programmes has been applied in the process of designing the new “Innovation vouchers” programme.

The reinforcement of the links between economy and science was also achieved through the TOP 500 Innovators programmes, supporting the development of human resources in the field of R&D, as well as the “Innovation Brokers” programme aimed at improving the efficiency of the commercialization of research results.

Main actions for years 2014-2015

Establishment of a support system for businesses (Ministry of Economy – ME)

A support system for businesses, with particular emphasis on their innovativeness, was included in the Enterprises Development Programme until 2020. It encompasses both the removal of barriers and the establishment of a friendly environment for enterprises as well as active measures aimed at ensuring the increase of the innovativeness and competitiveness thereof. The instruments specified in the Programme focus on the establishment of a more business-friendly environment, the reinforcement of various forms of R&D and innovation financing, increasing the quality of human capital for innovativeness, strengthening the cooperation between entrepreneurs and science as well as between entrepreneurs themselves, electronic economy as well as sustainable development. The key instruments include: R&D allowance, R&D grants, R&D&I support instruments, repayable instruments for the purchase of state-of-the-art technologies, machinery and devices, high-risk capital funds, support for intellectual property rights, educational vouchers for entrepreneurs, establishing closer cooperation between businesses and vocational schools as well as other educational institutions, strengthening the business environment institutions, reinforcement and development of business clusters, support for the creation and implementation of environmental technologies, support for businesses on global markets (promotion + financial instruments). The document also contains the “National smart specializations” which specify the economic priorities in the field of R&D&I with respect to which support shall be granted within the framework of the new financial perspective for years 2014-2020.

Timetable

- The support instruments provided for in the Enterprises Development Programme will be implemented under 2014-2020 Financial Perspective and will be initiated in 2014 in parallel with the operational programs.

Financing

Estimated allocation of funds within the framework of the Enterprises Development Programme for years 2014-2020 amounts to approximately PLN 25.5 billion. Due to the importance of the Enterprises Development Programme for the shaping of the future directions of support for the development of innovativeness of enterprises within the framework of the New Financial Perspective for years 2014-2020, the vast majority of the instruments shall be reflected in the new operational programmes, including the OP SG.

The amount of European funds planned under the OP SG is approximately EUR 8.61 billion. The basic component of the OP SG are support instruments aimed at enterprises – it is estimated that the level of financing shall be approximately EUR 3.45 billion for

CSR 5

To ensure an innovation-friendly business environment by strengthening the links between research, innovation and industrial policy, by further developing revolving instruments and tax incentives

the support of conducting R&D works performed by enterprises or scientific and business consortia, approximately EUR 2.42 billion for the support of innovativeness among businesses and approximately EUR 1.07 billion for the support of the business environment and potential of innovative enterprises.

Establishment of mechanisms for the financing of research infrastructure and the activities of scientific entities (MSHE)

In order to ensure a high quality of R&D infrastructure, the solutions provided for in the draft amendment of the act on the principles of the financing of scientific activities shall be implemented. The draft contains the definition of the strategic research infrastructure which shall be financed on the basis of the Polish Road Map for Research Infrastructure. The Road Map includes projects which are unique on a nationwide and international scale as well as projects having a particular importance for the development of scientific research, development or the extension of IT infrastructure in the science sector.

The rules for the allocation of funds specified in the draft amendment of the act shall facilitate the improved adjustment of the applicable financing streams. Among the criteria applied in the course of allocation of funds, one needs to mention, inter alia: the scientific value of the works in question and their significance to the development of science; the practical usefulness of the results achieved, including their significance to the development of the innovativeness of the economy; the scientific category of the given scientific unit; whether there is a relevant entry on the Polish Road Map for Research Infrastructure; whether the entity applying for subsidies operates according to a research programme; and the significance of the given investment for the purposes of scientific, research and innovation policies of the state.

Timetable

- Expected update of the Polish Road Map for Research Infrastructure – **Q2 2014**
- Expected date for the Adoption of the act amending the act on the principles for the financing of scientific activities by Parliament – **Q3 2014**.
- Expected date of entry into force – **October 1, 2014**.

Financing

The proposed changes to the act on the principles for the financing of scientific activities will not have any effect on the public finance sector. The planned actions are intended to improve the efficiency of expenditure of funds by directing them to priority areas in a more effective manner.

Supporting business environment institutions within the framework of pro-innovation activities and supporting supra-regional networks of such institutions (ME/Polish Agency for Enterprise Development – PAED)

Within the framework of the measure in question, the implementation of the systemic project entitled “KSI KSU (National System of Services - National Innovation Network) consultancy services for innovative entities”, implemented under measure 5.2 of the Innovative Economy Operating Programme, will continue. Support provided within the framework of the project will encompass an innovation audit which will involve the identification of growth opportunities and needs of the entrepreneur in the field of innovation as well as consultancy in the process of implementation of the necessary innovations, identified at the first stage of the service.

Timetable

- Provision of pro-innovation counselling services pertaining to the innovation audit and counselling with respect to the implementation of innovation, provided by KSI KSU entities – **Q1 2014 – Q2 2015**
- Mid-term and ex-post project evaluation – **Q1 2014 – Q4 2015**

Financing

Funds assigned for the implementation of the “KSI KSU consultancy services for innovative entities” systemic project will amount to: in 2014, approx. PLN 8 million (including approx. PLN 1.2 million from the state budget and approx. PLN 6,8 million from the EU budgetary funds) and in 2015, approx. PLN 9.5 million (including approx. PLN 1.4 million from the state budget and approx. PLN 8.1 million from the EU budgetary funds).

Implementation of science and research programmes and programmes fostering the cooperation of science and industry (MSHE)

The National Centre for Research and Development will continue the implementation of programmes which support applied research and development as well as commercialization and other forms of R&D transfer into the economy. In 2014, on the basis of the National Research Programme, the “Prophylaxis and treatment of civilisation-related diseases STRATEGMED” and the “Environment, agriculture and forestry BIOSTRATEG” programmes will continue. In addition, works will also continue on the new strategic programme pertaining to “Modern material technologies”.

Within the framework of applied research and development support, the Applied Research Programme (ARP) will also be implemented, serving as a horizontal programme for the support of the scientific sector and businesses from various fields of scientific activity and industry sectors. The shale gas extraction programme for Poland (BLUE GAS) and the GEKON eco-friendly technology programme will also continue. Competitions will be held within the framework of the CuBR programme, aimed at supporting scientific research and development activities for the nonferrous metal industry.

Works will also be continued with respect to the programmes aimed at raising the competences of young scientists in terms of independent planning, management and directing their own research teams (LIDER) and the programme aimed at increasing the quality of life of society, with particular emphasis on groups and areas for which there exists an actual need for innovative solutions and for new social initiatives (SOCIAL INNOVATIONS). The BRIDGE, GO GLOBAL and PATENT-PLUS programmes aimed at [supporting the transfer of R&D into the economy](#) will also continue.

Further activities will be performed with respect to the DEMOSTRATOR+ project, the main objective of which is to reinforce the transfer of research results into the economy through the support of various endeavours with respect to the development of new technologies or products, encompassing the testing of the developed solution on a demonstration scale.

In addition, new programmes will also be initiated: the TANGO programme intended to establish a link between the obtained results of basic research and the possible implementation of these results in economic and social practice, as well as the GDDKiA (General Directorate for National Roads and Motorways) programme intended to support the construction and transformation of road infrastructure where

such construction and transformation complies with the criteria of economic efficiency and has a positive impact on increasing the competitiveness of the Polish economy.

Timetable

Indicative timetable for National Centre for Research and Development competitions in 2014:

Programmes organized within the framework of the National Research Programme:

- STRATEGMED: Announcement of the 2nd competition – **Q2 2014**
- BIOSTRATEG: Announcement of the 1st competition – **Q3 2014**
- Development of framework and announcement of the competition under the “Modern material technologies” programme – **2014/2015**

Programmes for the support of applied research and development:

- PBS: Announcement of the results of the 3rd competition – **Q3 2014**
- LIDER: Announcement of the results of the 5th competition – **Q2 2014**
- SOCIAL INNOVATIONS: Announcement of the results of the 2nd competition – **Q3 2014**
- BLUE GAS: Announcement of the results of the 2nd competition – **Q2 2014**
- GEKON: Commencement of the 2nd competition – **Q2 2014**
- CuBR: Announcement of the results of the 1st competition – **Q3 2014**; commencement of the 2nd competition – **Q2 2014**

Programmes supporting commercialization and other forms of R&D transfer to the economy:

- BRIDGE – pilot programme for the “Polish Innovations” scheme: implementation – **2013/2014**
- PATENT-PLUS: Announcement of the results of the 3rd competition – **Q2 2014**; commencement of the 4th competition – **Q2 2014**
- GO GLOBAL: Announcement of the results of the 2nd and 3rd competition – **Q2 2014**
- DEMONSTRATOR+: Call for applications – **Q2 2014**
- TANGO: Call for complete applications – **Q3 2014**
- GDKKiA: Call for applications – **Q2 2014**

Financing

The funds earmarked for the implementation of the aforementioned programmes in years 2014-2015 are approximately PLN 925 million and approximately PLN 751 million respectively. The financing of research projects by the National Centre for Research and Development is effected on the basis of funds provided by the Minister of Science and Higher Education.

In 2014, financing will continue to be provided with respect to projects selected within the framework of measures 1.3.1. (Development projects) and 1.4. (OP Innovative Economy targeted projects). The value of total allocations as at 31.01.2014 for measure 1.3. amounted to PLN 1.587 billion, while for measure 1.4. the value in question amounted to PLN 1.868 billion. In addition, within the framework of the new measure 1.5. – Systemic projects of the National Centre for Research and Development – systemic projects will be implemented in 2014; within the framework of those projects, financing will be provided for the programmes operated by the Centre (INNOLOT, DEMONSTRATOR+ in INFO and BIO areas, DEMONSTRATOR+ in the TECH area). The value of allocation as at 31.01.2014 with respect to measure 1.5 is PLN 436.5 million. Overall, the allocation for all measures of the National Centre for

Research and Development implemented within the framework of the OP Innovative Economy, including both research projects for priority axis 1 and infrastructural projects for priority axis 2 amounts to over PLN 12.192 billion.

Development of sectoral programmes for key branches of industry (MSHE/ME)

The implementation of the following sectoral programmes will continue: INNOLOT (industrial research and development for the aviation industry) and INNOMED (industrial research and development and pre-implementation measures in the field of innovative medicine); both of these programmes constitute a response to the needs of the business community – associated entrepreneurs pursuing business activities in the given sector.

Sectoral programmes fosters cooperation within the sectors of the industry as well as between industry and science; in addition, they also remain consistent with the new approach to cooperation between business and science, according to which it is the needs of the industry which are to be seen as decisive when selecting the subject of research and development operations, while research should be performed with the participation of private funds, using the potential of scientific and research institutes and centres.

Apart from continuing the existing programmes, works will also be performed for the purposes of establishing new sectoral research programmes in accordance with the established procedure the most significant element of which is the joint initiative of the given sector (bottom-up approach), followed by the process of the negotiation of the research agenda with the National Centre for Research and Development. The new programmes may therefore be announced following the completion of negotiations, which at the present stage are being conducted on a current basis with the representatives of a number of industry sectors.

Timetable

- Commencement of the 2nd competition within the framework of the INNOMED sectoral programme – **Q2 2014**
- Commencement of the 2nd competition within the framework of the INNOLOT sectoral programme – **Q2 2014**

Financing

The budget of the INNOMED programme amounts to PLN 300 million, with a 35% share of private funds in the budget. The budget of the INNOLOT programme amounts to PLN 500 million, with a 40% share of private funds in the budget.

Public funds earmarked for the implementation of the INNOMED programme in years 2014-2015 will amount to approximately PLN 30 million for each year, while for the INNOLOT programme the earmarked amount is PLN 60 million for both 2014 and 2015.

Implementation of the “Programme for the support of investments of utmost importance for the Polish economy for 2011-2020” (ME)

The programme will be implemented – in accordance with the tenets thereof – until the end of 2020. The Programme aims at improving innovativeness and competitiveness of the Polish economy by supporting direct investments in sectors classified by the OECD as hi-tech sectors.

The implementation of the primary objective will be achieved by reaching a series of individual objectives, i.e. increasing the share of innovative investments based on state-

of-the-art technologies, with innovative activities being defined as activities which involve the development of new technologies and initiating the manufacture/provision of new or significantly improved goods, processes or services on the basis of such technologies as well as the creation of high-productivity jobs.

Support will be available to entrepreneurs contemplating investments in the automotive, electronics, household appliances, aviation, biotechnological, state-of-the-art services and R&D sectors. The support criteria applied in the programme promote and encourage the implementation of innovative investments which involve both the transfer of state-of-the-art technologies and the development of R&D centres in Poland.

Ever since its adoption by the Council of Ministers on 5 July 2011, the programme has been amended twice: on 20 March 2012 and on 13 August 2013. The changes introduced were aimed at simplifying the support awarding procedure and increasing the attractiveness of the Republic of Poland for potential investors. Assuming that the final amendment will result in 2-3 large projects being implemented in Poland each year, it is estimated that, as a result, an additional 2000 jobs will be created until the year 2015.

Timetable

- Call for applications – **2014-2015**
- Provision of support (up to the amount earmarked for the given year) – **2014-2020.**

Financing

The funds earmarked for the implementation of the “Programme for the support of investments of utmost importance for the Polish economy for 2011-2020” in 2014 and 2015 amount to PLN 76 and 96 million respectively.

Supporting projects related to areas and technologies of the greatest potential for growth (ME)

In 2014, works on the “Programme for implementation of InSight 2030 project ” will continue, the programme in question encompassing both implementation instruments and an updating system. The programme will make it possible to perform an annual update of the list of technologies and industrial areas specified in the document as well as the monitoring of achieved results and the evaluation of projected targets.

Furthermore, in 2014 the Ministry of the Economy, on the basis of the results of the InSight2030 project and in cooperation with the Ministry of Science and Higher Education and the Ministry of Infrastructure and Development, will strive towards producing a more precise wording of the “National smart specialization” with respect, inter alia, to the detailed description of individual specializations and the refinement of the system for the monitoring and updating of national smart specializations, forming the basis for applying for funds within the framework of the financial perspective 2014-2020 (*ex-ante* condition).

At the same time, the Ministry of the Environment continues to perform works pertaining to the support of green technologies. 2014 will see the establishment of the Polish low-emissions economy and green technologies platform, allowing for the identification of the environmental protection technologies available in the country.

Furthermore, having regard to the significance of non-technological innovations, a public survey entitled “Defining the support instruments of the Ministry of Culture

and National Heritage for entities operating in the field of culture and creative industries” shall be carried out.

Timetable

- Development and implementation of a method for the regular analysis of the needs of entrepreneurs – **Q2 2014**
- Verification of intelligent specializations and the detailed description thereof, development of objectives and indicators for the monitoring thereof and the creation of an IT platform – **Q4 2014**
- Initiation of national and European projects for the implementation of the National smart specialization – **Q1 2015**
- Selection of the contractor for the development of the Polish low-emission economy and green technologies platform – **Q2 2014**
- Performance of the “Defining the support instruments of the Ministry of Culture and National Heritage for entities operating in the field of culture and creative industries” survey – **Q1-Q4 2014**

Financing

An amount of PLN 230 thousand from the state budget was allocated for the performance of activities linked to the “Programme for implementation of Industry technological foresight – InSight 2030 project and National strategic framework for smart specializations” for 2014. The financial consequences for year 2015 will depend upon the allocation of funds for measures aimed at implementing the “National smart specialization” within the framework of the OP SG and the state budget funds.

The development of the Polish low-emissions economy and green technologies platform will be funded within the framework of the grant of the World Bank and will have no impact on the public finance sector.

The performance of the “Defining the support instruments of the Ministry of Culture and National Heritage for entities operating in the field of culture and creative industries” survey in 2014 will require expenditure in the amount of PLN 150 thousand.

Developing instruments and implementation of the system for cyclical evaluation of scientific and technological capacity (MSHE)

Under the project implemented since November 2011 entitled “National Foresight Programme – implementation of results” in years 2014/2015, a visualization of the attained results will be prepared, along with a mechanism for the monitoring, benchmarking and consulting of regional smart specializations (information and communications website).

Timetable

- Launch of a beta version of the website – **Q2 2014**
- Launch of the full version of the website – **Q3 2014**
- Maintenance of the system and preparation of reports – **Q1-Q2 2015**

Financing

Funds assigned for the implementation of measures: 2014 – approximately PLN 2.5 million from the European funds budget, 2015 – approximately PLN 0.8 million from the European funds budget.

Implementing the programmes with respect to the development of enterprises' activities in the field of research, development and innovation (ME/PAED)

In 2014, the implementation of the “Innovation voucher” and “Support under large innovation voucher” programmes will continue. The programmes in question are aimed at micro-enterprises and small enterprises. Support within the framework of the “Innovation voucher” programme may be used exclusively for the purposes of purchasing services pertaining to the implementation or development of products or technologies; the maximum amount of support is PLN 15 thousand. Support within the framework of the second Programme is intended for the purchase of a service involving the development of new product, design, new manufacturing technology or a significant refinement of a product or manufacturing technology; the maximum amount of support is PLN 50 thousand.

In 2015 it is planned that a new “Innovation vouchers” programme which will combine the two programmes described above will be launch.

Timetable

- The “Innovation voucher” programme (7th edition): Call for applications – **Q1 2014**; contracting, implementation and settlement of projects – **Q2-Q4 2014**
- The “Support under large innovation voucher” programme (2nd edition): Call for applications – **Q1 2014**; contracting, implementation and settlement of projects – **Q2-Q4 2014**
- The “Innovation vouchers” programme – **from 2015 onwards**

Financing

In 2014, the state budget funds earmarked for the implementation of the “Innovation voucher” and “Support under large innovation voucher” programmes will amount to approximately PLN 3.1 million for each programme.

Establishment of the Register of Development Services (PAED)

The newly created System will make it possible for entrepreneurs to take independent decisions as to the development services which they wish to take advantage of in order to increase their competitiveness on the market. Entrepreneurs will also be eligible for support with respect to the diagnosis of development needs and the commissioning of development services. One of the components of the system will be the Register of Development Services where entities providing development services will place their offers. In addition, all services listed in the register will have to be evaluated by the interested parties. Evaluations of development services will form the basis for the creation of a ranking of services and entities which provide development services; this will constitute an additional benefit for entrepreneurs when selecting development services. It is assumed that the Register of Development Services will contain both a list of entities providing development services financed from the European Social Fund as well as a list of those entities which offer such entities on a commercial basis. The register will be developed on the basis of the existing training offer database (www.inwestycjawkadry.pl). Apart from the Register, the System will also contain a component pertaining to awareness-raising actions aimed at the recipients of development services (“the conscious client”) as well as an educational activities component aimed at the supply side of the market, i.e. at institutions which provide development services.

Timetable

- Public consultations – **Q1-Q2 2014**

- Estimated time of announcement of the public procurement – **Q1/Q2 2014**
- Estimated time for the launch of the Register of Development Services – **Q1, 2015**

Financing

European funds – amount for the co-financing of the systemic project entitled “Promoting training programmes and the concept of life-long professional skill development” within the framework of submeasure 2.1.3. HC OP. Amount earmarked for the implementation of the task – ca. PLN 2.85 million.

Implementation of the TOP 500 Innovators programme (MSHE)

In years 2014-2015, the implementation of the TOP 500 Innovators programme will continue. The programme is intended to increase the qualifications of Polish R&D personnel in the field of cooperation with businesses, scientific research management and commercialization of research results. The series of 9-week internship and training programmes, held at top educational institutions included in the Shanghai ranking (*Academic Ranking of World Universities*), is addressed to academic researchers working in Polish scientific bodies and holding at least an M.A. title, who carry out research in the field of exact, natural, technical, agricultural, forest, veterinary and medical sciences, as well as health and physical culture sciences, and employees of technology transfer centres responsible for commercialisation of the results of studies in the above-mentioned fields of research.

Timetable

- The internships will take place in **2014 and 2015**.

Financing

Funds assigned for the implementation of the programme in 2014 and 2015 amount to: PLN 18 million (including PLN 2.7 million from the state budget and PLN 15.3 million from the European funds budget) and PLN 6 million (including PLN 0.9 million from the state budget and PLN 5.1 million from the European funds budget) respectively. The financing of the action is carried out on the basis of resources at the disposal of the Ministry of Science and Higher Education.

Implementing the “Brokers of innovation” programme (MSHE)

The “Brokers of innovation” programme will be continued. Its objective is to improve the efficiency of the process of commercialisation of the results of research, establishing social infrastructure supporting the process of commercialisation of knowledge and integration of scientific community with the economic environment, as well as disseminating the results of scientific research in entrepreneurial circles. In 2013, Innovation Brokers operating in a variety of areas of knowledge were selected; these Innovation Brokers have commenced the implementation of tasks listed under the programme, including, inter alia: establishing contact and organization of meetings with representatives of the scientific and business communities intended to initiate the processes of commercialisation of results of scientific research; preparing schedules of research projects which, in the view of the broker, present a substantial commercial potential, along with the analysis of the reasons for such assessment; initiating the establishment of spin-off companies or the conclusion of licence agreements.

Timetable

- Implementation of the programme – **until Q3 2015**

Financing

The programme is financed from funds earmarked for science-related purposes within the framework of the systemic project “Support for the system of management of scientific research and its results” (Submeasure 1.1.3) implemented under Innovative Economy Operational Programme 2007–2013. Funding earmarked for the implementation of the entire programme amounts to PLN 6.5 million.

3.3. Energy objectives

Modernisation, restructuring and extension of energy infrastructure is key for ensuring adequate conditions for the stable growth of Polish economy, while guaranteeing that the “20/20/20“ targets in the field of energy and the environment established for the entire EU in the Europe 2020 strategy will be achieved in 2020. Poland decided that reduction of primary energy consumption will serve as an indicator and a means of achieving these triple targets. Such a reduction does not only directly contribute to decarbonisation of the economy, but also, in economic growth conditions, leads to increased energy efficiency. This effect will be additionally strengthened by a growing share of energy generated from renewable energy sources in the overall energy structure.

From Poland’s point of view, equally important are actions aimed at providing support to entrepreneurs and contributing towards the implementation of the EU-wide goal of increasing the participation of industry in the GDP from the current 16% to 20% in 2020, as proposed in the communications on re-industrialization¹⁹ and renaissance of the European industry²⁰.

For the above reasons, the primary concern in the discussion on the climate and energy framework and industrial policy until year 2030 should be ensuring the balance between three pillars: sustainable development, competitive industry and energy security. An issue which should always be included in the discussions held within the EU and pertaining to the objectives of the climate and energy policy in the 2030 perspective should be the issue of support of economic growth and employment in Europe. The EU climate and energy policy cannot be allowed to contribute towards the process of expulsion of industrial activity from the EU.

Projected cumulative primary energy savings (Mtoe) in 2010-2020²¹

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
[Mtoe]	0.58	0.84	1.21	1.74	2.51	3.62	5.25	6.65	8.44	10.7	13.6

source: ME

Priorities for the 2014-2020 financial perspective

The intervention framework for the performance of actions adhering to the objective of the Europe 2020 strategy in the field of sustainable development is provided primarily by the Operational Programme Infrastructure and Environment (OP I&E) as well as the supplementary Operational Programme Development of Eastern Poland (OP DEP) and regional operational programmes. The following investment priorities will be implemented with respect to CO₂ emissions reduction:

¹⁹ Communication from the European Commission: A Stronger European Industry for Growth and Economic Recovery – Industrial Policy Communication Update (COM(2012)582)

²⁰ Communication from the European Commission: For a European Industrial Renaissance (COM(2014)14)

²¹ according to art. 3.1 of the Directive 2012/27/EU of the European Parliament and of the Council dated 25 October 2012 on energy efficiency, amending Directives 2009/125/EC and 2010/30/EU and repealing Directives 2004/8/EC and 2006/32/EC.

<p>OP I&E:</p> <ul style="list-style-type: none"> 4.5 promoting low-carbon strategies for all types of territories, in particular for urban areas, including the promotion of sustainable multimodal urban mobility and mitigation-relevant adaptation measures 4.7 promoting the use of high-efficiency co-generation of heat and power based on useful heat demand 7.4 developing and rehabilitating comprehensive, high quality and interoperable railway systems <p>OP DEP:</p> <ul style="list-style-type: none"> 4.5 promoting low-carbon strategies for all types of territories, in particular for urban areas, including the promotion of sustainable multimodal urban mobility and mitigation-relevant adaptation measures; 7.4 developing and rehabilitating comprehensive, high quality and interoperable railway systems <p>Support for renewable energy sources shall be provided within the framework of the OP I&E under the following investment priorities:</p> <ul style="list-style-type: none"> 4.1 promoting the production and distribution of energy derived from renewable sources 4.2 promoting energy efficiency and renewable energy use in enterprises 4.3 supporting energy efficiency, smart energy management and renewable energy use in public infrastructure, including in public buildings and in the housing sector <p>Support for energy efficiency shall be provided under the following investment priorities within the framework of OP I&E:</p> <ul style="list-style-type: none"> 4.1 promoting the production and distribution of energy derived from renewable sources 4.2 promoting energy efficiency and renewable energy use in enterprises 4.3 supporting energy efficiency, smart energy management and renewable energy use in public infrastructure, including in public buildings and in the housing sector 4.4 developing and implementing smart distribution systems that operate at low and medium voltage levels 4.5 Promoting low-emission strategies for all types of territories and in particular for urban areas, including the support of sustainable multimodal urban mobility and adaptation efforts intended to mitigate climate change 4.7 promoting the use of high-efficiency co-generation of heat and power based on useful heat demand
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Main actions adopted within the framework of NRP 2013/2014

On 11 September 2013, [the act amending the energy law and certain other acts dated 26 July 2013](#) entered into force. The changes introduced in the amended act pertain, inter alia, to the guarantee of full ownership unbundling of the gas transmission system operator, the introduction of an obligation for a specific volume of natural gas (designated by statute) to be traded on commodity exchange and the introduction of a possibility for natural gas sector enterprises to participate directly in the activities of a commodity exchange as well as the possibility for distribution companies to make plans of operations in the field of acquisition, transmission and processing of measurement data from remote reading meters and the imposition of an obligation on enterprises to ensure the appropriate level of safety of the data obtained from remote reading meters.

Works were underway on the [Energy Security and the Environment Strategy](#), in the course of which additional analyses were performed, along with the verification of data and the updating of the list of actions. On 15 April 2014 works were completed by the adoption of the Strategy by the Council of Ministers.

On 29 October 2013, the Council of Ministers adopted [the Strategic Adaptation Plan](#) for sectors and areas vulnerable to climate change until 2020 (with an outlook to the year 2030).

On January 28, 2014, the Council of Ministers adopted [the Polish nuclear energy programme](#) which specifies the tasks to be implemented by 2024 (with an outlook to the year 2030) which are necessary in order to establish nuclear power plants in

Poland. Furthermore, the draft act amending the nuclear law and certain other acts was adopted by the Council of Ministers on 5 November 2013, with the aim of implementing the Council Directive 2011/70/EURATOM.

On 23 March 2014 Parliament passed the act on biocomponents and liquid biofuels.

In addition, works on other legal regulations were also underway in 2013 and shall be continued:

- draft act on renewable energy sources – adopted by the Council of Ministers on 8 April 2014;
- draft act on the emissions trading system – submitted for interministerial and public consultations on 17 December 2013;
- draft act on transmission corridors – at consultation level (Committee of the Council of Ministers)
- draft act on energy characteristics of buildings – accepted by the Committee of the Council of Ministers on 20 March 2014, with a recommendation for consideration by the Council of Ministers.

In addition, actions pertaining to energy efficiency were performed on an ongoing basis within the framework of programmes implemented by the National Fund of Environmental Protection and Water Management.

Main actions for years 2014-2015

Actions related to moving away from the principle of free allocation of emission allowances towards selling them on auctions (Ministry of the Environment)

On the one hand, during the 3rd stage of implementation of the EU ETS, i.e. in 2013–2020, the amount of available emission allowances will be gradually reduced by 21% in comparison to the verified emission ceiling from 2005. On the other hand, activities related to moving away from the principle of free allocation of emission allowances towards selling them on auctions will be carried out in the same period. Until now, a total of more than 90% of emissions in the industrial sectors was allocated free of charge.

Despite the fact that emission allowances were provided free of charge, it is estimated that potential cost of purchase of additional allowances by the Polish enterprises during the entire 2013–2020 period may amount to approx. PLN 34 billion in the worst-case scenario. This is a consequence of the energy structure of the economy and the dominance of coal as the basic fuel used in industry.

Within the framework of Polish legislation, issues related to auctioning of allowances for the 3rd trading period will be regulated in the planned act on emissions trading scheme. Until the national auction platform is launched, emissions will be traded through the Community trading platform.

Timetable

- Expected date for the adoption of the draft act by the Council of Ministers – **Q2 2014**
- Expected date for the adoption of the act by Parliament – **Q2 2014**.
- Expected date of entry into force – **Q3 2014**
- Expected date for the adoption of executive regulations to the act – **Q3 2014**.
- Tender for the selection of the national auction platform – **Q4 2014**

Financing

The functioning of the auction platform will not generate expenditure for the public finance sector due to the fact that it will be financed from fees paid by the participants of the auctions.

Fostering development of energy infrastructure by providing co-financing in cooperation with private entities under the “Polish Investments” Programme (Ministry of Treasury)

Profitable infrastructural investments in Poland, including investments in the field of energy generation and distribution, will be co-financed under the “Polish Investments” Programme in cooperation with private entities through the Bank Gospodarstwa Krajowego and the Polskie Inwestycje Rozwojowe S.A. (PIR S.A.) company constituted specifically for that purpose. The company will take part in common projects carried out in cooperation with strategic Polish or foreign partners, who have at their disposal the necessary know-how on the sector of the given investment. There are currently plans for the implementation of projects which stem from the agreements which have already been concluded with LOTOS Petrobaltic S.A. (investment project related to the exploitation of the B8 oil reserve under the Baltic Sea), the HAWE S.A. Capital Group (agreement on the possible joint investment with respect to a project which will involve providing 870 thousand households nationwide with fibre-optic network access), the Municipal Heat Supply Company in Olsztyn (the construction of a new combined heat and power plant operating on high-efficiency co-generation basis) as well as TAURON Polska Energia S.A. (the financing of the construction of a 413 MW power unit at the Łagisza Power Station in Będzin. The Łagisza Power Station project will be one of the most substantial investments of the TAURON Group in the Śląskie province and one of the largest projects of this type currently being implemented in Poland. The value of the project will exceed PLN 1.5 billion, while the participation of PIR S.A. will reach the maximum permissible level of PLN 750 million. The power unit will commence operations at the end of 2018).

The LOTOS S.A. Group and the Azoty S.A. Group have signed a prospective shareholder agreement on the establishment of a special purpose vehicle and the performance of a full feasibility study for the construction of a petrochemical facility located in the vicinity of the existing LOTOS and Azoty Group installations. Both companies have also entered into an agreement with PIR S.A. as the potential financial investor with respect to the implementation of the project referred to above. In accordance with the provisions of a separate agreement, PIR S.A. will provide substantive assistance to the consortium with respect to the issues of financial and contractual structuring of the project. Following the completion of the feasibility study, the decision on the investment is to be adopted in 2014.

Timetable

Gradual contribution of parts of blocks of shares held by companies owned by the State Treasury to PIR S.A. and the Bank Gospodarstwa Krajowego, depending on the needs related to the financing of new projects in years 2014-2015

Financing

During the implementation of the “Polish Investments” Programme, shares of some public companies owned by the State Treasury will be contributed in kind up to the total amount of PLN 10 billion. The current plan assumes that the Company will be provided with capital by the State Treasury on the basis of an appropriate decision of the Council of Ministers. The estimated value of the four projects listed above for

which agreements have already been concluded amounts to approximately PLN 4.36 billion. The investments in question will be implemented with the financial participation of PIR S.A. and its partners. The value of the investment contemplated within the framework of the agreement with the LOTOS S.A. Group and the Azoty S.A. Group is estimated at PLN 12 billion.

The implementation of Poland's Nuclear Energy Programme (ME)

Poland's Nuclear Energy Programme specifies the scope and structure of the organization of activities which are required to introduce nuclear energy in Poland and to ensure safe and effective operation of nuclear energy installations, their decommissioning after the end of their operation, as well as safe management of spent fuel and radioactive waste. The construction of a nuclear power plant will ensure the appropriate supply of electricity at prices which shall be acceptable for both the economy and society, while simultaneously complying with environmental protection requirements.

The document presents a timetable which encompasses four phases until the year 2030. During the first phase, scheduled for years 2014-2016, operations pertaining to the determination of the location for the nuclear power plant will be performed; the contract for the provision of selected technology for the first nuclear power plant will also be concluded at this stage. The programme provides for the construction of two nuclear power plants with a joint capacity of approximately 6000 MW until the year 2035.

Works on the National Action Plan for Radioactive Waste and Spent Fuel Management as well as on selecting the location of a new surface disposal facility for low- and medium-radioactivity waste will also continue.

The human resources in the field of science and education as well as in institutions directly involved in the implementation of the nuclear energy project will be identified. Subsequently, the "Human resources development plan for Poland's nuclear energy programme" will be developed on this basis. Furthermore, a programme for the support of Polish enterprises in the preparations for participation in the construction of nuclear energy facilities will be prepared (implementation scheduled for 2015).

Timetable

- Expected date for the adoption by Parliament of the act amending the nuclear law, implementing Directive 2011/70/EURATOM – **Q3 2014**
- Expected date of entry into force – **Q3 2014**
- Expected date for the adoption of the Action Plan for Radioactive Waste and Spent Fuel Management by the Council of Ministers – **Q1/Q2 2015**

Financing

The estimated expenditure related to the implementation of the Polish nuclear energy programme amounts to PLN 18.2 million for 2014 and PLN 23.3 million for 2015, including approximately PLN 5.1 million within the framework of the multiannual programme.

Supporting investment in energy efficiency within the framework of activity of the National Fund for Environmental Protection and Water Management (Ministry of the Environment)

CSR 6
To improve efficiency
in the whole energy
chain

In years 2014-2015, the following programmes will be implemented within the framework of activity of the National Fund for Environmental Protection and Water Management:

- “Energy saving and promoting renewable energy sources” Operational Programme under the European Economic Area Financial Mechanism 2009–2014 – conclusion of agreements pertaining to industrial projects submitted in the course of an open call for proposals;
- Group of priority programmes “Efficient energy use”, with respect to the following parts: “LEMUR – Energy-efficient public buildings”, “Subsidised loans for energy-efficient Houses”, “Smart power grids”;
- Group of priority programmes “Green investment scheme (GIS)”, with respect to the following parts: “Energy management in public buildings”, “Energy management in buildings of selected public finance sector entities”, “SOWA – Energy-saving street lighting”;
- The priority programme for the improvement in air quality, with respect to the KAWKA project – “Elimination of low emission sources as a method of support of energy efficiency and development of dispersed renewable energy sources”.

In addition, from 2014 onwards, parts 1 and 2 of the existing priority programme designated as “Efficient energy use” will constitute a part of a new programme aimed at entrepreneurs, entitled “Support for entrepreneurs with respect to low-emission and resource-efficient economy”. This programme will replace the “Efficient energy use” programme, with the part devoted to energy efficiency of businesses consisting of sections with similar designations, i.e. energy/ electricity and energy audit and improvement of energy efficiency, respectively. The scope of a part of the programme will be changed slightly compared to the previous versions thereof, pertaining mostly to the conditions of co-financing granted in the form of a loan.

In addition, a new priority programme entitled “Improving energy efficiency, part 4): Energy-saving investments in small and medium enterprises” will be launched.

Timetable

“Improving energy efficiency, part 4): Energy-saving investments in small and medium enterprises” – ongoing call for applications from **Q3 2014**

“Energy saving and promoting renewable energy sources” Operational Programme under the European Economic Area Financial Mechanism 2009-2014 – agreements pertaining to projects involving thermal modernisation / RES are scheduled for conclusion between April and June 2014.

The “Support for entrepreneurs with respect to low-emission and resource-efficient economy” programme – call for applications during the 1st competition – **Q1 2014**

“Efficient energy use” programme:

- “LEMUR – Energy-efficient public buildings” programme – ongoing call for applications throughout the year 2014 with possible extension to 2015, agreements concluded on an ongoing basis – **Q3/Q4 2014**

- “Smart power networks” programme – conclusion of agreements within the framework of the 1st competition – **Q1/Q2 2014**

“Green investment scheme (GIS) Programme:

- “Energy management in public buildings” – conclusion of agreements under the 4th competition – **Q3/Q4 2014**
- “Energy management in buildings of selected public finance sector entities” – conclusion of agreements under the 2nd competition – **Q3/Q4 2014**
- “SOWA – Energy-saving street lighting” – conclusion of agreements under the 1st competition – **Q1/Q2 2014**, announcement of the 2nd competition – **Q2 2014**, conclusion of agreements under the 2nd competition – **Q1 2015**

The programme for the improvement in air quality, KAWKA project – “Elimination of low emission sources as a method of support of energy efficiency and development of dispersed renewable energy sources”: conclusion of agreements – **Q4 2014**

Financing

The expected amount of funds provided for the purposes of financing the programmes listed above from the own budget of the National Fund for Environmental Protection and Water Management is approximately PLN 577 million for 2014 and approximately PLN 520 million for 2015.

Adoption of the Act on the energy performance of buildings and launch of registers for issued energy performance certificates of buildings (Ministry of Infrastructure and Development – MID)

The aim of this act shall be the implementation of the provisions of Art. 9, 11-18 of the Directive 2010/31/EU on the energy performance of buildings. The introduction of regulations concerning the preparation and issuance of energy performance certificates should contribute to the popularisation of energy-efficient construction and raise the awareness of the owners and tenants of buildings and building units with regard to the possibility to achieve energy savings. Information contained in the energy performance certificates of buildings will allow users to determine the approximate annual demand for usable, final and primary energy, thus allowing them to determine the maintenance cost related to heating and ventilation, domestic hot water preparation, cooling and lighting, in the case of public buildings. On the other hand, regulations regarding the performance of heating and cooling system inspections are to contribute to maintaining their proper regulation, pursuant to product specification, thus ensuring optimum operation as regards the environment, safety and energy.

Moreover, the act will contain solutions, on the basis of which a general energy performance certification of buildings with a usable floor area, occupied by judicial authorities, the prosecutor’s office or public administration authorities, exceeding 500 square meters – 250 square meters as of July 2015 – will be performed. Additionally, a system of registers related to the energy performance of buildings will be introduced, the aim of which will be to ensure an independent system for auditing, public access to the regularly updated lists of experts, and to maintain an inventory of and provide information regarding the energy standard of buildings occupied by public authorities.

Timetable

- Expected date for the adoption of the draft act on the energy performance of buildings by the Council of Ministers – **Q2/Q3 2014**
- Expected date for the adoption of the act by Parliament – **Q3/Q4 2014**
- Planned date for the act to enter into force – **Q1/Q2 2015**

Financing

The introduction and maintenance of the central register of the energy performance of buildings is connected with expenses related to the purchase of equipment infrastructure necessary to ensure the register's operation. The funds for this purpose are provided in the budget of the Ministry of Infrastructure and Development. The register itself was created using funds from the "Global Environment Facility" (Energy Efficiency Project) Trust Fund grant agreement between the Republic of Poland and the International Bank for Reconstruction and Development via Bank Gospodarstwa Krajowego.

The maximum cost of preparing an energy performance certificate of a building is planned to be approximately PLN 5 thousand, while the costs incurred by entities on which the regulation in question has an impact will be financed within the framework of the annual limit for expenses planned for a given budget item of each public finance sector unit, without the need for its additional increase.

Support for investments in the area of energy efficiency as part of the Act on supporting thermo-modernisation and renovations (MID)

A programme of support for thermo-modernisation projects and renovation projects related thereto, being carried out in the oldest, multi-family residential buildings – from the monies of the state-funded Thermo-Modernisation and Renovation Fund – is being implemented on the basis of the act on supporting thermo-modernisation and renovations. The programme has been functioning in its current form since 2009.

Timetable

- The programme is being implemented on a continuous basis.

Financing

For 2014 the Fund has the amount of PLN 145.72 million, including EUR 20 million allocated in the state budget.

Support for the establishment of a legal framework for the introduction of a smart electricity grid system (ME)

Regulations regarding the planning of projects related to acquiring, transmitting and processing automated meter readings and rules obliging enterprises to ensure a proper degree of security of automated meter readings were introduced in the Act of 26 July 2013 on amending the Act – Energy Law and certain other acts.

An assessment is being performed regarding the existence of conditions justifying the introduction of a general installation of these meters mentioned in Annex I to Directive 2009/72/EC, especially as regards the economic effectiveness of introducing such solutions, including in the scope of their impact on the price of electricity for household consumers. In the case of a positive assessment of solutions as regards, among others, the introduction of a measurement data administrator and an obligation to install automated electricity meter readers, the Government will propose for such issues to be included in the government's submission, prepared at a later stage.

Timetable

- The preparation of draft solutions – **Q1 2014**
- The consultation of drafted solutions – **Q2 2014**
- Their adoption by the Council of Ministers – **Q4 2014**

Financing

Solutions being analysed do not entail any expenditures from the state budget. Estimated total benefits for the users of the power grid between 2014-2020 could amount to PLN 1.1 billion.

Investments in renewable energy sources (ME)

In 2014, legislative works on the draft act on renewable energy sources and amendment to the Act on biocomponents and liquid biofuels will be continued. The aim of proposed regulations is, among others, to improve energy efficiency and environmental protection, use renewable energy sources in a rational manner as well as shape mechanisms and instruments supporting the generation of electricity, heating or cooling, or agricultural biogas from renewable energy sources.

Having regard to the complex consultation process regarding the draft act on renewable energy sources, it was decided to develop a new draft, the implementation of which will lead to the establishment of a uniform and legible support system for green energy producers, constituting an investment incentive for the construction of new generation units, with particular regard given to dispersed generation based on local renewable energy resources.

Timetable

- Expected date for the adoption of the act on renewable energy sources by Parliament – **Q2 2014**
- Planned date for the act to enter into force – **Q1 2016**
- Planned date for the act on amending the Act on biocomponents and liquid biofuels to enter into force – **Q2 2014**.

Financing

The entry into force of the act on amending the act on biocomponents and liquid biofuels will not entail increased expenditures from the state budget.

It is estimated that the entry into force of the act on renewable energy sources will lead to additional costs for the state budget in the amount of PLN 13 million for the first year of its application.

Assessment of the national heating and cooling generation potential (ME)

As part of this action a document will be developed (along with required appendices), aimed at the performance of the assessment of national heating and cooling generation potential, including the preparation of a heating and cooling map. The map will serve to indicate potential locations for the construction of high-efficiency cogeneration units, that is cogeneration of useful heat and electricity.

Timetable

- The development of an interactive heating and cooling map – **Q3 2015**

Financing

PLN 700 thousand was assigned in the state budget for 2014 with regard to the implementation of this action.

Draft act on transmission corridors (MID)

The main aim of the act being drafted is to establish adequate and stable conditions for the achievement of the public objective consisting in constructing, operating and modernising technical infrastructure necessary to ensure uninterrupted supply of electricity, gases, heat, oil and petroleum products, as well as to accelerate the investment process in this regard.

The draft act contains complex regulations regarding investments in the expansion of the above-mentioned infrastructure, including regulations regarding the rule of subdividing lands planned for the construction of or containing line infrastructure relevant in relation to the implementation of a public objective.

Timetable

- Expected date for the adoption of the draft act by the Council of Ministers – **Q4 2014**
- Expected date for the adoption of the act by Parliament – **Q2 2015**

Financing

Entry into force of the draft act does not entail direct costs for the public finance sector.

Increasing competitiveness on the domestic natural gas market (ME)

The act of 26 July 2013 on amending the act – Energy Law and certain other acts came into force on 11 September 2013, introducing the so-called exchange obligation, that is an obligation, binding upon dominant entities on the natural gas market, to sell a specified volume of natural gas on the commodity exchange or a regulated market. The act also provides for other legal instruments meant to contribute to the creation of conditions allowing to abandon the approval of prices for subsequent consumer groups. It introduced, among others, the possibility for energy enterprises to directly participate in exchange trading and vulnerable fuel gas consumers. The exchange obligation should contribute to the abandonment of the obligation to approve prices for subsequent consumer groups – the state of competition development on the natural gas market is monitored on on-going basis by the President of the Energy Regulatory Office, who is obliged to release a given market segment from price regulation when it becomes “competitive”.

With respect to the creation of a competitive natural gas market, non-legislative measures, aimed at expanding possibilities and increasing diversification of natural gas supply within the territory of the Republic of Poland, are also being undertaken. In this regard, it is necessary to note the expansion of interconnections between Poland and the Federal Republic of Germany, the Czech Republic, the construction of a physical reverse on the Yamal-Europe pipeline, the construction of an LNG terminal in Świnoujście and the concept of a North-South corridor. In 2014, works allowing for the physical flow of gas from Germany to Poland – the completion of reverse construction and auctions regarding the reservation of capacity on the connection – will be implemented. The physical reverse on the Yamal pipeline enables to offer the continuous natural gas transmission service on the market, which ensures the reliability of gas supplies under the reverse. Increasing the capacity on connections with EU Member States is one of the key demands of natural gas trading sector entities, who report the need to strengthen the supply side of the natural gas market by ensuring the possibility of importing additional volumes of natural gas to the territory of the Republic of Poland. The introduction of supply on continuous basis will allow to increase competition on the domestic natural gas market by ensuring gas supply from

CSR 6
To speed up and extend the development of the electricity grid, including cross-border interconnections

CSR 6
To strengthen competition in the gas sector by phasing out regulated prices

a source constituting an alternative to gas supply from the East, as well as to increase the liquidity of the market and convergence of natural gas prices on the markets of EU states, which is one of the requirements for deciding to release gas prices for subsequent consumer groups.

Timetable

- A gradual increase of the so-called exchange obligation to the level of 40% of natural gas introduced at that time to the transmission network – **since 1 January 2014** – and 55% of natural gas introduced at that time to the transmission network – **since 1 January 2015**.
- The completion of the construction of infrastructure necessary to ensure the physical transmission of gas from Germany to Poland – the introduction of a continuous service on the physical reverse – **since Q2 2014** – auctions regarding the reservation of capacity – **since Q1 2014**.

Financing

Proposed actions will not have effect on the public finance sector. Costs related to the performance of the plan concern commercial law companies implementing the above-mentioned tasks.

3.4. Education objectives

According to the European Commission’s data, in 2010 Poland was one of few EU countries to achieve the recommended targets as regards 4 out of 5 most important indicators of education development in Europe. Similarly, the recommended values with respect to 2 indicators of the Europe 2020 strategy education target of raising educational attainment (the recommended value of an indicator as regards reducing the rates of early school leaving below 10% and the target value of an indicator as regards at least 40% of 30–34-year-olds completing third level education) were already attained. Having regard to the significance of the area of education to the development of social and economic life, Poland set for itself more ambitious targets than those set by the EU, as illustrated by the tables below:

- Indicator 1 – Reducing the rates of early school leaving below 4.5%²²

	2013	2020
% share	5.6	4.5

Source: Figures for 2013 – based on Labour Force Survey, Central Statistical Office. For 2020 – MNE.

- Indicator 2 – At least 45% of 30–34-year-olds completing third level education

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
% share	34.8	36.5	39.1	40.5	41.4	42.2	43	43.5	44	44.5	45

Source: Figures for 2010-2013 – based on Labour Force Survey, Central Statistical Office. For 2014-2020 – estimates of the MSHE on the basis of a trend analysis

Given the good results in popularising education, monitored using the above-mentioned indicators, the focus in the field of education is currently placed on activities aimed at meeting the challenges faced by this field in Poland. They include:

- improving the availability of early childhood education and care, including pre-school education;
- better adjustment of education and training to the needs of the labour market;

²² The percentage of people aged 18-24 with lower-secondary education at most, who do not continue education or training, in the general population in same age group.

- improving the quality of education (quality of schools and educational facilities), enhancing the methods and conditions for education and upbringing, enhancing work organisation and improving the staff competencies;
- basing the education policy on a comprehensive and consistent lifelong learning strategy, with a particular focus on increased popularisation of adult learning.

It is important to improve the core curriculum so that it more closely observes the requirements of knowledge-based economy. Graduates should be equipped with skills and competencies needed on the labour market. Thus, it means achieving the right balance between theoretical and practical teaching. It is important to focus on the development of soft skills such as entrepreneurial spirit, communication skills, creativity or ability to cooperate. In this context, it is significant to support cultural institutions as those that promote creativity, popularise informal learning and actions for social inclusion through culture, as well as to support and reform artistic education that trains future staff for cultural and creative sectors. It is also crucial to strengthen those elements in the education process, which prepare for undertaking independent and effective market activity. Finally, stimulating the activity on the professional training market and encouraging entrepreneurs to invest in intellectual capital of their employees also matter.

Elements of the position and opinions of social and economic partners reflected in the NRP 2014/2015

Changes being introduced or planned in the area of higher and vocational education to a great extent correspond to the directions for changes proposed by social and economic partners in recommendations regarding the reform of the education system for the purposes of obtaining various competencies necessary in the course of professional activity, adjusting education to socio-economic changes, adjusting the directions and quality of education to the needs of the economy or raising the potential and quality of higher education. The success of these changes requires their effective implementation, to which it is essential for entrepreneurs to be involved in the education process. This issue of partner recommendations was reflected in the “Support for the cooperation of schools with employers” action, which besides projects being currently implemented indicates actions planned in the perspective 2014-2020, as part of OP KEG, among others.

The reforms of vocational and higher education should contribute to the development of the cooperation of schools and universities with employers, including in the form of work-based training. The issue of conducting a social campaign promoting the need for the co-existence of various professional groups on the labour market, raised by the partners, was also noticed. Actions supporting the implementation of reform are being undertaken, for example as part of the “Monitoring and improvement of the implementation of core curricula for vocational education (2012-2015)” project.

The reform of higher education introduced an obligation for universities to monitor the career advancement of their graduates. Moreover, the second stage of this reform will introduce an all-Poland system for monitoring the career advancement of graduates, based on anonymised data from the Social Insurance Company [ZUS]. Those plans are a response to the recommendations of social and economic partners regarding the introduction of a system for monitoring the career advancement of graduates. Actions aimed at increasing the number of maths, science and engineering graduates, including through the programme of ministry-sponsored fields of study, are also being conducted.

The issue regarding the popularisation of inclusive education of children and young people with disabilities is compliant with priority interventions defined in the Human Capital Development Strategy.

Priorities under the financial perspective 2014-2020

Educational objectives specified as part of the “Europe 2020” strategy will be supported by measures undertaken within the framework of structural funds (such as Operational Programme Knowledge Education Growth, and regional operational programmes) in the following investment priorities:

- 10.1 reducing and preventing early school-leaving and promoting equal access to good quality early-childhood, primary and secondary education including formal, non-formal and in formal learning paths for reintegrating into education and training
- 10.2 improving the quality and efficiency of, and access to, tertiary and equivalent education with the view to increasing participation and attainment levels, especially for disadvantaged groups
- 10.3 enhancing equal access to lifelong learning for all age groups formal, informal and non-formal settings, upgrading the knowledge, skills and competencies of the workforce and promoting flexible learning pathways including through career guidance and validation of acquired competences
- 10.3bis – improving the labour market relevance of education and training systems, facilitating the transition from education to work, and strengthening vocational education and training systems and their quality, including through mechanisms for skills anticipation, adaptation of curricula and the establishment and development of work-based learning systems, including dual learning systems and apprenticeship
- 10.4 investments in education, training and vocational training for skills and lifelong learning by developing education and training infrastructure.

Main actions adopted within the framework of NRP 2013/2014

On 10 September 2013, the Council of Ministers adopted the “Lifelong Learning Perspective” strategic document defining the objectives of a policy, which applies to actions regarding all forms of learning (formal, non-formal and informal) as well as to all life stages, from the youngest to the advanced old age groups. The document also presents the issues of evaluating and recognising learning results.

In 2013, the implementation of [the reform of higher education](#), including the rules for financing higher education based on quality assessment, was continued – a call for proposals for Leading National Research Centres (specially subsidised) was opened and tasks related to the education of persons on full-time doctoral studies, conducted on private universities, were subsidised.

On 3 December 2013, the results of the call for proposals, regarding the co-financing of basic organisational units of universities, or universities without basic organisational units, within the field of implementing quality improvement systems and the National Qualification Framework, were announced. 261 proposals were submitted for the call for proposals, including 185 proposals for the all-academic profile and 76 proposals for the practical profile. The Commission chose 13 educational programmes with a practical profile and 13 educational programmes with an all-academic profile. Each of the chosen units will receive co-financing as part of the pro-quality subsidy, in the amount of PLN 1 million.

Moreover, works were being conducted on a new stage of amendments – another [amendment to the act – Higher Education Law was being prepared](#). The draft act was adopted by the Council of Ministers on 17 December 2013.

As regards actions being undertaken in the field of education, in 2013 the process of [implementing a new core curriculum for general education was being continued](#). The new core curriculum will be fully implemented in primary schools in the academic year 2014/2015, in upper-secondary schools: 3 year basic vocational schools and 3 year general education schools, in the school year 2014/2015 and in 4 year vocational schools in the school year 2015/2016.

CSR 3
To adopt the
proposed lifelong
learning strategy

CSR 3
To increase the
availability of
apprenticeships and
work-based learning,
strengthen
cooperation between
schools and
employers and
improve the quality
of teaching

The **implementation of the vocational education reform** aimed at improving the quality and effectiveness of the vocational and lifelong education as regards the expectations of the labour market, was continued. The general monitoring of the implementation of the reform under the “Monitoring and improvement of the implementation of core curricula for vocational education (2012-2015)” project, co-financed from the European Social Fund, began on 10 September 2013. The monitoring is being conducted using online tools among the headmasters and teachers of public and non-public schools providing vocational education. Moreover, actions popularising the idea of including employers in the vocational education process were being conducted.

CSR 3
To increase the availability of apprenticeships and work-based learning, strengthen cooperation between schools and employers and improve the quality of teaching

Main actions for years 2014-2015

National Qualification Framework (MNE – Chairman of the Inter-ministerial Team for Lifelong Learning, including the National Qualification Framework)

In order to meet the expectations and needs related to the labour market development, technological advancement and demographic processes, as well as to facilitate the professional and personal development of citizens on both the domestic and European level, works are being conducted on the modernisation of the national qualification system. In 2014-2015, select procedures regarding the integrated register will be tested and guidelines for the process of recognising learning results will be developed and tested. Works will commence on the preparation of entities to maintain registers. Moreover, a test of the sectoral qualification framework, qualification descriptions, quality assurance system and rules for accumulating and transferring attainment data will be conducted.

Timetable

- Expected date for the performance of a test of the developed solutions and preparation thereof for implementation – **2014-2015**
- The commencement of solution implementation – **2015**

Financing

Funds allocated for the implementation of the measure will amount to – approximately PLN 25.9 million (including approximately PLN 3.9 million from the state budget and approximately PLN 22 million from the EU budget funds) in 2014 and approximately PLN 10.7 million (including approximately PLN 1.6 million from the state budget and approximately PLN 9.1 million from the EU budget funds) in 2015.

Reform of higher education (MSHE)

The implementation of the first stage of the reform of higher education will be continued. The earmarked subsidy for financing quality-focused tasks will be allocated and transferred in 2014-2015, on the basis of the provisions of the act on higher education and relevant implementing regulations. The earmarked subsidy for financing quality-focused tasks will be allocated towards:

- financing organisational units with the status of Leading National Research Centres (LNRC);
- financing basic organisational units of universities, distinguished by the Polish Accreditation Committee as regards the assessment of education;
- financing basic organisational units of universities within the scope of implementing quality improvement systems and the National Qualification Framework;

CSR 3
To increase the availability of apprenticeships and work-based learning, strengthen cooperation between schools and employers and improve the quality of teaching

- financing tasks related to the education of the participants of full-time doctoral programmes, conducted in non-public universities;
- financing an increase of the amount of doctoral scholarships, referred to in Art. 200a of the Act, for the top 30% of doctoral candidates, at both public and non-public universities.

The changing needs of the labour market require constant adjustment of employee competencies and qualifications thereto. Therefore, in the second stage of the reform new regulations will be implemented, supporting the engagement in studies by adults and the assurance of better quality of education, including the adjustment of education to the needs of the labour market.

In accordance with changes provided for in the amendment to the act on higher education and certain other acts, universities will be able to confirm learning results acquired by ways other than formal, that is, for example, by performing work, participating in courses and trainings, self-improvement, voluntary work. The introduced regulation should contribute to an increase of participation in formal education of persons above 25 years of age.

Changes aimed at the assurance of better quality of education, including the adjustment of education to the needs of the labour market, include, among others

- obliging universities to organise no less than 3 month internships on degree programmes with a practical profile;
- the introduction of dual studies – on degree programmes with practical profiles, it will be possible to introduce the so-called dual education, that is education alternating between didactic classes at the university and on-the-job training;
- a rule, pursuant to which more than half of the curriculum of a programme with a practical profile will have to be implemented by way of workshops developing the student's practical skills, which should be conducted by persons with professional experience;
- an increase of the employer's contribution to the preparation of curricula and to teaching courses;
- maintaining the all-Poland system for monitoring the professional careers of graduates²³.

Timetable

- Expected date for the adoption of the act on amending the act on higher education and certain other acts by Parliament – **Q3 2014**
- Expected date for the act to enter into force – **1 October 2014**
- The division of quality-focused subsidy in **2014 and 2015**, in accordance with the law

Financing

Funds earmarked for a quality-focused subsidy in 2014 amount to PLN 241.4 million.

Implementation of programme on procured university studies (MSHE)

Due to the tangible benefits of previous implementation of programme on so-called procured university studies, in the period 2014-2020 it is planned to continue the programme, however with some modification, within

²³ The first attempt to use ZUS data to monitor the careers of graduates has been conducted by the Warsaw University, in cooperation with the Educational Research Institute. A report from the study was prepared in 2014. Data gathered during its performance allowed to make a general recommendation.

Before starting a new program in all areas of education (humanities; social sciences; exact science; natural sciences; technical sciences; agricultural, forestry and veterinary sciences; medical sciences and arts), competencies and skills essential to increase the chances of graduates in the labour market will be defined within evaluation study.

The new procured university studies programme will be implemented on a basis of the three main categories of the National Qualifications Framework for higher education, ie knowledge, skills and competence. Procured university studies will be therefore closely linked to learning outcomes and skills acquired by students in the course of the study. The new programme on procured university studies will also develop soft skills of students. Support under the new programme will include:

- scholarship programs for the best students;
- internships/apprenticeships;
- participation of teachers from abroad or cooperation with foreign entrepreneurs;
- participation of entrepreneurs in the education process (ie: study visits, extra curricula activities organized with entrepreneurs);
- workshops expanding professional competences.

Timetable

- Completion of evaluation – **Q2 2014**
- Launch of a new edition of the programme will occur after launch of OP KEG.

Financing

The programme on procured university studies will be financed under OP KEG and financial impact for the years 2014-2015 will depend on the allocation of funds for the activities within OP KEG.

Support for the cooperation of schools with employers (MNE, ME, PAED)

Since the academic year 2012/2013, higher education has been subject of changes which, among others, placed focus on practical education and the involvement of employers in the education process. The successful implementation of changes requires the popularisation and support of cooperation between vocational schools and employers.

In 2014-2015, informational and promotional activities, encouraging the involvement in the education and examination process, will be continued within the framework of the Education for Work project – Stage 2. 12 regional conferences will be organised, encouraging employers and business representatives to cooperate with vocational schools towards the improvement of the quality of vocational education by involving employers in the practical education process, modifying curricula, organising examination centres and conducting external examinations.

The implementation of the “Business for Education” project will also be continued. The key activity of the project will be the implementation of 10 Educational Programmes. The aim of the Programmes will be to develop such forms of cooperation between entrepreneurs selected by way of a call for proposals and education institutions selected by them, which will improve the knowledge, skills and competencies of pupils and students and make them more suitable as regards labour market needs. The implementation of Educational Programmes will also contribute to the improvement of social competencies of young persons, required in the vocation in which they are being educated.

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Moreover, the project will also feature a 2nd and 3rd edition of the “Employer of Tomorrow” competition, aimed at promoting good practices. It will distinguish employers who successfully implement projects of educational nature, aimed at persons preparing to enter the labour market.

Subsequent actions supporting the cooperation of employers with schools will be implemented from structural funds, for example as part of the OP KEG (such as adjusting practical vocational education to the needs of companies operating in Special Economic Zones).

Timetable

- Informational and promotional activities under the “Education for Work” project, the organisation of 12 regional conferences – **by the end of 2014**
- Completing the implementation of Educational Programmes under the “Business for Education” project – **Q1 2015**
- The announcement of the results of the 2nd edition of the “Employer of Tomorrow” competition – **Q2 2014**
- The announcement of the results of the 3rd edition of the “Employer of Tomorrow” competition – **Q2 2015**

Financing

Funds allocated for the implementation of the “Business for Education” project in 2014-2015 amount to: approximately PLN 4.2 million (including approximately PLN 0.6 million from the state budget and approximately PLN 3.6 million from the EU budget funds) and approximately PLN 1.4 million (including approximately PLN 0.2 million from the state budget and approximately PLN 1.2 million from the EU budget funds), respectively.

A total amount of PLN 21.2 million will be allocated for the implementation of the “Education for Work – Stage 2” project, of which approximately PLN 3.2 million will constitute the national public contribution.

3.5. Counteracting poverty objective

Among EU-27 countries, Poland belongs to the countries with a high at-risk-of-poverty or social exclusion rate. Based on the available reports published by the Central Statistical Office of Poland and the European Union Statistics on Income and Living Conditions (EU-SILC) of 2012, the general at-risk-of-poverty and/or social exclusion rate amounted to 26.7% in 2012. The level of this rate for Poland has been constantly decreasing, but still remains higher than the EU average (24.8% in 2012).

The problem of poverty is closely related to the situation on the labour market – the poverty or social exclusion rate is highest among the unemployed (in 2012: 58.7%). Thus, the key activities for counteracting poverty are those that increase chances for employment, as described in Subchapter 3.1. on the employment objective. At the same time, it is necessary to seek to combine actions taken to ensure stable employment for those who are able to work with actions aimed at social inclusion of persons at risk of poverty by providing access to high-quality services. The provision of high quality services, including support and social integration services, childcare services and care services for other dependent persons (the disabled, the elderly), health services, educational services and housing support, is required for the support of actions aimed at increasing employment.

However, the problem of poverty and social exclusion does not necessarily have to be directly related to the issue of unemployment. In Poland, families with children, especially large families, as well as representatives of other social groups are also at risk of poverty. It is thus appropriate to take action to strengthen support for families with dependent children, especially those in a relatively difficult financial situation, to continue support for families which find it difficult to fulfil their care and educational roles, as well as to take action to ensure housing for the poorest families.

Elements of the position and opinions of social and economic partners reflected in the NRP 2014/2015

Suggestions regarding actions towards increasing the professional activity of women were reflected in the section regarding employment.

The national target in terms of counteracting poverty provides for a reduction in the number of people at risk of poverty and/or economic deprivation and/or living in households with no people employed or of low labour intensity by 1.5 million in comparison to 2008.

Strategic objective in terms of counteracting poverty or social exclusion – roadmap²⁴ for 2012–2018 (number of persons in thousand)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018 ²⁵
No. of persons at risk of poverty or social exclusion weighted against the dynamics of the employment rate in the NRP, in thousand	11491	10454	10409	10196	10128	10120	10113	10090	10052	10018	9991
Employment rate of persons aged 20-64, overall figures for Poland, in %	-	-	64.3	64.5	64.7	64.9	65.5	66.5	67.4	68.1	69.2
Dynamics of the employment rate, in percentage points	-	-	-	0.2	0.2	0.2	0.6	1.0	0.9	0.7	1.1
Expected annual decrease in the number of the impoverished, in thousand, as compared to the previous year.	-	-	-	-	-	-8	-7	-23	-38	-34	-27

Sources: Eurostat, Central Statistical Office, Ministry of Labour and Social Policy

Priorities under the financial perspective 2014-2020

The objective within the scope of limiting poverty will be implemented mainly using the following investment priorities on the national level, as part of OP KEG and ROPs:

²⁴ The columns highlighted in blue present the path to achieving the “Europe 2020” strategy target, weighted against the employment rate moved 1 period back

²⁵ Due to the delay in publication of poverty-related rates of almost 2 years, the data on the number of people at risk of poverty or social exclusion available in 2020 will be for 2018. Thus, this is the reference year.

- 9.4 active inclusion, including with a view to promoting equal opportunities and active participation, and improvement employability
- 9.7 Enhancing access to affordable, sustainable and high-quality services, including health care and social services of general interest
- 9.8 promoting social entrepreneurship and vocational integration in social enterprises, and the social and solidarity in order to facilitate access to employment

Additionally, it will be implemented under the following investment priorities of the Operational Programme Infrastructure and Environment:

- 9.1 investing in health and social infrastructure which contributes to national, regional and local development, reducing inequalities in terms of health status, promoting social inclusion through improved access to social, cultural and recreational services and the transition from institutional to community-based services

Moreover, the objective will be implemented on a regional level, where direct support will be granted as part of ROPs.

Main actions adopted within the framework of NRP 2013/2014

Works were being conducted on a strategic document titled “National Programme against Poverty and Social Exclusion 2020. New Dimension of Active Integration“. Public and inter-ministerial consultations have been conducted.

Works supporting the [development of the social economy sector were being conducted](#). Inter-ministerial and public consultations regarding the “National Programme for Social Economy Development” project have been conducted. The objectives of the accreditation system and standards for the operation of social economy support institutions were established. The Operational Programme Civic Initiatives Fund 2009-2013 was being implemented. At the same time, works on the Civic Initiatives Fund Programme for 2014-2020, adopted by the Council of Ministers on 27 November 2013, were being conducted.

In 2013, three competitions in the area of family support and the foster care system were announced: 1) Ministerial programme of support for family and the foster care system for 2013 - family assistant and family-based foster care co-ordinator; 2) Ministerial programme for co-financing the achievement of specific standards by day care centres in 2013; 3) Ministerial programme of support for family-based foster care development for 2013. The aim of the above-mentioned competition was to provide support, in the form of state budget funds, to local government units on a commune and district level for the purpose of implementing certain tasks of those units arising from the act on family support and the foster care system.

On 31 March 2014 the results of the first ministerial programme in the area of family support and the foster care system was announced , providing from state budget PLN 58.5 million co-financing for the employment of 2 872 family assistants in communes, and PLN 11.5 million co-financing for the employment of 916 family-based foster care co-ordinators in poviat .

A [government programme of support for persons entitled to the attendance benefit](#), adopted by the Council of Ministers on 26 March 2013, under which approximately 100 thousand carers for disabled persons, receiving the attendance benefit, were provided with additional financial aid in the amount of PLN 200 a month, was implemented between April and December 2013. Moreover, since 1 July 2013 the amount of carer’s allowance was legislatively increased to PLN 620.

Works were being conducted on designing a system of social services addressing new challenges within the scope of social exclusion, including the completion of a pilot for

the standards of social assistance and integration services. Moreover, the [guidelines for the draft act on amending the act on social assistance](#) were established.

On 7 March 2014, the Council of Ministers adopted the draft act on amending the act on social insurance system and certain other acts.

The implementation of the “State Supplementary Feeding Programme for 2006-2013” was completed. At the same time, on 10 December 2013 the Council of Ministers adopted an Ordinance on the establishment of a multiannual financial support programme for communes within the scope of supplementary feeding, titled “State Supplementary Feeding Programme”, for 2014 – 2020.

Projects under the Programme for Social Activity of the Elderly and projects of Voluntary Labour Corps, directed towards the youth, were being implemented.

On 24 December 2013, the Council of Ministers adopted the Assumptions of the Long-term Policy for the Elderly in Poland for years 2014-2020. It is a framework document containing recommendations for measures required to be undertaken in various areas in which the elderly function, such as: health and independence, professional activity, social activity, inter-generation communication, silver economy.

Main actions for years 2014-2015

Adoption of the National Programme against Poverty and Social Exclusion 2020 (MLSP)

The “National Programme against Poverty and Social Exclusion 2020: New Dimension of Active Integration” will expand and complement strategic documents, especially Specific Objective 3 of the Human Capital Development Strategy 2020 (HCDS), within the scope covered by criterion 9.1 of *ex-ante* conditionality for European Social Fund, concerning the existence and implementation of national policy framework for limiting poverty and active integration of excluded persons.

The primary objective of the Programme has been identified as limiting poverty and social exclusion through actions aimed at increasing social activity and willingness to undertake employment, thus improving the employment rate. The programme indicates five operational objectives:

1. Services for activity and prevention – limiting the exclusion of children and young persons,
2. Guarantees for the future of young persons – providing young persons with a possibility to enter the labour market,
3. Active person, integrated family, responsible local community,
4. Preventing housing insecurity,
5. Seniors – safe, active and needed;

Timetable

- Expected date for the adoption of the Programme by the Council of Ministers – **Q2 2014**

Financing

Actions under the Programme will be financed from both state budget funds and the EU budget funds. The adoption and implementation of the above-mentioned Programme will not cause additional financial consequences for the public finance sector. Actions arising from the above-mentioned Programme will be implemented within the framework of expenditures planned in the budget legislation for a given year.

Changes in the social assistance scheme (MLSP)

The essence of proposed solutions is: (i) increasing the security of citizens and families, while at the same time increasing their activity in solving their own problems and difficult life situations, (ii) raising the efficiency of the system for organising social assistance, while ensuring its compatibility with other support systems, and (iii) increasing the efficiency of social assistance instruments and tools for guiding persons and families from the area at risk of social exclusion. Directing social assistance activities will not only involve providing support for persons experiencing the negative effects of poverty and social exclusion, but also preventive measures and motivating persons receiving support offered by social assistance to take more active measures towards overcoming the difficult life situation they are experiencing. One of the solutions aimed at ensuring more efficient performance of duties related to the prevention and activation of persons requiring support by social aid will be strengthening the role of social work. Moreover, changes in the act on social assistance will also allow for active inclusion of groups at risk of social exclusion in the self-help system, in solving social problems with an initiating and monitoring role of social assistance organisational units. The entry of solutions supporting the integration of the functions and roles of social assistance centres with social and professional reintegration institutions into the legal system is being developed.

Timetable

- Expected date for the adoption of guidelines to the act on amending the act on social assistance by the Council of Ministers – **Q2 2014**
- Expected date for the adoption of the draft act by the Council of Ministers – **Q3 2014**
- Expected date for the adoption of the act by Parliament – **Q4 2014**
- Expected date for the act to enter into force – **1 January 2015**

Financing

It is estimated that new solutions will constitute a burden for public finances in the amount of PLN 450 million a year (for years 2015-2020).

Support for the unemployed persons most isolated from the labour market (MLSP)

In order to improve the effectiveness of activities targeted at the unemployed isolated from the labour market, who are at the same time beneficiaries of social welfare benefits, two parallel ways of activating such persons have been provided for, which involve:

- outsourcing activation services – transferring the service of some unemployed persons to external entities,
- Activation and Integration Programme (AIP) implemented independently by a Poviát Labour Office or in cooperation with social welfare centres, depending on the financial resources of communes.

The outsourcing of activation services will take place on the basis of an agreement for the performance of activation activities by an employment agency selected by the Marshall of the Voivodship. The activities will cover unemployed persons, classified as a result of profiling as largely isolated from the labour market and unwilling to undertake employment.

The AIP will cover select groups of unemployed persons receiving social welfare benefits, especially those performing social contracts specifying a proper assistance

profile. An employed person directed to AIP will be covered with activities within the scope of professional activation, including useful social works, conducted by the district labour office. A complementary element will be activities within the scope of social integration, implemented by the social welfare centre. In the case of an understanding not being concluded between the labour office and social welfare centre, the labour office will be able to outsource the performance of activities in the scope of social integration, using Labour Fund resources, to entities conducting statutory activity towards professional as well as social integration and re-integration of persons at risk of social exclusion or towards counteracting addiction and social pathology, in accordance with the provisions on public benefit and voluntary work.

Timetable

- AIP and service outsourcing are to be introduced by an amendment to the act on the promotion of employment and labour market institutions. Planned date for the act to enter into force – **Q2 2014**

Financing

The outsourcing of activation measures will be financed from Labour Fund resources, in the amount specified annually in the financial plan of the Labour Fund. The financial plan of the Labour Fund for 2014 specifies the amount of PLN 60 million for that purpose. For 2015, on the other hand, in accordance with the statement of reasons for the draft act, the expenses are estimated to amount to approximately PLN 160 million²⁶.

AIP – financed from the Labour Fund and commune budget funds. The implementation of AIP will be optional for the commune.

Change of the principles for entitlement to social insurance as regards certain types of work performances (MLSP)

The planned change of legislation introduces: (i) an extension of the social insurance obligation to persons being members of supervisory boards, performing that function against payment, (ii) a correction to the rules for entitlement to insurance of persons performing work on the basis of a contract for mandate, (iii) order into the situation of persons conducting an activity, while performing a contract for mandate or home-based work, and (iv) a rationalisation for the rules regarding social insurance of farmers in conjunction with the public scheme.

In accordance with proposed changes, persons performing work on the basis of a contract for mandate will receive better insurance protection. In the case of a concurrence of insurance titles from several contracts for mandate or with other gainful activity, an obligation to pay contributions in respect of an amount no lower than the amount of minimum remuneration will be introduced. Such extension of the insurance obligation in the case of performing a contract for mandate in concurrence with other gainful activity or in the case of performing several contracts for mandate may limit the conclusion of numerous contracts for mandate and the temptation to replace employment contracts with less stable forms of employment. Moreover, the change in legal regulations within this scope will ensure the contractor's right to the minimum pension.

The introduction of the possibility to pay contributions for farmer's insurance, while at the same being entitled to insurance in the general scheme in respect of performing

²⁶ The increase of expenditures for the measures referred to above will be financed by changing the structure of the costs provided for in the financial plan of the Labour Fund.

work on the basis of a contract for mandate or performing a function in the supervisory board, is being planned. It is proposed that the farmers and household members in question should be able to voluntarily remain within the scope of farmers' social insurance (in the Agricultural Social Insurance Fund) despite the fact that they will also be subject to compulsory insurance in the Social Insurance Institution (ZUS) due to the performance of works under contracts of mandate or serving in supervisory boards, if agricultural activity constitutes a stable source of income and they fall within the scope of farmer's social insurance on that ground, in accordance with the law, provided that the amount of income generated on that account does not exceed half of the minimum remuneration for work. Such change should contribute to the improvement of inter-sectoral mobility of employees.

Timetable

- Expected date for the adoption of the Act by Parliament – **Q3 2014**
- Planned date for the Act to enter into force – **Q1 2015**

Financing

It is estimated that the proposed changes will result in an increase of contributions paid into the Social Insurance Fund by PLN 650 million, while at the same time increasing expenditures for benefits by PLN 10 million.

Support for families with children and children placed in foster care (MLSP)

In 2014, ministerial programmes for co-financing certain tasks of local government units within the scope of family support and the foster care system will be implemented, and the Marshals of Voivodship budgets will be supplemented to finance the operation of adoption centres by as well as the costs of the stay of the children of foreigners in foster care.

From 1 November 2014 the income threshold levels, entitling to receive family benefits, will be increased (from PLN 539 to PLN 574 or from PLN 623 to PLN 664 for families with disabled children). It will be the second stage of the implementation of the verification conducted in this regard in 2012. Another verification of the income threshold levels entitling to receive family benefits and the amounts of such benefits will be performed in 2015.

Timetable

- The announcement and settlement of ministerial programmes for family support and the development of the foster care system – **Q1 and Q2 2014**
- The supplementing of the Marshals budgets for the purpose of financing the stay of the children of foreigners in foster care – **Q1 and Q2 2014**
- The mobilisation of funds from the state budget for the purpose of supplementing the budgets of Marshals, intended for financing adoption activities conducted by the Marshals of Voivodship – **Q3 2014**

Financing

Most actions aimed at supporting families with children (with care-educational problems) and children placed in foster care fall within the scope of responsibilities of local government units. In 2014, approximately PLN 111 million was allocated in the state budget for the purpose of providing local government units with financial support in the implementation of these tasks.

Support for the carers for disabled persons (MLSP)

On 12 March 2014, the Council of Ministers adopted an Ordinance extending the implementation of the government programme of support for persons entitled to the attendance benefit until the end of 2014. It is estimated that approximately 104 thousand carers for disabled children, receiving the attendance benefit, will be entitled to additional financial aid in the amount of PLN 200 a month.

On 25 March 2014, the Council of Ministers adopted an Ordinance allowing for an increase of the amount of support provided to carers for disabled children, who do not undertake work or have quit work due to the provision of care for these children. Act on family benefits, is aimed at increasing the amount of the carer's allowance to the amount corresponding to the minimum remuneration for work (net) estimated for 2016 by that year. In accordance with the proposed solutions, contributions for pension insurance for persons receiving the attendance benefit will be paid from the amount of received benefit, as is the case now.

Therefore, the aggregate amount of support for a person entitled to the attendance benefit will amount to:

- in 2014 (between 1 May and 31 December): PLN 800 in respect of the attendance benefit, PLN 200 in aid from the government programme of support for persons entitled to the attendance benefit and PLN 321 towards pension and health insurance contributions – PLN 1 321 in total,
- in 2015: PLN 1200 in respect of the attendance benefit and PLN 376 towards pension and health insurance contributions – PLN 1 576 in total,
- In 2016: PLN 1300 in respect of the attendance benefit and PLN 403 towards pension and health insurance contributions – PLN 1 703 in total.

Moreover, act of 4 April 2014 on determining and paying carer's allowance specifies the conditions for being entitled to carer's allowance, in the amount of PLN 520 per month, and the principles for determining and paying it to persons who lost the right to the attendance benefit from 1 July 2013 due to the expiry, by virtue of law, of the decision granting the right to receive such benefit. Contributions for pension and health insurance for persons receiving the carer's allowance will be paid from the amount of received benefit.

Timetable

- Expected date for the adoption of the act by Parliament – **Q2 2014**
- Planned date for the act to enter into force – **Q2 2014**

Financing

PLN 255 million was allocated in the state budget for the implementation of the government programme of support for persons entitled to the attendance benefit between January and December.

It is estimated that an increase of the amount of financial support for carers for disabled children will entail an increase in expenditures from the state budget towards attendance benefits by PLN 180 million in 2014, by PLN 865 million in 2015 and by PLN 1 015 million in 2016.

It is estimated that the entry into force of the act on determining and paying carer's allowance will result in expenditures from the state budget in the amount of PLN 1 372 million in 2014 and PLN 897 million annually, starting from 2015.

Development of the social economy sector (MLSP)

In 2014, a crucial element on the road to increasing the importance of social economy in the economy will be the adoption of the National Programme for Social Economy Development, which will specify the objectives, priorities in this regard, and will constitute a basis for future measures. The adoption of the act on social enterprise and support for social economy, providing the possibility of obtaining the status of a social enterprise, is also planned.

The operation of the pilot loan fund for social enterprises will be continued as part of the “Support for financial engineering towards social economy development” systemic project (Measure 1.4 Operational Programme Human Capital). Moreover, an accreditation system for institutions supporting social economy will be implemented under the “Integrated social economy support system” systemic project (Measure 1.2 HC OP).

Timetable

- Expected date for the adoption of the National Programme for Social Economy Development by the Council of Ministers – **Q2 2014**
- The introduction of the accreditation system for institutions supporting social economy – **Q2 2014**
- The completion of the project under which a loan fund for social enterprises was initiated – **Q2 2015**

Financing

In 2014, approximately PLN 18.8 million (including approximately PLN 2.8 million from the state budget and approximately PLN 16 million from the EU budget funds) will be allocated for the implementation of the “Support for financial engineering towards social economy development” and “Integrated social economy support system” projects.

Counteracting social exclusion and poverty by supporting the activity of non-governmental organisations (MLSP)

On 27 November 2013, the Council of Ministers adopted the Civic Initiatives Fund Programme for 2014-2020, aimed at increasing the involvement of citizens and non-governmental organisations in public life. It also serves to support non-governmental organisations in developing active forms of social integration, as well as to prevent social exclusion and poverty.

Under this programme, projects implemented by entities belonging to the non-governmental sector will be subsidised by way of a call for proposals.

Timetable

- The announcement of an open call for proposals under the Civic Initiatives Fund Programme – **Q1 and Q4 2014, and Q4 2015**

Financing

PLN 60 million was allocated in the state budget for the implementation of this Programme in 2014.

Counteracting social exclusion of the elderly (MLSP)

The Government Programme for the Social Activity of the Elderly for 2014-2020 (SAE), constituting an implementing document for the Assumptions of the Long-term Policy for the Elderly in Poland for years 2014-2020 in the area of social activity, will be implemented.

The programme is a continuation of the ASOS Programme for 2012-2013, revised based on experiences and conclusions from the implementation of the first edition. Modifications introduced in the Programme for 2014-2020 include, among others, a different allocation of funds for projects implemented in specific priorities, so as to ensure higher diversity of tasks under the subsidised projects.

Timetable

- The implementation of projects selected in an open call for proposals – **Q2-Q4 2014**

Financing

PLN 40 million was allocated in the state budget for the implementation of this Programme in 2014.

Counteracting social exclusion of young persons (MLSP/Voluntary Labour Corps)

The implementation of the “VLC as a provider of labour market services” (1.) and “New Perspectives 2” (2.) projects²⁷ under the Submeasure 1.3.3 of OP HC will be continued in 2014. The completion of both projects is planned for Q2 2014. Following the completion of the “VLC as a provider of labour market services” project, a continuation of the activity of unit networks, established under this project, as well as further operation of the Electronic Youth Activation Centre (ECAM) system (4.) is planned.

One new project under the Submeasure 1.3.3. OP HC – “Dying professions as an idea for the future”(3.) – will also be implemented in 2014. The main aim of the project will be to preserve traditional handicraft and artisanship by enabling the acquisition of professional qualifications within the scope of dying professions for 160 young persons aged 18-25, at risk of social exclusion. The project is planned to be implemented between May 2014 and June 2015.

Timetable

- The completion of the implementation of the “VLC as a provider of labour market services” and “New perspectives 2” projects – **Q2 2014**
- The commencement of the implementation of the “Dying professions as an idea for the future” project – **Q2 2014**

Financing

	2014			2015		
	Total public finance sector spending (in PLN thousand)	of which - state budget (in PLN thousand)	of which - EU funds budget (in PLN thousand)	Total public finance sector spending (in PLN thousand)	of which - state budget (in PLN thousand)	of which - EU funds budget (in PLN thousand)
1.	16,591	2,489	14,102	0	0	0
2.	11,704	1,756	9,948	0	0	0
3.	1,160	174	986	1,540	231	1,309
4.	11,500	11,500	0	23,000	23,000	0

Supporting families in a difficult financial situation by ensuring the social function of schools (MNE)

The action involves material assistance of social nature – scholarships and school allowances as well as other measures directed at equalising education opportunities. A scholarship may be received by a pupil in a difficult financial situation resulting from

²⁷ Numbers from (1.) to (4.) with respect to VLC projects point towards the applicable lines in the financial table.

low income per family member, especially if the family struggles with: unemployment, disability, severe or long-term illness, inability to carry out care and educational functions, alcoholism or drug addiction, and when it lacks the ability to fulfil care and educational functions, as well as when the family is numerous, single-parent or when a random incident has occurred.

Timetable

- The verification of requests – **Q3 2014 and 2015**
- The granting of scholarships – **Q4 2014 and 2015**

Financing

PLN 500 million was allocated in the State budget for the implementation of the task in years 2014-2015, for each year.

State aid within the scope of supplementary feeding (MLSP)

The objective of this measure is the improvement of the health of children and young persons by limiting malnutrition, popularising healthy lifestyle, improving the living standard of persons and families with low income, with particular emphasis on the needs of children and young persons. The activities carried out under the Programme focus primarily on providing supplementary feeding to children until such time as they enter primary school, pupils – until they graduate from upper-secondary school, as well as lonely, sick or disabled persons.

Timetable

- The mobilisation of special-purpose reserve funds in two tranches – **Q3 2014 and Q3 2015**

Financing

PLN 775 million annually (including PLN 550 million annually from the state budget) is allocated for the implementation of the “State aid within the scope of supplementary feeding” programme in years 2014-2015.

3.6 Actions contributing towards the implementation of other recommendations of the Council of the EU

Strategic actions towards the improvement of cost-efficiency and efficiency of expenditures on health care

Main actions carried out in 2013

Systemic solutions in the area of health protection, aimed at, inter alia, increasing the cost-efficiency and efficiency of expenditures on health care, were implemented in 2013.

In November 2013, an amendment to the act of 27 August 2004 on health care services financed from public funds has entered into force, introducing changes due to which the comprehensiveness of offered services will be taken into greater consideration when selecting the offers of health care providers regarding the provision of health care services. Moreover, a draft amendment to this act, aimed at improving access to primary health care services by way of extending the possibility of providing such services to include a paediatrician and a general practitioner, has been submitted to parliamentary processing.

In 2013, modifications to the rules for contracting services, aimed at improving the cost-efficiency of health care services have been introduced, and the process of converting independent public health care centres (spzoz) to joint stock companies, by

virtue of the provisions of the act of 15 April 2011 on health care activity, was continued.

In 2013, works were being conducted on the draft act on amending the act on the reimbursement of drugs, foodstuffs intended for particular nutritional purposes and medical devices and certain other acts. It is planned to decrease the frequency of issuing statements, which will lessen the anxiety of patients and pharmacists in relation to changes in drugs prices and restrictions, thus improving economic certainty.

Moreover, in 2013 works were being conducted on establishing the health policy framework in one strategic document. These works ended in the adoption of the “Policy Paper for Health Protection for Years 2014-2020 National Strategic Framework”, which is an implementing document with respect to national strategic documents. The document indicates four operational objectives:

- Development of preventive health care, diagnostics and rehabilitation medicine directed at main epidemiological problems in Poland;
- Counteracting negative demographic tendencies by developing maternal and child care as well as care for the elderly;
- Improvement of the efficiency and organisation of the health care system with regard to the changing demographic and epidemiological situation, as well as supporting scientific research, technological development and innovation in health protection;
- Supporting the medical staff education system with regard to the adjustment of resources to the changing social needs.

Main actions for years 2014-2015

Preparatory and legislative measures are being undertaken within the scope of:

- improving supervision over the payer and introducing a services pricing system,
- a new model for providing health care services in the field of oncology,
- introducing a system for assessing health care needs and planning investments in medical infrastructure,
- improving mechanisms for maintaining queues of persons waiting to receive health care services.

Moreover, actions aimed at introducing a co-ordinated health care (development and implementation of a pilot programme within the scope of co-ordinated care, that is a close cooperation of health care providers in the treatment process at the level of primary health care, specialist outpatient care and hospital treatment) are planned.

Efforts towards optimising the system of Diagnosis-Related Groups, especially within the scope of improving the adequacy of point valuations for individual groups, as well as the process of converting independent public health care centre to joint stock companies will also be continued (PLN 400 million have been allocated for that purposes for 2014).

Timetable

- Expected date for the adoption of the draft Act on amending the Act on health care services financed from public funds (within the scope re-organising the system’s institutional model) by the Council of Ministers – **Q2 2014**
- Expected date for the adoption of the Act by Parliament – **Q3 2014**
- Planned date for the Act to enter into force – **1 January 2015**

Financing

No additional need for state budget funds and an additional injection of funds into the public health insurance scheme is planned.

Actions provided for in the “Policy Paper for Health Protection for Years 2014-2020 National Strategic Framework” will be financed from both state budget funds and monies from the European funds. The adoption and implementation of these actions will not cause additional financial consequences for the public finance sector. Actions arising from the above-mentioned document will be implemented within the framework of expenditures planned in budget legislation for a given year.

Investments in railway transport (MID)

Main actions adopted within the framework of NRP 2013/2014

On 22 January 2013 r. Transport Development Strategy by 2020 (with the perspective by 2030) – horizontal planning document setting out the objectives and main directions of intervention to take in the area of transport in the medium term – was adopted by the Council of Ministers.

A draft Implementing Document (ID) for the Transport Development Strategy, containing a pipeline project for railway investments to be implemented by 2020 has been developed, and the procedure for the strategic environmental impact assessment as well as public consultations with respect to the project have begun. Moreover, works were underway on the update for the “Master Plan for Railway Transport in Poland up to 2030”.

On 5 November 2013, the Council of Ministers adopted an update for the document titled “Multi-annual Railway Investment Programme up to 2015” (MRIP). At the same time, infrastructural projects under MRIP were being implemented. The necessity of updating the programme resulted from the change in the level of available financial resources as well as from other restrictions on the implementation of certain tasks. Moreover, the programme included preparatory projects for tasks to be implemented in the future European Union Financial Perspective 2014-2020.

The Ministry of Infrastructure and Development, along with companies of the PKP Group, undertakes actions related to increasing the significance of railway transport and its competitiveness in relation to road transport. Cooperation with PKP PLK S.A., aimed at solving problems and minimising occurring risks, is conducted on on-going basis, and talks are being conducted with various government administration units in the area of efficient implementation of investment tasks by the infrastructure manager.

In order to fulfil the recommendations of the Council of the EU, legislative works are being conducted on the draft guidelines to the act on amending the act on railway transport and certain other acts.

Main actions for years 2014-2015

Future works regarding the railway sector will include legislative actions, further improvements in the implementation of infrastructural investments (including improvements in necessary administrative procedures), improvements as regards railway safety, an improvement of the quality of transport services provided by railway carriers and support for the development of inter-modal transport. A key issue remains the implementation of infrastructure projects under MRIP and the continued modernisation of railway stations.

Timetable

- The implementation of projects in accordance with the timetable adopted in the “Multi-annual Railway Investment Programme up to 2015” – **2014/2015**
- Expected date for the adoption of guidelines to the act on amending the act on railway transport and certain other acts by the Council of Ministers – **Q2 2014**
- Expected date for the adoption of the draft act on amending the act on railway transport and certain other acts by the Council of Ministers – **Q3/Q4 2014**
- Expected date for the approval of the Implementation Document by the Council of Ministers – **Q4 2014**
- The update of the “Master Plan for Railway Transport in Poland up to 2030” strategic document – **Q4 2014**

Financing

Multi-annual Railway Investment Programme up to 2015

2014				2015			
Total finance spending (in PLN thousand)	public sector (in PLN thousand)	of which - state budget (in PLN thousand)	of which - EU funds budget (in PLN thousand)	Total finance spending (in PLN thousand)	public sector (in PLN thousand)	of which - state budget (in PLN thousand)	of which - EU funds budget (in PLN thousand)
4,726,520		16,618	4,709,902	9,978,471		2,778,020	7,200,451

Apart from the budget legislation, expenditures on railway investments have been planned as part of the Railway Fund, in the amount of approximately PLN 261.8 million in 2014 and approximately PLN 305.5 million in 2015.

Actions towards increasing broadband coverage (Ministry of Administration and Digitisation – MAD)

Main actions adopted within the framework of NRP 2013/2014

On 8 January 2014, the Council of Ministers adopted the “National Broadband Plan” (NBP). NBP is a development programme, which will be aimed, above all, at equalising the differences with respect to the possibility of access to broadband internet within the territory of the country. It is estimated that as a result of the implementation of the NBP, the possibility of access to high-speed broadband services will be available to all Poles by 2020.

Moreover, a systemic project – “Actions towards the development of broadband internet access” was being implemented, both in the part concerning support for the implementation of projects involving the construction of broadband infrastructure, co-financed from EU funds, and in the part titled “The Lighthouse Keepers of Digital Poland” (Digital Poland of Equal Opportunities), concerning raising digital competencies among persons aged 50+. On the other hand, the “Broadband Infrastructure Information System” project and the “Broadband Poland” portal being implemented support the maintenance of an inventory of the broadband infrastructure by the President of the Office of Electronic Communication and constitute a first step in the creation of a system for information on broadband projects.

Increasing the access to broadband internet in rural areas was also supported within the framework of the “Basic Services for the Rural Economy and Population” action under the Rural Areas Development Programme (RADP) 2007-2013.

CSR 6
To accelerate efforts to increase broadband coverage

Main actions for years 2014-2015

In years 2014-2015, works on the above-mentioned projects will be continued and the implementation of the “National Broadband Plan” will commence. The investments co-financed within the framework of Regional Operational Programmes (ROPs) and the Operational Programme Development of Eastern Poland for years 2007-2013 (OP DEP) will be continued until 2015. It is estimated that in aggregate more than 46 thousand km of the backbone and distribution network will be constructed under ROPs, OP DEP and OP IE (Measure 8.4 – Ensuring “last mile” internet access)²⁸.

Timetable

- The performance of analyses regarding the possibilities of implementing solutions enabling the modernisation of telecommunication installations in existing multi-family buildings, the possibility of introducing an obligation to provide and make available a telecommunication connection for a building as well as tools enabling the joint use of the infrastructure and public property – **by the end of 2014**
- The performance of analyses regarding the possibility of utilising the applicable regulations on public-private partnerships with regard to investments in telecommunication networks, the costs and possibility of introducing an obligation to publish and consult plans for investments in hard infrastructure (roads, water, sewage system) – **by the end of 2015**
- The development of a national action plan within the scope of public intervention regarding the development of broadband infrastructure – **by the end of 2014**
- The development of a Code of Good Practices within the area of telecommunication installations in multi-family buildings, as well as a Code of Good Practices with regard to support for broadband investments – **Q4 2014**
- The development of technical regulations specifying technical conditions for the placement of service ducts under public roads – **Q4 2014**
- The implementation of infrastructural projects under ROPs, RADP, OP IE, OP DEP – **by the end of 2015**

Financing

The achievement of NBP objectives requires the financing to be focused primarily on the construction of the telecommunication infrastructure and, to a lesser extent, on the support and co-coordinative measures. Currently, key elements for the development of the planned infrastructure are, among others (the maximum planned amount of financing):

- 1) The Broadband Network for Eastern Poland (up to PLN 1.44 billion, 85% of EU funds under OP DEP, 10% from the state budget, 5% of the beneficiary’s own contribution)
- 2) Regional Operational Programmes (up to PLN 2.6 billion, including 1.9 billion in planned projects, the degree of co-financing varies with individual projects, but may not exceed 85% of EU funds and 15% of the beneficiary’s own contribution).
- 3) Measure 8.4 under the Operational Programme Innovative Economy (approximately PLN 0.84 billion, the amount of EU funds under the OP IE and the beneficiary’s own contribution are dependent on a given Province, in accordance with the regional aid map).

²⁸ On the basis of agreements concluded under ROPs, OP IE and OP DEP. As at 31 December 2013.

The provision of access to broadband internet in rural areas will be supported from EU funds as part of the “Basic Services for the Rural Economy and Population” action under the RADP 2007-2013, in the amount of approximately PLN 11.7 million in 2014 and approximately PLN 17.6 million in 2015.

Improvement of waste and water management (Ministry of the Environment)

Main actions adopted within the framework of NRP 2013/2014

The new municipal waste management system, arising from the entry into force of the provisions of the amendment to the act of 13 September 1996 on maintaining tidiness and order in communes, was being implemented in communes in 2013.

A team for the implementation of the act on maintaining tidiness and order in communes was established. The team’s task is to analyse the actual state of the new municipal waste management system and present recommendations regarding potential changes to be introduced to the act.

Investments within the scope of water supply, waste water discharge and treatment, waste collection and segregation in rural areas were supported as part of the “Basic services for the rural economy and population” action under the RADP 2007-2013.

A series of actions towards the improvement of water management were undertaken in 2013. On 2 July 2013, the Council of Ministers adopted the “Action Plan for Strategic Planning in Water Management”. Moreover, works were conducted on Master Plans for the Odra and Vistula River Basins – strategic documents supplementing the applicable water management plans for river basin districts, until such time as they are updated. What is more, actions were implemented in the area of supplementing the transposition of European law regulations in the field of water management to the Polish legislation. They entailed, in particular, the development and submission for approval by the Government of a draft Act on amending the act – Water Law and certain other acts, complementing the transposition of the Water Framework Directive, the Floods Directive and the Waste Water Directive.

Main actions for years 2014-2015

The monitoring of the implementation of the new system in communes will be continued in 2014.

Another amendment to the act on maintaining tidiness and order in communes is planned for 2015. The necessity of its adoption results from, among other reasons, the need to improve the operation of the new municipal waste management system. The Regulation on the levels of recycling, preparation for re-use and recovery using other methods of certain fractions of municipal waste will also be amended in 2015.

Moreover, it is planned to prepare the draft Regulation of the Council of Ministers on environmental fees, which will be aimed at a significant reduction of fees for the landfilling of municipal waste.

The adoption of Master plans for the Odra and Vistula river basins is planned for 2014. The Master plans will contain an analysis of conformity with the requirements of the Water Framework Directive as regards all planned and implemented projects, which due to the change in the physical characteristics of surface and underground waters may impact the implementation of environmental objectives. At the same time, works will be conducted on updating the plans for water management in river basin areas.

Flood risk management plans, based on the initial assessment of flood risk as well as flood hazard and flood risk maps, will be prepared by the end of 2015. They will indicate actions to be undertaken for the purpose of reducing the risk of floods.

Moreover, further legislative works will be conducted on the draft of a new Act - Water Law. It is estimated that the adoption of the new Act will lead to the division of competencies within the scope of planning in water management from competencies in the area of maintaining waters and making investments on waters. A clear division of responsibilities for specific waters between central and local administration will also be introduced. Changes with regard to entities obliged to pay fees in respect of using waters are also planned.

Infrastructural projects within the scope of water supply, waste water discharge and treatment, as well as waste collection and segregation in rural areas will be continued as part of the “Basic services for the rural economy and population” action under the RADP 2007-2013.

Timetable

- The works of the act implementation team – **Q1-Q2 2014**
- Expected date for the adoption of the draft act on amending the act on maintaining tidiness and order in communes by the Council of Ministers – **Q4 2014**
- Expected date for the adoption of the act by Parliament – **Q2 2015**
- Effective date – **Q2 2015**
- Expected date for the amendment of the Regulation on the levels of recycling, preparation for re-use and recovery using other methods of certain fractions of municipal waste – **Q4 2015**
- Expected date for the approval of Master plans for the Odra and Vistula river basins by the Council of Ministers – **Q3 2014**
- The approval of water management plans – **Q4 2015**
- The preparation of flood risk management plans – **Q4 2015**

Financing

Changes in the municipal waste management system do not entail any burdens for the public finance sector and will not lead to an increase in state budget spending. The new system is by definition a system that finances itself from revenues gained from fees for managing municipal waste.

The preparation of Master plans for the Odra and Vistula river basins will entail expenditures in the amount of approximately PLN 12 million (including approximately 1.8 million from the state budget and approximately 10.2 million from EU budget funds) in 2014.

In years 2014-2015, approximately PLN 1,253.5 million and approximately PLN 835.7 million, respectively, will be earmarked for projects implemented as part of the “Basic services for the rural economy and population” action under the RADP 2007-2013²⁹.

²⁹ The co-financing concerns investments within the scope of water supply, waste water discharge and treatment, waste collection and segregation in rural areas, as well as generation and distribution of energy from renewable sources.

Simplification of the requirements regarding building permits (MID)

Main actions adopted within the framework of NRP 2013/2014

On 23 July 2013, the Council of Ministers adopted the draft act on amending the act – Building Law.

Moreover, the works of the Building Law Codification Committee were being conducted, the objective of which is to develop a legal act which will comprehensively regulate the broadly construed investment and building process. On 18 September 2013, the Committee adopted the Theses for the Code on Urban Development and Building, which were then submitted for public consultations. The Theses are the result of nearly a year's work of the Committee and thus constitute the basis for the development of a draft Code. As explained in the statement of reasons to the Code Theses, their aim is to regulate the investment and building process, so that it may be undertaken and implemented in a rational and swift manner, while at the same time having regard to the common good. In concretising the primary objective, the following detailed objectives were adopted:

- 1) ensuring the predictability and stability of land management,
- 2) ensuring the cost-effectiveness of land planning and management activities,
- 3) radical improvement of the formal and legal aspect of the investment and building process,
- 4) the creation of favourable legal conditions for public purpose investments, including in the rehabilitation of degraded areas,
- 5) ensuring a special investment path for public purpose investments, including in the rehabilitation of degraded areas,
- 6) counteracting negative phenomena which are currently occurring in the investment and building process, including the urban sprawl and the indebtedness of communes in respect of the purchase of real estate for the construction of roads.

Main actions for years 2014-2015

The most important actions contributing to the implementation of the recommendation of the Council of the EU will be the adoption of the act on amending the act – Building Law and certain other acts, containing regulations which will simplify the process of obtaining a building permit and other administrative obligations in the building process, as well as shorten the time required to obtain such approval or fulfil such obligations. Among others, the regulation provides for the extension of the directory of sites put into operation on the basis of a notification without the need to obtain a final operating permit, the shortening of the deadline for granting a tacit operating permit for a civil structure from 21 to 14 days, and the elimination of the obligation to notify the planned date for the commencement of construction works.

Moreover, the Building Law Codification Committee will present a draft of a comprehensive regulation on the investment and building process.

Timetable

- Expected date for the adoption of the act on amending the act – Building Law and certain other acts by the Council of Ministers – **Q2 2014**
- Expected date for the adoption of the act by Parliament – **Q4 2014**
- Planned date for the act to enter into force – **Q1/Q2 2015**
- The presentation of the draft of a comprehensive regulation on the investment and building process – **Q4 2014**

CSR 7
To simplify
requirements for
construction permits

Financing

The amendment to the act – Building Law does not entail any consequences for the public finance sector.

Improvement of the operation of the tax and customs administration (MF)

Main actions carried out in 2013

Actions towards facilitating and improving the operation of tax administration units by consolidating support processes and adjusting the structures for the implementation of the e-Taxes Programme have commenced. Moreover, works aimed at raising the quality of public services offered within the scope of servicing and supporting the tax payer, which will be performed as a result of the implementation of new or the improvement of existing solutions in three areas: tax information (management of knowledge regarding taxes); work standards for the tax administration as regards the provision of services to tax payers (*front office* organisation); support for the tax payer in individual cases (handling of individual cases), have also begun. These actions included strengthening the supervision functions of tax chambers over tasks implemented by tax offices and works on adjusting legal regulations by way of an amendment to the Act on tax offices and chambers.

On 10 January 2014, the act on digitisation of entities performing public tasks and certain other acts which will allow, among others, to: launch a tax portal; introduce the possibility for a tax authority to request a permanent consent for the delivery of documents in electronic form; introduce the possibility of electronic access to case files; enable the use of electronic copies of paper documents, certified by the person submitting the document, as their appendices; enable the granting of a power of attorney, the issuing of a summons to a hearing, the submission of an explanation or a statement in tax proceedings and the preparation of an official annotation by a government official in electronic form.

On 18 March 2014, the Council of Ministers adopted guidelines for the draft act on amending the act – Tax Ordinance and certain other acts. The draft proposes solutions which will contribute to the development of electronic services.

On the basis of guidelines adopted on 8 October 2013, the draft act on amending the act on the Customs Service and certain other acts, providing for, among others, the introduction of solutions aimed at limiting the obligations on the side of the entrepreneur and for the simplification of procedures for audit proceedings, have been prepared.

Main actions for years 2014-2015

Actions implemented under the e-Tax Programme include the launch of a tax portal by the Ministry of Finance which will allow tax payers to contact tax authorities electronically for such purposes as submitting a request or a return or delivering documents. Since 2015, the portal will offer a service of annual tax returns for taxpayers who don't run a business, partially completed by the tax administration. At the beginning, from August this year, the tax portal will support the service of three taxes: the tax on civil law transactions (TCLT), the inheritance and gift tax as well as the flat-rate income tax on certain kinds of income generated by natural persons (tax card). However, in the long-term it is planned to implement the service of the Corporate Income Tax and VAT. Each tax payer will be able to view the history of tax settlements via the tax portal.

In accordance with the guidelines of the draft act on amending the act – Tax Ordinance, it is planned to introduce the following solutions: digitise the Fiscal Pledge Register; e-power of attorney for signing e-returns, paper returns and notifications about revoking such power of attorney; a general power of attorney, the performance of a request by means of electronic communication; the obligation for the public administration authorities to submit requests by means of electronic communication only; the analysis of tax ledgers using IT techniques.

The objective of solutions proposed in the draft act on amending the act on the Customs Service and certain other acts is to harmonise and standardise service processes for entities conducting business activity subject to the supervision of the Customs Service by introducing a single settlement window for entrepreneurs obliged to pay receivables charged by the Customs Service. The Director of a single, designated tax chamber will settle the customs duties, taxes and other receivables the collection of which lies within the scope of responsibility of the Customs Service. The physical return of receivables arising from the act on excise duty will also be performed by the Director of a single, designated tax chamber. Therefore, the entrepreneur and tax payer will contact only one customs authority in the case of the need to submit explanations or documents. It is also planned to designate the Director of a single tax chamber for the purpose of implementing tasks within the scope of the creditor's rights. An expected result of the amendment to the act on the Customs Service will be the facilitation of official audits conducted by the Customs Service and reduction of time required for such purpose, as well as significant limitation of obligations for both the entrepreneur and the Customs Service authority.

Timetable

- Planned date for the amendments to the act on digitisation of entities performing public tasks and certain other acts to enter into force – **Q2 2014**
- Planned date for the launch of the tax portal – **Q3 2014**
- Expected date for the adoption of the act on amending the act on the Customs Service and certain other acts by the Council of Ministers – **Q2 2014**
- Expected date for the adoption of the act by Parliament – **Q3 2014**

Financing

It is estimated that the costs of implementing the tax portal will amount to PLN 10.5 million. This amount will be financed from the EU budget funds as part of the e>Returns2 project.

It is estimated that the drafted amendment to the regulation, related to the consolidation of support processes, will not lead to a change in the level of spending on tax administration units.

The introduction of solutions provided for in the act on amending the act on the Customs Service and certain other acts will not entail any direct costs for the public finance sector.

Improvement of the business environment (ME, Ministry of Justice – MJ)

Main actions adopted within the framework of NRP 2013/2014

A series of legislative works, aimed at the simplification of administrative procedures impacting the performance of business activity, were performed in 2013. On the basis of guidelines adopted on 23 April 2013, a draft act on facilitating business activity was prepared and passed to public and inter-ministerial consultations.

On 22 January 2013, the Council of Ministers adopted the “Better Regulations 2015” programme which indicates three detailed objectives: transparent creation of legislation that effectively solves real problems, constant improvement of existing legal framework and improvement of communication with stakeholders. The implementation of tasks provided for in the Programme should result, among others, in a decrease of regulatory costs incurred by the addressees of such regulations, especially in the SME sector, thus improving the conditions for undertaking and conducting business activity.

Works were conducted on guidelines to the draft act – Restructuring Law. The guidelines were adopted by the Council of Ministers on 11 February 2014 and will constitute the basis for the preparation of the draft act.

On 7 January 2014, the Council of Ministers adopted the draft act on amending the act on the National Court Register and certain other acts, which provided for, among others, the reduction of the waiting period for the possibility to initiate business activity placed upon entities.

Main actions for years 2014-2015

Changes contained in the draft act on facilitating business activity are focused on improving financial liquidity of entrepreneurs and supporting investments, limiting informational obligations, as well as on the corporate social responsibility and efficient administration. The draft constitutes a continuation of earlier legislative measures aimed at facilitating and simplifying legal regulations regarding the performance of business activity.

As current procedures regarding bankruptcy proceedings are complicated and excessively extended in time, it is planned to simplify the regulations for bankruptcy and consumer bankruptcy proceedings. This also entails, among others, the facilitation of the initiation of recovery proceedings, the introduction of simplified bankruptcy proceedings for smaller enterprises, the preference of an arrangement proceedings, the reduction of the entitlements of public law creditors and the facilitation of consumer bankruptcy proceedings. These solutions will be included in the act – Restructuring Law.

At the same time, actions aimed at increasing the survival rate of enterprises prone to crises will be performed. A financial support system for enterprises at risk of losing financial liquidity or insolvency, undergoing a restructuring process and for enterprises initiating another business activity under the new chance policy will be developed, and a new information campaign in this scope will be conducted.

The proceeded act on amending the act on the National Court Register (KRS) provides for the reduction of the waiting period for the possibility to initiate activity, including business activity, by approximately 17 days. It will allow to introduce a solution consisting in automatic issuing of a tax identification number (NIP) and a number for statistical purposes (REGON) to entities entered into the National Court Register, and their automatic entry thereto. It is estimated that following the introduction of those changes, the waiting period for the possibility to initiate activity will amount to 7 days. Moreover, the draft act provides for a restriction of the notification obligation on the side of the entrepreneur.

Timetable

- Expected date for the adoption of the draft act – Restructuring Law by the Council of Ministers – **Q3 2014**
- Expected date for the adoption of the act by Parliament – **Q1 2015**

- Planned date for the act to enter into force – **Q3 2015**
- Expected date for the adoption of the draft act on facilitating business activity by the Council of Ministers – **Q2 2014**
- Expected date for the adoption of the act by Parliament – **Q2/Q3 2014**
- Planned date for the act to enter into force – **Q1 2015**
- Expected date for the adoption of the act on amending the act on the National Court Register by Parliament – **Q2 2014**
- Planned date for the act to enter into force – **Q4 2014**
- Legislative works related to the development and adoption of implementing acts – **Q2-Q4 2014**
- Technical works related to the modification of IT systems – **Q1-Q3 2014**

Financing

PLN 100 thousand in 2014 and PLN 760 thousand in 2015 have been allocated for the performance of the information campaign under the new chance policy. The estimated costs of the assistance for persons restarting business activity will amount to approximately PLN 347 million in 2015.

The introduction of amendments to the act on the National Court Register entails expenditures from the state budget, connected with the need to modify IT systems, in the amount of PLN 3.1 million. Moreover, the adjustment of IT systems will also occur under the e-Registration and Public Statistical Information System projects, financed from EU budget funds. The possibility of early registration and initiation of activity will contribute to the increase in the state budget income. It is estimated that the amounts of taxes and social insurance contributions paid will increase by approximately PLN 99.5 million and approximately PLN 32.5 million, respectively.

The introduction of solutions provided for in the draft act on facilitating business activity should have a positive impact on the economy, including the public finance sector, due to the expected increase in economic activity.

De-regulation of professions (MJ)

Main actions adopted within the framework of NRP 2013/2014

Actions aimed at the reduction of the number of professions, the performance of which is dependent upon meeting eligibility requirements and conditions defined in law regulations, were continued in 2013. The essence of these solutions is waiving a series of legislative provisions establishing the legal framework for the admission to practice professions that due to their nature may be freed of regulations, which will lead to a fuller application of the free movement of workers principle in Poland. The introduction of legal changes was divided into three stages. The act on amending acts regulating the performance of certain professions (the 1st tranche of amendments), which de-regulated 50 professions, entered into force on 13 August 2013. On 25 June 2013, the Council of Ministers adopted the draft act on facilitating access to the performance of certain regulated professions (the 2nd tranche of de-regulations). Works were also conducted on the draft act on amending acts regulating the conditions for access to the performance of certain professions (the 3rd tranche of de-regulations), which was adopted by the Council of Ministers on 11 March 2014. Moreover, online survey consultations, aimed at collecting the opinions of citizens on barriers regarding access to professions and proposals on how to solve them, have also been initiated.

Main actions for years 2014-2015

Works will be continued on the 2nd and 3rd tranche of de-regulations, planned to de-regulate 91 and 101 professions, respectively.

Timetable

- Expected date for the adoption of the act on facilitating access to the performance of certain regulated professions (the 2nd tranche of de-regulations) – **Q2 2014**
- Planned date for the act to enter into force – **Q3/Q4 2014**
- Expected date for the adoption of the act on amending acts regulating the conditions for access to the performance of certain professions (the 3rd tranche of de-regulations) – **Q2/Q3 2015**
- Planned date for the act to enter into force – **Q3 2015**

Financing

The entry of drafted acts into force does not entail direct costs for the public finance sector.

4. Actions related to flagship initiatives

The present chapter of the NRP describes actions which indirectly correspond with the “Europe 2020” strategy objectives and at the same time address the challenges identified by the Commission in its flagship initiatives: *A resource-efficient Europe, An industrial policy for the globalisation era, A digital agenda for Europe, An agenda for new skills and jobs, European platform against poverty.*

The Ministry in charge of implementation of these actions and their estimated financial impact has been identified.

Implementation of Transport Development Strategy by 2020 (with the perspective by 2030) objectives in the field of road transport through the implementation of projects identified in the National Road Construction Programme for 2011–2015 in order to increase the accessibility of the transport network (MID)

In 2014, total public finance sector spending will amount to approximately PLN 15,620 million, including PLN 2,930 million from the state budget.

Construction of the Expressway and Motorway Traffic Management System as part of the implementation of the National Traffic Management System in order to reduce the negative impact of road traffic on the environment and improve the efficiency of using the road infrastructure (MID – General Directorate for National Roads and Motorways)

2014				2015			
Total public finance sector spending (in PLN thousand)	public sector (in PLN thousand)	of which - state budget (in PLN thousand)	of which - EU funds budget (in PLN thousand)	Total public finance sector spending (in PLN thousand)	public sector (in PLN thousand)	of which - state budget (in PLN thousand)	of which - EU funds budget (in PLN thousand)
12,001		12,001	0	300,000		300,000	0

Implementation of the plan for sustainable public transport development in terms of the communication network in inter-province and international passenger railway transport in order to promote environmentally friendly means of transport (MID)

2014				2015			
Total public finance sector spending (in PLN thousand)	public sector (in PLN thousand)	of which - state budget (in PLN thousand)	of which - EU funds budget (in PLN thousand)	Total public finance sector spending (in PLN thousand)	public sector (in PLN thousand)	of which - state budget (in PLN thousand)	of which - EU funds budget (in PLN thousand)
880,154		880,154	0	1,095,000		1,095,000	0

Calculation of the average exposure indicators for cities with population over 100,000 and for agglomerations, and calculation of the national average particulate matter (PM 2.5) exposure indicator for 2013 for the purposes of strategic planning and operational management of the environment and for public information (Ministry of the Environment)

2014				2015			
Total public finance sector spending (in PLN thousand)	public sector (in PLN thousand)	of which - state budget (in PLN thousand)	of which - EU funds budget (in PLN thousand)	Total public finance sector spending (in PLN thousand)	public sector (in PLN thousand)	of which - state budget (in PLN thousand)	of which - EU funds budget (in PLN thousand)
35		35	0	35		35	0

Support for entrepreneurs under the “Green Light” call for proposals in order to introduce environmental actions in enterprises (PAED)

2014			2015		
Total public finance sector spending (in PLN thousand)	of which - state budget (in PLN thousand)	of which - EU funds budget (in PLN thousand)	Total public finance sector spending (in PLN thousand)	of which - state budget (in PLN thousand)	of which - EU funds budget (in PLN thousand)
229,732.04	34,459.81	195,272.23	147,262.41	22,089.36	125,173.05

Implementation of systemic projects supporting the development of Corporate Social Responsibility and other actions towards popularising Corporate Social Responsibility principles in order to increase the social responsibility of Polish enterprises as regards their economic, environmental and social impact (ME/PAED)

2014			2015		
Total public finance sector spending (in PLN thousand)	of which - state budget (in PLN thousand)	of which - EU funds budget (in PLN thousand)	Total public finance sector spending (in PLN thousand)	of which - state budget (in PLN thousand)	of which - EU funds budget (in PLN thousand)
10,529	461.25	10,067.75	13,875.53	1,044.83	12,830.70

Maintenance and extension of ePUAP platform by adding new functionalities in order to develop e-services (MAD)

2014			2015		
Total public finance sector spending (in PLN thousand)	of which - state budget (in PLN thousand)	of which - EU funds budget (in PLN thousand)	Total public finance sector spending (in PLN thousand)	of which - state budget (in PLN thousand)	of which - EU funds budget (in PLN thousand)
88,333	30,664	57,669	30,000	30,000	0

Implementation of the Multi-Annual Programme Culture+, "Digitalisation Priority, with the aim of digitising and making Polish national heritage items available as well as expanding the digitisation infrastructure (Ministry of Culture and National Heritage)

2014			2015		
Total public finance sector spending (in PLN thousand)	of which - state budget (in PLN thousand)	of which - EU funds budget (in PLN thousand)	Total public finance sector spending (in PLN thousand)	of which - state budget (in PLN thousand)	of which - EU funds budget (in PLN thousand)
25,350	25,350	0	20,000	20,000	0

Development and implementation of an electronic platform for public services in the field of health protection in order to improve the quality of patient care and health care planning (MH)

2014			2015		
Total public finance sector spending (in PLN thousand)	of which - state budget (in PLN thousand)	of which - EU funds budget (in PLN thousand)	Total public finance sector spending (in PLN thousand)	of which - state budget (in PLN thousand)	of which - EU funds budget (in PLN thousand)
21,549	4,967	16,582	0	0	0

Moreover, it is estimated that in 2014 the special-purpose reserve funds spending will amount to a total of approximately PLN 312,611 thousand, including approximately PLN 75,587 thousand from the state budget and approximately PLN 237,024 thousand from EU budget funds.

Introduction of IT systems into the judiciary in order to facilitate access for citizens and businesses and improve the efficiency of the judiciary (MJ)

2014				2015			
Total public finance sector spending (in PLN thousand)	of which - state budget (in PLN thousand)	of which - EU funds budget (in PLN thousand)		Total public finance sector spending (in PLN thousand)	of which - state budget (in PLN thousand)	of which - EU funds budget (in PLN thousand)	
100,010	27,830	72,180		73,681	20,201	53,480	

Implementation of the “Support for the lifelong learning system for medical staff in terms of geriatric care” project in order to adapt the competencies of medical personnel to the changing demographic patterns and improve care for the elderly (MH)

2014				2015			
Total public finance sector spending (in PLN thousand)	of which - state budget (in PLN thousand)	of which - EU funds budget (in PLN thousand)		Total public finance sector spending (in PLN thousand)	of which - state budget (in PLN thousand)	of which - EU funds budget (in PLN thousand)	
10,417	1,347	9,070		2,043	306	1,737	

Co-financing of post-graduate programmes for nurses and midwives in priority specialisation fields in order to adapt the competencies of medical staff (MH)

In 2014, total public sector spending will amount to PLN 8 million within the framework of the Labour Fund.

Implementation of systemic projects “Strategic Planning in Microenterprises and SMEs”, “Competence Management in SMEs”, “Human Capital as an Element of the Enterprise’s Values” and projects based on calls for proposals (under the calls “Solutions of Tomorrow in HR”, “Heroes of Organisation”, a standard call for proposals for the implementation of projects aimed at strengthening the adaptation potential of businesses and a call for proposals for supporting the development and increasing the value of company training funds in micro-enterprises and SMEs under Sub-measure 2.1.2) in order to upgrade employees’ qualifications and increase employers’ involvement in the learning process (PAED)

	2014			2015		
	Total public finance sector spending (PLN thousand)	of which – state budget (PLN thousand)	of which – EU funds budget (in PLN thousand)	Total public finance sector spending (PLN thousand)	of which – state budget (PLN thousand)	of which – EU funds budget (in PLN thousand)
Strategic Planning in Microenterprises and SMEs, Competence Management in SMEs, Human Capital as an Element of the Enterprise’s Values	8,285	1,243	7,042	7,626	1,144	6,482
Solutions of Tomorrow in HR	4,812.37	721.86	4,090.51	2,767.79	415.17	2,352.62
Heroes of Organisation	53,182.45	7,977.37	45,205.08	11,085.38	1,662.81	9,422.57
“Standard call for proposals -2.1.2”	15,512.31	2,326.85	13,185.46	18,531.47	2,779.72	15,751.75
“Training funds”	5,947.29	892.09	5,055.20	1,698.88	254.83	1,444.05

Implementation of the “Happy School” government programme in order to create conditions for the implementation of a new general curriculum in primary schools (MNE)

2014			2015			
Total public finance sector spending (in PLN thousand)	of which - state budget (in PLN thousand)	of which - EU funds budget (in PLN thousand)	Total public finance sector spending (in PLN thousand)	of which - state budget (in PLN thousand)	of which - EU funds budget (in PLN thousand)	of which - EU funds budget (in PLN thousand)
81	81	0	0	0	0	0

Implementation of health programmes and investments in health protection infrastructure of supra-regional importance in order to increase accessibility and quality of health services and prevent a low exit age caused by poor health (MH)

	2014			2015		
	Total public finance sector spending (PLN thousand)	of which – state budget (PLN thousand)	of which – EU funds budget (in PLN thousand)	Total public finance sector spending (PLN thousand)	of which – state budget (PLN thousand)	of which – EU funds budget (in PLN thousand)
National Programme for Combating Cancer	250,000	250,000	0	250,000	250,000	0
Multi-Annual Programme for 2011-2020 titled “National Programme for Transplant Medicine Development”	45,000	45,000	0	45,000	45,000	0
National Programme for Equalising Access to Preventive Measures and Treatment for Cardiovascular Diseases for Years 2013-2016 - POLKARD	16,853	16,853	0	15,929	15,929	0
Multi-annual programmes – investments in clinical hospitals	473,151	473,151	0	340,099	340,099	0
Development of the medical rescue system	23,752	854	22,898	374	0	374
Investments in the health protection infrastructure of supra-regional importance	166,452	24,665	141,787	105,513	14,297	91,216
Programme PL07 “Improvement and better adjustment of health protection to demographic and epidemiological tendencies”	85,545	8,501	77,044	72,538	7,342	65,196
Total	1,060,753	819,024	241,730	829,453	672,667	156,786

5. Institutional process of NRP update and stakeholder engagement

The entity responsible for co-ordinating the implementation of Europe 2020 strategy in Poland is the minister competent for economy, performing, inter alia, the role of a coordinator in the process of annual NRP update. The task includes also the need to ensure mutual cohesion between the NRP and programme documents and policies prepared by government administration. Moreover, the co-ordinating function of the Minister of Economy entails the task of monitoring the progress of measures provided for in NRP. The results of the NRP monitoring process, together with the proposals of new actions presented by ministries, constitute a basis for the preparation of subsequent NRP updates.

The NRP update process is sequenced on one hand by the European Semester agenda, and on the other by the rules applicable to the process of preparing policy documents by state administration, starting with inter-ministerial and public consultations through the discussion of the draft in respective committees of the Council of Ministers to the adoption of the document by the Council of Ministers.

Aiming to ensure the accuracy of proposed solutions, social support for them and engagement in their implementation, the Government is trying to ensure the participation of the Parliament, representatives of the local government bodies and the widest possible range of stakeholders from the areas of economy, science and civil society in the process of NRP update.

The Parliament engages in key moments of the European Semester, when the Council of the EU adopts – at the end of the cycle – country-specific recommendations (CSR), and when the European Commission starts a new cycle and publishes the Annual Growth Survey (AGS). Draft recommendations for Poland, published by the EC on 29 May 2013, were discussed at the joint meeting of the Committee for the European Union, the Public Finance Committee and the Economic Committee of the Sejm of the Republic of Poland on 7 June 2013. Moreover, the EC communication on AGS 2014 and the position of the Government of the Republic of Poland referring thereto were reviewed by the Committee for the European Union of the Sejm of the Republic of Poland on 6 February 2014.

Seeing the important role played by social and economic partners in the process of updating and implementing the NRP, the Prime Minister – at the initiative of the Minister of Economy – created, by way of Ordinance No. 3 of 17 January 2012, the Inter-Ministerial Team for the Europe 2020 Strategy (Team). This consultative and advisory body of the Prime Minister, headed by the Minister of Economy, includes not only representatives of the government administration bodies, but also several representatives of local government units, organisations of entrepreneurs, trade unions, economic and agricultural chambers, non-governmental organisations as well as research and scientific institutions. The Team is comprised of the following institutions, invited by the Chairman of the Team:

- Union of the Provinces of the Republic of Poland,
- Union of Polish Districts,
- Union of Polish Metropolis,
- Union of Polish Cities,
- Union of Rural Communes of the Republic of Poland,
- Independent Self-governing Trade Union “Solidarność”,
- All-Poland Alliance of Trade Unions,
- Forum of Trade Unions,

- Employers of the Republic of Poland,
 - Polish Confederation of Private Employers – Lewiatan,
 - Business Center Club – Employers’ Union,
 - Polish Craft Association,
 - Polish Academy of Science,
 - Polish Academy of Arts and Sciences,
 - Polish Chamber of Commerce,
 - National Council of Agricultural Chambers,
 - Conference of Rectors of Academic Schools in Poland,
 - Polish Agency for Enterprise Development,
 - Foundation Institute of Economic and Social Sciences,
 - Polish Federation of Engineering Associations FSNT–NOT,
- and representatives of the following institutions indicated, at the request of the Chairman of the Team, by the Public Benefit Works Council:
- Foundation Institute for Sustainable Development,
 - Working Community of Associations of Social Organisations – WRZOS,
 - All-Poland Federation of Non-governmental Organisations,
 - Foundation for Polish Science,
 - Caritas,
 - Polish Committee of the European Anti Poverty Network – EAPN,
 - Foundation Institute of Regional Development.

The Team’s tasks include, among others, consulting on NRP projects and other preparatory documents in relation to the implementation and monitoring of the implementation of the Europe 2020 strategy in Poland. The Team also participates in monitoring and evaluating the implementation of structural reforms described in the NRP, as well as in preparing recommendations regarding the improvement of the efficiency in the implementation of the Europe 2020 strategy. The participation of non-governmental partners in the Team also contributes to the strengthening of their joint responsibility for the implementation of the Europe 2020 strategy on a national and local level. Due to such wide participation structure, the Team constitutes a platform for various points of view on relevant socio-economic problems. It allows for a better understanding of the Europe 2020 strategy targets, their more efficient implementation and monitoring, as well as for extending the knowledge as regards the European Semester.

Meeting, in principle, at least once a quarter, the Team for the Europe 2020 Strategy discusses documents and projects arising throughout subsequent stages of the European Semester, from recommendations for Member States through the Annual Growth Survey to specific preparatory stages for a subsequent NRP update. In particular, social and economic partners have the possibility to present, before the Team, relevant problems that, in their opinion, should be reflected in tasks proposed for implementation in the updated document.

In parallel with the consultation of documents, the Team’s meetings also include a discussion on specific priorities and targets for the Europe 2020 strategy. During the Team’s meetings, the degree of the implementation of all five Europe 2020 strategy targets was discussed. Each time discussions were opened by the presentations of the representatives of the Central Statistical Office, which displayed the results of statistical studies describing the situation in a given area, and by representatives of substantively relevant ministries, providing information about planned and currently introduced

measures. On their side, the representatives of social and economic partners, the scientific community and non-governmental organisations referred to these measure, especially indicating areas which in their opinion face significant challenges and require special attention or an intensification of measures.

After a series of the Team's meetings, featuring a discussion on the implementation of all five leading targets of the Europe 2020 strategy, since autumn 2013 the subject matter of subsequent meetings will be the thematic areas proposed by social and economic partners. First three of six submitted areas were discussed:

- Increasing the employment participation of young persons
- Cooperation of science and business
- Counteracting in-work poverty
- Reform of the social insurance system
- Energy and climate policy
- Increasing the efficiency of the operation of public administration

In order to better prepare and direct the discussion at a formal meeting of the Team, a practice of proceeding meetings with less official working meetings of the representatives of the government administration with the representatives of social and economic partners interested in a given thematic area was introduced. A starting point for the discussion were the recommendations proposed by social and economic partners. Conclusions from the discussions are presented at the Team's meeting and taken into consideration, in so far as possible, in the subsequent NRP update in the form of provisions proposed by the government.

Annex 2 summarises the results of the works of social and economic partners as part of the Team and the results of public consultations with respect to NRP 2014/2015. The main suggestions of social and economic partners, reflected in measures provided for in NRP 2014/2015, are presented in frames in specific sections of the document.

CSR number	CSR sub-categories	Number of measure	Main policy objectives and relevance for CSR	Description of the measure	Legal/administrative instruments	Timetable on progress achieved in the last 12 months	Timetable on upcoming steps	Overall and yearly change in government revenue and expenditure. Contribution of EU funds (source and amounts)	Qualitative description of foreseen impacts and their timing
CSR 1	Increasing the cost effectiveness and efficiency of spending in the healthcare sector.	1	Improving cost-efficiency and efficiency of expenditures on health care	Works within the scope of increasing the efficiency of health care spending include legislative measures aimed at improving access to primary health care services by, among others, extending the possibility of providing primary health care services to a paediatrician and a general practitioner as well as by improving the supervision over the payer and introducing a services pricing system, introducing a new model for providing health care services in the field of oncology, introducing a system for assessing health care needs and planning investments in medical infrastructure, improving mechanisms for maintaining queues of persons waiting to receive health care services.	The act on amending the act on health care benefits financed from public funds (Parliamentary document no. 1849); the act on amending the act on health care benefits financed from public funds (no. on the legislative works list – UA42);	The adoption of the draft act on amending the act on health care benefits financed from public funds (in terms of extending the possibility of providing primary health care benefits within the framework of the public health insurance system to paediatricians and general practitioners) by the Council of Ministers – 15 October 2013 The preparation of the draft act on amending the act on health care benefits financed from public funds (within the scope re-organising the system’s institutional model)	Expected date for the adoption of the draft act on amending the act on health care benefits financed from public funds (UA42) by the Council of Ministers – Q2 2014 Expected date for the adoption of the act by Parliament – Q3 2014 Planned date for the act to enter into force – 1 January 2015	No additional need for state budget funds and an additional injection of funds into the public health insurance scheme are planned	

CSR 3	Reducing youth unemployment and establishing the "Youth Guarantee"	1	Reducing unemployment and increasing youth employment rate	<p>Reducing the periods within which public employment services are under an obligation to present job offers or perform activities pertaining to professional activation with respect to persons aged 25 and under – the periods in question will now be reduced from 6 to 4 months – and introducing new labour market policy tools, such as training, apprenticeship, employment and housing vouchers, grants for teleworking, activation benefit, trilateral training agreements. For the purposes of implementation of Youth Guarantees, calls for proposals will be held in the field of professional activation at the regional level (Provincial Employment Agencies) as well as calls for proposals pertaining to innovative activation measures at the central level (organized by the Ministry of Labour and Social Policy). The measures referred to above are intended for broadly construed labour market partners such as non-public job agencies, social partners, NGOs etc. Moreover, the implementation of "Youth Guarantees" will support the actions of Bank Gospodarstwa Krajowego (BGK) and Voluntary Labour Corps (OHP), described in point 2) and 3).</p>	<p>The draft act on amending the act on the promotion of employment and labour market institutions and certain other acts (Parliamentary document no. 1949), "Implementation Plan for "Youth Guarantees" in Poland".</p>	<p>The adoption of guidelines to the draft act by the Council of Ministers – 9 July 2013 The adoption of the draft act by the Council of Ministers – 5 November 2013</p>	<p>Expected date for the adoption of the act by Parliament – Q2 2014 Expected date for the act to enter into force – Q2 2014</p>	<p>Measures aimed at young people will be implemented at employment agencies on the basis of Labour Fund monies earmarked for the professional activation of the unemployed. The estimated annual average amount shall be approximately PLN 1.5-1.6 billion (taking into account the expenses due to the pre-financing of measures implemented using European Social Fund monies).</p>	

		2	Reducing unemployment and increasing youth employment rate	The BGK student and graduate loan programme comprises two types of loans: loans for starting a business (basic loan) – up to 20 times the amount of average remuneration, and loans for creating jobs for the unemployed (supplementary loan) – up to 6 times the amount of average remuneration.	“My first business - Support at the Start” pilot programme ; the act on amending the act on the promotion of employment and labour market institutions and certain other acts (Parliamentary document no. 1949)	The adoption of guidelines to the draft act by the Council of Ministers – 9 July 2013 The adoption of the draft act by the Council of Ministers – 5 November 2013 The launch of the “My first business - Support at the Start” pilot programme – Q4 2013	Expected date for the adoption of the act by Parliament – Q2 2014 Expected date for the act to enter into force – Q2 2014	Funds allocated for the implementation of the first stage of the Programme amount to PLN 20.5 million. Further funds from the Labour Fund will be mobilised following the entry of the act on the promotion of employment and labour market institutions into force. The financial plan of the Labour Fund for 2014 specifies the amount of PLN 60 million for tasks implemented by BGK. The loan system is also supported from the European funds under OP KEG.	Approximately 350 persons will be granted loans under the pilot programme
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		3	Supporting young people in completing education and undertaking employment	<p>The activities of the Voluntary Labour Corps shall focus on the provision of support to two groups: young people aged 15-17 who neglect their school attendance or educational duties as well as unemployed young people aged 18-25 who have no professional qualifications or experience or whose professional qualifications do not correspond to the requirements of the labour market, including, in particular, residents of rural areas or smaller communities. Support for the first of the aforementioned groups will be granted for the purposes of ensuring that young people are re-incorporated into the educational system. Support granted with respect to the second group will be intended to make it possible for its beneficiaries to acquire jobs, change profession or enhance professional qualifications, obtain professional experience and commence the performance of works leading to the attainment of an independent status of the young person in question as well as the acquisition of the so-called soft skills.</p>			<p>Actions implemented by the Voluntary Labour Corps using budget funds allocated for statutory activity (it is estimated that the average annual amount shall be approximately PLN 75 million) and the European funds under OP KEG</p>	<p>During the two initial years of implementing the youth guarantee in Poland, the Voluntary Labour Corps plan to provide support to more than 110 thousand persons aged 15-25.</p>
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Increasing the availability of apprenticeships and work-based learning, strengthen cooperation between schools and employers and improve the quality of teaching	1	Establishing a strategic framework setting the directions for the lifelong learning policy	The adoption of a strategic framework document setting the directions for the lifelong learning policy, including a better adjustment of the national qualification system to labour market needs. This policy is aimed at facilitating access to high-quality learning in various forms, locations and life periods for all persons and establishing cohesive and transparent learning results assessment schemes. It applies to learning as a whole – to all aspects (formal, non-formal and informal), to all life stages as well as to all levels of competencies and qualifications.	“Lifelong Learning Perspective” strategic document	The adoption of the document by the Council of Ministers – 10 September 2013			
	2	Strengthening cooperation between schools and employers	The reform of vocational education and higher education created mechanisms allowing for the cooperation between schools and enterprises. The successful implementation of changes requires the popularisation and support of cooperation between vocational schools and employers.	“Education for Work – Stage 2” and “Business for Education” projects”	10 Educational Projects were implemented and 8 seminars on the cooperation between enterprises and schools were conducted under the “Business for Education” project by the end of December 2013. 29 meetings of business with education, constituting a practical supplementation of formal education with expert knowledge in a given field or sector, and 9 “Employers’ Days” Conferences at schools and universities were organised between September and December 2013. The “Education for Work” (stage 1) project was being implemented between January and December 2013.	Informational and promotional activities under the “Education for Work” project, organisation of 12 regional conferences – by the end of 2014 The completion of the implementation of Educational Programmes under the “Business for Education” project – Q1 2015 The announcement of the results of the 2nd edition of the “Employer of Tomorrow” competition – Q2 2014 The announcement of the results of the 3rd edition of the “Employer of Tomorrow” competition – Q2 2015	Funds allocated for the implementation of the “Business for Education” project in years 2014-2015 amount to: approximately PLN 4.2 million (including approximately PLN 0.6 million from the state budget and approximately PLN 3.6 million from the EU budget funds) and approximately PLN 1.4 million (including approximately PLN 0.2 million from the state budget and approximately PLN 1.2 million from the EU budget funds), respectively. A total amount of PLN 21.2 million will be allocated for the implementation of the “Education for Work – Stage 2” project, of which approximately PLN 3.2 million will constitute the national public contribution.	

		3	Improving the quality of higher education and adjusting education to labour market needs	The continuation of the reform of higher education involves, among others, obliging universities to organise no less than 3 month internships on degree programmes with a practical profile; the introduction of the so-called dual studies; an obligation to implement a half of the practical education programme in the form of workshops developing the student's practical skills; increasing the participation of employers in the preparation of curricula and in conducting classes.	The act on amending the act – Law on Higher Education and certain other acts (Parliamentary document no. 2085)	The adoption of the draft act by the Council of Ministers – 17 December 2013	Expected date for the adoption of the act on amending the act by Parliament – Q3 2014 Planned date for the act to enter into force – 1 October 2014	The above mentioned amendments will not entail any consequences for the public finance sector	
	Combating in-work poverty and labour market segmentation	1	Limiting labour market segmentation	The planned change of legislation introduces: (i) an extension of the social insurance obligation to persons being members of supervisory boards, performing that function against payment, (ii) a correction of the rules for entitlement to insurance of persons performing work on the basis of a contract for mandate, (iii) order into the situation of persons conducting an activity while performing a contract for mandate or home-based work, and (iv) a rationalisation for the rules regarding social insurance of farmers in conjunction with the public scheme. Such extension of the insurance obligation in the case of performing a contract for mandate in concurrence with other gainful activity or in the case of performing several contracts for mandate may limit the conclusion of numerous contracts for mandate and the temptation to replace employment contracts with less stable forms of employment.	The act on amending the act on social insurance system and certain other acts (no. on the legislative works list – UD113)	The performance of public and inter-ministerial consultations with respect to the draft act – since 30 August 2013 The adoption of the draft act by the Council of Ministers – 7 March 2014	Expected date for the adoption of the act by Parliament – Q3 2014 Planned date for the act to enter into force – Q1 2015	It is estimated that the proposed changes will result in an increase of contributions paid into the Social Insurance Fund by PLN 650 million, while at the same time increasing expenditures for benefits by PLN 10 million.	

		2	Limiting in-work poverty	Since 1 January 2014 there has been an increase in the minimum monthly remuneration from PLN 1600 to PLN 1680	Regulation on the amount of minimum remuneration 2014	The adoption of the Regulation by the Council of Ministers – 11 September 2013 Effective date – 1 January 2014			
CSR 4	Increasing female labour market participation	1	Increasing the employment rate of women	The reforms of the labour market policy will include the introduction of instruments aimed at persons returning to the labour market after an absence related to childcare (that is a grant for the creation of a position in the form of telework: activation benefit)	The act on amending the act on the promotion of employment and labour market institutions and certain other acts (Parliamentary document no. 1949)	The adoption of guidelines to the draft act by the Council of Ministers – 9 July 2013 The adoption of the draft act by the Council of Ministers – 5 November 2013	Expected date for the adoption of the act by Parliament – Q2 2014 Planned date for the act to enter into force – Q2 2014	The instruments provided for in the amendment to the act on the promotion of employment and labour market institutions shall be financed within the framework of the Labour Fund limits allocated for the given year. According to the financial plan of the Labour Fund for 2014, a total of PLN 50 million has been earmarked for instruments aimed at the professional activation of persons willing to re-enter the labour market after a break related to childcare or childbirth (telework grant – PLN 20 million, activation benefit – PLN 30 million). In subsequent years, in accordance with the statement of reasons for the draft act, the projected cost of application of the new solutions referred to above will amount to PLN 300 million per annum (telework grant and activation benefit – PLN 150 million each)	
		2	Extending financial aid for families in respect of childbirth, encouraging fathers to assume a part of responsibilities related to the care and upbringing of children, strengthening the position of women on the labour market	The introduction of a new paid parental leave which can be used following maternity leave and additional maternity leave	The introduction of a new paid parental leave which can be used following maternity leave and additional maternity leave Instruments: The act of 28 May 2013 on amending the act – Labour Code and certain other acts (Dz. U. [Journal of Laws] of 2013, item 675)	The adoption of the act by Parliament – 28 May 2013 Effective date – 17 June 2013 The performance of an information campaign.	Presenting information regarding the implementation of the act to the Sejm – 18 months from its entry into force		

Increasing the indicator of admittance of children to childcare and pre-school education	1	Increasing the number of vacancies in childcare facilities for children up to 3 years of age	The introduction of amendments facilitating the creation of childcare facilities to the act of 2 February 2011 on care for children up to 3 years of age. Continued implementation of the "Toddler" ministry programme for the development of childcare facilities for children up to 3 years of age.	The act of 10 May 2013 on amending the act on care for children up to 3 years of age and certain other acts (Dz. U. of 2013, item 747); the "Toddler" ministry programme for the development of childcare facilities for children up to 3 years of age; Operational Programme Human Capital	The adoption of the act by Parliament – 10 May 2013 Effective date – 13 July 2013 The organisation of two calls for proposals under the "Toddler" programme	The announcement and settlement of the call for proposals under the "Toddler" ministry programme for the development of childcare facilities for children up to 3 years of age – Q1 and Q2 2014 The implementation of projects under Measure 1.5 of OP HC – by Q1 2015	The measure in question – as an own task of local government units – will be financed from local government budgets and will receive support from the state budget. For the implementation of tasks specified under the act on care for children up to 3 years of age the state budget plans to allocate amount of PLN 101 million in 2014.	
	2	Increasing the number of vacancies in pre-schools	Ensuring a systematic increase of the availability of pre-school education, which shall result in a situation where all children aged 3 – 5 will be able to take advantage of kindergartens or other forms of pre-school education, with the amount of fees payable by parents for pre-school education being subject to a statutory cap	The act of 13 June 2013 on amending the Act on the education system and certain other acts (Dz. U. of 2013, item 827)	The adoption of the draft act by the Council of Ministers – 30 April 2013 The adoption of the act by Parliament – 13 June 2013 Effective date – 1 September 2013	Ensuring a place in pre-school for all children aged 4 – 1 September 2015 Ensuring a place in pre-school for all children aged 3 – 1 September 2017	The measure in question – as an own task of local government units – will be financed from local government budgets and will receive support from the state budget in the amount of PLN 1567 million in 2014 and 1652 million in 2015.	Since 1 September 2017, all children aged 3 - 5 have an ensured place in pre-school education. Therefore, a further increase of the pre-school admittance indicator is expected. However, it is important to note that the decision about sending children aged 3 and 4 to pre-school will belong to its parents.

Increasing the exit ages from the labour market	1	Increasing the employment rate of persons aged 50+	The reform of the labour market policy provides for supporting the employment of persons aged 50+ and introducing the co-financing of remuneration, in the amount of up to 50% of minimum remuneration for work, for long-term employment of the unemployed persons aged 50+. A National Training Fund (NTF), constituting an instrument for financing lifelong learning of employees, will be established. The first stage of the Fund's operation provides for supporting training in the scope of adjusting the competencies of older employees (aged 45 and above) to socio-economic changes.	The act on amending the act on the promotion of employment and labour market institutions and certain other acts (Parliamentary document no. 1949)	The adoption of guidelines to the draft act by the Council of Ministers – 9 July 2013 The adoption of the draft act by the Council of Ministers – 5 November 2013	Expected date for the adoption of the act by Parliament – Q1/Q2 2014 Planned date for the act to enter into force – Q2 2014	Instruments intended to provide support with respect to the employment and qualifications of the elderly, provided for in the amended act on the promotion of employment and labour market institutions and specified under the measure in question shall be financed from the Labour Fund, subject to the limit on the funds earmarked for the given year. In the Labour Fund financial plan for 2014, funds in the amount of PLN 80 million were earmarked for the instruments referred to above (PLN 40 million for remuneration co-financing and PLN 40 million for the NTF). For 2015, on the other hand, in accordance with the statement of reasons for the draft act, the expenses are estimated to amount to PLN 290 million (PLN 90 and 200 million, respectively)	
	2	Increasing the employment rate of persons aged 50+	In order to support the professional activity of persons aged 50+, the “Solidarity between generations. Measures to increase the professional activity of persons aged 50+” Programme is being implemented.	The “Solidarity between generations. Measures to increase the professional activity of persons aged 50+” Programme	The adoption of the updated programme by the Council of Ministers – 24 December 2013	Conducting an information and promotional campaign – Q1 2014 and Q3/Q4 2014 The preparation of a draft Implementation Document for the Programme and the report on the implementation of the Programme in years 2012-2013 – Q4 2014	A total amount of approximately PLN 4.3 million (including approximately 0.65 million from the state budget and approximately 3.7 million from EU budget funds) was earmarked for the information and promotional campaign. The amounts of expenditure with respect to tasks which shall be submitted for implementation within the framework of the renewed 50+ Programme shall be defined at the Implementation Document development stage.	

CSR 5	Ensuring an innovation-friendly business environment by strengthening the links between research, innovation and industrial policy, by further developing revolving instruments and tax incentives and by better targeting existing	1	Improving the innovativeness of Polish enterprises	The establishment of a strategic framework for the development of innovative activity in enterprises and implementation of comprehensive support instruments for the entire innovation cycle	Strategy for Innovative and Efficient Economy, Enterprises Development Programme, Operational Programme Smart Growth	The adoption of the Enterprises Development Programme by the Council of Ministers – 8 April 2014	Implementation of instruments provided for in the Programme with the launch of the operational programmes 2014-2020.	Estimated allocation of funds within the framework of the Enterprises Development Programme for years 2014-2020 amounts to approximately PLN 25.5 billion. Due to the importance of the Enterprises Development Programme for the shaping of the future directions of support for the development of innovativeness of enterprises within the framework of the New Financial Perspective for years 2014-2020, the vast majority of instruments shall be reflected in new operational programmes, including the OP SG. The amount of European funds planned under the OP SG is approximately EUR 8.61 billion. The basic component of the OP SG are support instruments aimed at enterprises – it is estimated that the level of financing shall be approximately EUR 3.45 billion for the support of conducting R&D works performed by enterprises or scientific and business consortia, approximately EUR 2.42 billion for the support of innovativeness among businesses and approximately EUR 1.07 billion for the support of the business environment and potential of innovative enterprises.	
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		2	Ensuring high-quality science and research infrastructure	Changes are planned in the manner of financing science as regards better adjustment of existing financing channels to the needs arising from the implementation of projects present on the road map, in order to allow for the possibility of financing the maintenance of strategic research infrastructure. The changes are aimed at supporting distinctive scientific units by such means as strengthening pro-quality mechanisms in the financing system.	The act on amending the a act on principles of financing science and others acts (Parliamentary document no. 2086)	The adoption of guidelines to the draft act by the Council of Ministers – 16 April 2013 The adoption of the draft act by the Council of Ministers – 17 December 2013	Expected date for the adoption of the act amending the act on the principles of financing science by Parliament – Q3 2014 Planned date for the act to enter into force – 1 October 2014	The proposed changes to the act on the principles of financing science will not have any effect on the public finance sector.	
CSR 6	Incentives for investing in the energy sector	1	Increasing investments in the energy sector	The co-financing of long-term and profitable investments in the energy sector by Polskie Inwestycje Rozwojowe S.A. (PIR S.A.)	“Polish Investments” Programme	The completion of the organisational stage (registration of a company and capital injection) – 19 June 2013 The analysis of more than 100 submitted projects, qualifying 51 for further works, granting initial approval to 4 projects	The implementation of investment projects by PIR S.A.		

		2	Investments in renewable energy sources	The promotion and implementation of new as well as modification of existing instruments supporting RES	The act on renewable energy sources (no. on legislative works list – UC8); the act on amending the act on biocomponents and liquid biofuels (Parliamentary document no. 2051)	The adoption of the draft act on biocomponents and liquid biofuels by the Council of Ministers – 21 November 2013 The adoption of the act by Parliament – 23 March 2014 The submission of the new wording of the draft act on renewable energy sources for public and inter-ministerial consultations – 12 November 2013 The adoption of the draft act on renewable energy sources by the Council of Ministers - 8 April 2014	Expected date for the Adoption of the act on renewable energy sources by Parliament – Q2 2014 Planned date for the act to enter into force – Q1 2016 Planned date for the act on amending the act on biocomponents and liquid biofuels to enter into force – Q2 2014	The entry into force of the act on amending the act on biocomponents and liquid biofuels will not lead to the increase of expenditures from the state budget. It is estimated that the entry into force of the act on renewable energy sources will cause additional expenditures from the state budget in the amount of PLN 13 million for the first year of its application.	
Improving energy efficiency in the whole energy chain		1	Optimising energy usage	Support for investments in the area of energy efficiency by the National Fund for Environmental Protection and Water Management. The promotion of energy efficiency by way of implementing comprehensive thermomodernisation projects; the promotion of renewable energy by implementing projects utilising renewable energy sources; the financing of energy audits; the co-financing of energy-efficient investment projects and energy management in the public sector	The Operational Programme “Saving energy and promoting renewable energy sources” under the Financial Mechanism of the European Economic Area 2009-2014; “Effective Energy Usage” and “Green investment scheme” priority programme groups; the priority programme for the improvement of air quality, with respect to the KAWKA project – “Elimination of low emission sources as a method of support of energy efficiency and development of dispersed renewable energy sources”; “Support for entrepreneurs with respect to low-emission and resource-efficient economy” Programme		The implementation of the above-mentioned programmes (for a detailed timetable see p. 39-40)	The expected amount of funds provided for the purposes of financing the programmes listed above from the own budget of the National Fund for Environmental Protection and Water Management is approximately PLN 577 million for 2014 and approximately PLN 520 million for 2015	

	Speeding up and extending the development of the electricity grid	1	Creating conditions for the construction, maintenance and modernisation of electricity grids	The adoption of the act on transmission corridors comprehensively regulating the conditions of line investments aimed at energy, gas, liquid, steam or information transmission, streamlining the legal status in this regard.	The act on transmission corridors (no. on the legislative works list no. – UD16)		Expected date for the adoption of the draft act by the Council of Ministers – Q4 2014 Expected date for the adoption of the act by Parliament – Q2 2015	The entry of the drafted act into force will not cause any direct costs for the public finance sector.	
	Reinforcing competition in the gas sector by phasing out regulated prices	1	Stimulating competition in the gas sector by the gradual withdrawal of regulated prices and establishing a gas trade platform	The changes introduced in the amended act pertain, inter alia, to the guarantee of full ownership unbundling of the gas transmission system operator, the introduction of an obligation for a specific volume of natural gas (designated by statute) to be traded on commodity exchange and the introduction of a possibility for natural gas sector enterprises to participate directly in the activities of a commodity exchange. With respect to the creation of a competitive natural gas market, non-legislative measures, aimed at expanding possibilities and increasing diversification of natural gas supply within the territory of the Republic of Poland, are also being undertaken.	The act on amending the act – Energy Law and certain other acts (Dz. U. of 2013, item 984)	The adoption of the act on amending the act – Energy Law and certain other acts by Parliament – 26 July 2013 Effective date – 11 September 2013	A gradual increase of the so-called exchange obligation to the level of 40% of natural gas introduced at that time to the transmission grid – since 1 January 2014 – and 55% of natural gas introduced at that time to the transmission grid – since 1 January 2015. The completion of the construction of infrastructure necessary to ensure the physical transmission of gas from Germany to Poland – the introduction of a continuous service on the physical reverse – since Q2 2014 – auctions regarding the reservation of capacity – since Q1 2014.	Proposed actions will not have any effect on the public finance sector. Costs related to the performance of the timetable concern commercial law companies implementing the above-mentioned tasks.	

	Strengthening the role and resources of the railway market regulator and ensuring effective implementation of railway investment projects	1	Effective implementation of railway investment projects	<p>Future works regarding the railway sector will include legislative actions, further improvements in the implementation of infrastructure investments, improvements as regards railway safety, an improvement of the quality of transport services provided by railway carriers and support for the development of inter-modal transport. A key issue remains the implementation of infrastructure projects under MRIP and the continued modernisation of railway stations.</p>	<p>“Multi-Annual Railway Investment Programme until 2015”, “Master Plan for Railway Transport in Poland up to 2030”, Transport Development Strategy by 2020 (with the perspective by 2030), Implementing Document (ID) for the Transport Development Strategy</p>	<p>The adoption of Transport Development Strategy by 2020 (with the perspective by 2030) by the Council of Ministers – 22 January 2013 r.</p> <p>The adoption of the “Multi-Annual Railway Investment Programme until 2015” document update by the Council of Ministers – 5 November 2013</p> <p>A draft Implementing Document (ID) for the Transport Development Strategy, containing a pipeline project for railway investments to be implemented by 2020 has been developed.</p> <p>Works were underway on the update for the “Master Plan for Railway Transport in Poland up to 2030” strategic document.</p>	<p>The implementation of projects in accordance with the timetable adopted in the “Multi-Annual Railway Investment Programme up to 2015” – 2014/2015</p> <p>Expected date for the adoption of guidelines to the act on amending the act on railway transport and certain other acts by the Council of Ministers – Q2 2014</p> <p>Expected date for the adoption of the draft act on amending the act on railway transport and certain other acts by the Council of Ministers – Q3/Q4 2014</p> <p>Expected date for the approval of the Implementing Document by the Council of Ministers – Q4 2014</p> <p>The update of the “Master Plan for Railway Transport in Poland up to 2030” strategic document – Q4 2014</p>	<p>Funds allocated for the implementation of the Multi-Annual Railway Investment Programme until 2015 will amount to approximately PLN 4.7 million (including approximately PLN 16.6 million from the state budget and approximately PLN 4.7 million from the EU budget funds) in 2014 and approximately PLN 10 million (including approximately PLN 2.8 million from the state budget and approximately PLN 7.2 million from the EU budget funds) in 2015. Apart from the budget legislation, expenditures on railway investments have been planned as part of the Railway Fund, in the amount of approximately PLN 261.8 million in 2014 and approximately PLN 305.5 million in 2015.</p>	
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Accelerating actions to increase broadband coverage	1	Increasing broadband coverage	<p>The National Broadband Plan (NBP) is a development programme which will be aimed, above all, at equalising the differences in the possibilities of access to broadband internet within the territory of the country. It is estimated that as a result of the implementation of the NBP, the possibility of access to high-speed broadband services will be available to all Poles by 2020..</p>	National Broadband Plan	<p>The adoption of the National Broadband Plan by the Council of Ministers – 8 January 2014</p> <p>The performance of analyses regarding the possibilities of implementing solutions enabling the modernisation of telecommunication installations in existing multi-family buildings, the possibility of introducing an obligation to provide and make available a telecommunication connection for a building as well as tools enabling the joint use of the infrastructure and public property – by the end of 2014</p> <p>The performance of analysis regarding the utilisation of applicable regulations on public-private partnerships with regard to investments in telecommunication networks, the costs and possibility of introducing an obligation to publish and consult plans for investments in hard infrastructure (roads, water, sewage system) – by the end of 2015</p> <p>The development of a national action plan within the scope of public intervention regarding the development of broadband infrastructure – by the end of 2014</p> <p>The development of a Code of Good Practices within the area of telecommunication installations in multi-family buildings, as well as a Code of Good Practices with regard to support for broadband investments – Q4 2014</p> <p>The development of technical regulations specifying technical conditions for the placement of service ducts under public roads – Q4 2014</p> <p>The implementation of infrastructural projects under ROPs, RADP, OP IE, OP DEP – by the end of 2015</p>	<p>The maximum amount of funds allocated for the financing of the Broadband Network for Eastern Poland – up to PLN 1.44 billion (85% of EU funds under OP DEP, 10% from the state budget, 5% of the beneficiary's own contribution); Regional Operating Programmes – up to PLN 2.6 billion (the level of co-financing depends on a specific project but may not be higher than 85% of EU funds and 15% of the beneficiary's own contribution); Measure 8.4 OP IE – approximately PLN 0.84 billion (the amount of EU funds under the OP IE and the beneficiary's own contribution depends on a given Province, in accordance with the regional aid map).</p>	

	Improving waste and water management	1	Improving the waste management system, increasing the amount of waste subject to recycling	The implementation of a new waste collection system in communes will be continued. Another amendment to the act on maintaining tidiness and order in communes is planned for 2015. The necessity of its adoption results from, among other reasons, the need to improve the operation of the new municipal waste management system.	The act on amending the act on maintaining tidiness and order in communes (Dz.U. of 1996, No. 133 item 622, as amended)	The implementation of changes to the municipal waste collection system by communes	The works of the act Implementation Team – Q1-Q2 2014 Expected date for the adoption of the draft act on amending the act on maintaining tidiness and order in communes by the Council of Ministers – Q4 2014 Expected date for the adoption of the act by Parliament – Q2 2015 Effective date – Q2 2015 Expected date for the amendment of the Regulation on the levels of recycling, preparation for re-use and recovery using other methods of certain fractions of municipal waste – Q4 2015	Changes to the municipal waste management system do not entail any burdens for the public finance sector and will not lead to an increase in state budget spending.	
CSR 7	Improving the business environment by simplifying contract enforcement and requirements for construction permits and by reducing tax compliance costs	1	Simplifying procedures within the scope of building law	The introduction of a series of changes to the provisions of the currently applicable act – Building Law which will allow for the reduction of administrative burdens for building investors and facilitate the process of obtaining a building permit	The act on amending the act – Building Law (draft no. on the legislative works list – UA37)	The adoption of guidelines to the draft act by the Council of Ministers – 23 July 2013 Works on the draft act	Expected date for the adoption of the act on amending the act – Building Law and certain other acts by the Council of Ministers – Q2 2014 Expected date for the adoption of the act by Parliament – Q4 2014 Planned date for the act to enter into force – Q1/Q2 2015 The presentation of the draft of a comprehensive regulation on the investment and building process – Q4 2014	The amendment of the act – Building Law does not entail any consequences for the public finance sector.	

		2	Facilitating the performance of economic activity	Drafted amendments focus on improving the financial liquidity of entrepreneurs and supporting investments, limiting information obligations, corporate social responsibility and efficient administration. The draft constitutes a continuation of earlier legislative measures aimed at facilitating and simplifying legal regulations regarding the performance of business activities. The simplification of procedures related to registration in the National Court System is also planned	The act on facilitating business activity (no. on the legislative works list – UA32); the act on the National Court Register (Parliamentary document no. 2094)	The adoption of guidelines to the act on facilitating business activity by the Council of Ministers – 23 April 2013 The performance of public and inter-ministerial consultations with respect to the draft act – since 11 October 2013 The adoption of the draft act on amending the act on the National Court Register by the Council of Ministers – 7 January 2014	Expected date for the adoption of the draft act on facilitating business activity by the Council of Ministers – Q2 2014 Expected date for the adoption of the act by Parliament – Q2/Q3 2014 Planned date for the act to enter into force – Q1 2015 Planned date for the adoption of the act on amending the act on the National Court Register by Parliament – Q2 2014 Planned date for the act to enter into force – Q4 2014	The introduction of solutions provided for in the draft act on facilitating business activity should have a positive impact on the economy, including the public finance sector, due to the expected increase in economic activity. The introduction of amendments to the act on the National Court Register entails expenditures from the state budget as regards the need to modify IT systems, in the amount of PLN 3.1 million. The adjustment of IT systems will also occur under the e-Registration and Public Statistical Information System projects, financed from EU budget funds. The possibility of early registration and initiation of activity will contribute to the increase in the state budget income. It is estimated that the amounts of taxes and social insurance contributions paid will increase by approximately PLN 99.5 million and approximately PLN 32.5 million, respectively.	
		3	Simplifying regulations regarding bankruptcy and consumer bankruptcy proceedings.	This entails, among others, the facilitation of the initiation of recovery proceedings, the introduction of simplified bankruptcy proceedings for smaller enterprises, the preference of a composition proceedings, the reduction of the entitlements of civil law creditors and the facilitation of consumer bankruptcy proceedings.	The act – Restructuring Law (draft no. on the legislative works list – UA41)	The adoption of guidelines to the draft act – Restructuring Law by the Council of Ministers – 11 February 2014	Expected date for the adoption of the draft act – Restructuring Law by the Council of Ministers – Q3 2014 Expected date for the adoption of the act by Parliament – Q1 2015 Planned date for the act to enter into force – Q3 2015		

		4	Reducing the costs of complying with tax regulations and increasing the efficiency of the tax and customs administration	The reduction of the costs of complying with tax regulations by such means as launching a tax portal enabling contact with tax authorities by way of electronic communication (submitting requests, returns, delivering documents) or introducing a single settlement window for entrepreneurs obliged to settle receivables charged by the Customs Service.	The act on digitisation of entities performing public tasks and certain other acts (Dz.U. of 2014, item 183) The act on amending the act on the Customs Service and certain other acts (UD138)	The adoption of the draft act on digitisation of entities performing public tasks and certain other acts by the Council of Ministers – 30 July 2013 The adoption of the act by Parliament – 10 January 2014 The preparation of the draft act on amending the act on the Customs Service and certain other acts	Planned date for the amendments to the act on digitisation of entities performing public tasks and certain other acts to enter into force – Q2 2014 Planned date for the launch of the tax portal – Q3 2014 Expected date for the adoption of the act on amending the act on the Customs Service and certain other acts by the Council of Ministers – Q2 2014 Expected date for the adoption of the act by Parliament – Q3 2014	It is estimated that the costs of implementing the tax portal will amount to PLN 10.5 million. This amount will be financed from the EU budget funds as part of the e>Returns2 project. It is estimated that the drafted amendment to the regulation, related to the consolidation of support processes, will not lead to a change in the level of spending on tax administration units. The introduction of solutions provided for in the act on amending the act on the Customs Service and certain other acts will not entail any direct costs for the public finance sector.
	Liberalisation of access to professional services	1	Reducing the number of professions, the performance of which is dependent upon meeting eligibility requirements and conditions defined in law regulations	The waiving of a series of legislative provisions establishing the legal framework for the admission to practice professions that due to their nature may be freed of regulations, leading to a fuller application of the free movement of workers principle in Poland.	The act on amending acts regulating the performance of certain professions (Dz.U. of 2013, item 829) The act on facilitating access to the performance of certain regulated professions (Parliamentary document no. 1576) The act on amending acts regulating the conditions of access to the performance of certain professions (draft no. on the legislative works list – UA33)	The adoption of the act on amending acts regulating the performance of certain professions (the 1st tranche of amendments) – 13 June 2013 The entry of the 1st tranche of de-regulations into force – 13 August 2013 The adoption of the draft act on facilitating access to the performance of certain regulated professions by the Council of Ministers (the 2nd tranche of de-regulations) – 25 June 2013 The adoption of the act on amending acts regulating the conditions for access to the performance of certain professions by the Council of Ministers (the 3rd tranche of de-regulations) – 11 March 2014	Expected date for the adoption of the act on facilitating access to the performance of certain regulated professions by Parliament (the 2nd tranche of de-regulations) – Q2 2014 Planned date for the act to enter into force – Q3/Q4 2014 Expected date for the adoption of the act on amending acts regulating the conditions for access to the performance of certain professions (the 3rd tranche of de-regulations) – Q2/Q3 2015 Planned date for the act to enter into force – Q3 2015	

Annex 2 - Summary of participation of social and economic partners in the works of the Team for the Europe 2020 Strategy and the course of public consultations

During the meetings of the Team for Europe 2020 Strategy, beginning from October 2012 the implementation of subsequent national Europe 2020 strategy targets and thematic areas indicated by social and economic partners have been discussed.

Employment objective

During the discussion at the meeting of the Team, partners noted the connections between the labour market and the education system. They emphasised the necessity of identifying the changes on the labour market arising from the national and European policy, such as the energy and climate package, providing information about them and adjusting the education policy thereto. During the discussion they also raised the issue of balance between security and flexibility of the labour market, emphasising that family development requires the assurance of employment security. Due to the raising of a statutory retirement age, it is necessary to increase measures aimed towards the elderly on the labour market. The partners also pointed out that an important element of increasing the employment rate in Poland are measures activating disabled and excluded persons on the labour market. It requires such legislative changes, so as to eliminate the so-called “benefit trap”, which causes the loss of benefits upon undertaking employment. During the course of the discussion, the partners were for limiting the privileges of sheltered workshops and increasing the allocation of funds towards supporting employment on the open labour market. They suggested utilising experiences gained from the co-financing of the employment of disabled persons on the open labour market and changing support mechanisms regarding the employment of socially-excluded persons.

Education objectives

During the meetings of the Team, the partners noted that while the general situation in Poland as regards the implementation of this Europe 2020 strategy objective is good, this area also requires the measures with respect to disabled persons. Firstly, the rate of coverage of disabled children as regards pre-school education is significantly lower (amounts to approximately 1/3) than the general rate. Secondly, the rate of early exit from the education system at the upper-secondary level is very high in the case of disabled pupils (2/3 according to data from a few years back). The partners noted that it is necessary to introduce changes in the education system which is currently dominated by segregated education, as disabled persons being educated within the framework of special education are not being socially prepared for work.

Moreover, the partners emphasised that it is necessary for the education system to shape the entrepreneurial attitudes of pupils and develop media education, especially in the area of digital media. It was pointed out that entrepreneurs should participate in the shaping of such attitudes.

R&D objective

In reference to the R&D objective, the partners had very diverse opinions on the subject of dividing competencies between the central and regional level as regards the allocation of public funds earmarked for R&D (including European funds). However, the dominant attitude is that regions should be able to manage a part of the returnable funds, while the funds in the form of subsidies should remain at the central level.

Apart from the general suggestion of establishing tax mechanisms that could increase the interest of entrepreneurs in scientific studies and the implementation of their results , the

partners suggested limiting the statutory restrictions of the Act on public procurement with regard to R&D activity.

Moreover, the partners also noted the significance of science and technology parks and R&D centres of large companies. They emphasised that their potential for supporting the development of innovativeness is not currently being used to a sufficient extent and that their development should be supported.

Energy objectives

In the course of the discussion partners noted that the priority is to conduct deeper analyses of what investments are needed for objectives, adopted by Poland, to be implemented by 2020 and present their results to interested communities. They emphasised that the electricity and energy sector urgently requires the introduction of statutory solutions within the scope of RES and emission trading. Moreover, they also noted the threats to economic growth and the situation on the labour market arising from the energy and climate package. They emphasised that pro-environmental measures conducted in Poland must be contained within pro-economic measures and must not contribute to the growth of unemployment and a decrease in economic growth.

Counteracting poverty objective

In reference to the objective of counteracting poverty, the partners' main suggestion was to expand the tools for diagnosing the situation in this regard, especially as regards the deepening of the disaggregation of indicators with respect to both the territorial aspect and social groups at high risk of poverty. They also emphasised that studies should take into consideration the continuity of various aspects of poverty and social exclusion. They indicated that social economy should not be associated with instruments for counteracting social exclusion or integration. The spectrum for its operation is much wider – it also includes counteracting youth unemployment or the integration of immigrants. They also expressed that an important element of limiting social exclusion is the integration of foreigners, and that the first step in creating a policy in this regard should be the adoption of a drafted strategic document. Moreover, they stressed the importance of supporting families with children, especially large families, in counteracting poverty.

Recommendations in the area of three subsequent topics were developed independently by social and economic partners before the commencement of a discussion among the Team and presented to the Chairman of the Team in writing. Such recommendations became the basis for the discussion on subsequent Team meetings and working meetings.

Increasing the employment participation of young persons

In the area of increasing the employment participation of young persons, the social and economic partners submitted, inter alia, the following suggestions:

- preparation of proposals for the so-called youth guarantees,
- development and implementation of a system for co-ordinating vocational education with labour demand,
- reform of the education system in order to enable the possibility of obtaining various competencies needed in the course of professional activity,
- change of the methods of operation and structure of public institutions dealing with employment issues in a way which increases the efficiency of the active labour market programmes and decreases the costs of stimulation of labour market participation of the unemployed,

- ensuring the most comprehensive and easiest to understand information on the modes of recognising and validating skills,
- providing young people with the possibility to utilise the assistance of well-prepared professional advisors,
- monitoring the performance of the compulsory education obligation by the youth in upper-secondary schools,
- popularising inclusive education of children and young people with disabilities.

In the course of the discussion during the meeting and working meeting of the Team, instruments presented by the Ministry of Labour and Social Policy, provided for in the “Youth Guarantees” implementation plan utilising the “Initiative towards the employment of young persons”, were met with approval of the social and economic partners. Positive remarks were also directed at the utilisation of the experience of Voluntary Labour Corps and their role in implementing “Youth Guarantees”. Having regard to the role of Voluntary Labour Corps, it was noted that one of its target groups is youth aged 15-17 exiting the education system. The prevention of such a negative phenomenon was regarded as very important. It was noted that the compulsory education obligation (up to 16 years of age) is effectively enforced. However, there is a lack of an effective system for enforcing the learning obligation (up to 18 years of age). The importance of including loans directed at persons aged 29 and under, that is older persons than those provided for in “Youth Guarantees”, in the wide spectrum of instruments on the EU level was also emphasised. The partners declared their desire to participate in the implementation of “Youth Guarantees”, especially within the scope of informing their members about the tools available for the implementation of the plan and the possibility to take part in calls for proposals. Most issues regarding the education system reform were discussed during the discussion on the second thematic area.

Cooperation of science and business

In the area of cooperation of science and business, the partners raised the following suggestions:

- increasing quality of, strengthening and promoting the cooperation of business and science,
- introducing a system for monitoring the career advancement of graduates,
- establishing a system of incentives for organisations/entrepreneurs cooperating with the scientific community,
- indicating examples of good practices in the area of knowledge transfer and their promotion,
- adjusting education to socio-economic changes, as well as adjusting the directions and quality of education to the needs of the economy,
- increasing the number of the graduates of engineering and technical degree programmes,
- introducing a system for estimating labour market demand,
- raising the potential and quality of higher education,
- introducing a dual education system,
- improving the quality of the internship, on-the-job training and training system,
- establishing a professional counselling system,
- conducting public campaigns promoting the need for the co-existence of various professional groups.

In the course of the discussion during the meeting and working meeting of the Team, it was decided that the changes being planned and introduced in the area of higher education and

vocational education are proceeding in the intended direction and are mostly compliant with the direction of changes proposed by social and economic partners. However, their success requires their efficient implementation. The need to stimulate cooperation between schools and entrepreneurs was emphasised especially with respect to the area of vocational education.

A higher number of discrepancies was indicated in the R&D area. It was emphasised that measures towards supporting cooperation between industry and science require improvement, especially within the scope of the co-ordination of measures in the area of innovation on a central level and between the central and regional administration. As measures beneficial to the development of innovation, the social and economic partners indicated, in particular, the introduction of regulatory changes, including in the area of taxes; the introduction of instruments supporting demand for innovation, including the promotion of innovation in public procurement; the establishment of more flexible regulations within the scope of public aid. The sectoral research programmes of the National Centre for Research and Development (NCBiR), supporting the cooperation between science and industry, were positively assessed by the partners.

Counteracting in-work poverty

In the area of counteracting in-work poverty, the partners raised the following suggestions:

- introducing measures towards collective agreements in sectors showing high share of low wages,
- introducing tax benefits – in the case of low work income, benefits shall be paid from the tax system, their amount decreasing proportionally to the amount of remuneration,
- decreasing the level of social insurance contributions in the case of low wages,
- increasing tax progression,
- further increase of spatial and financial availability of nursery and pre-school care,
- reducing stimuli having a negative impact on undertaking employment, present in the family benefit system and supplements thereto,
- increasing the possibility of combining part-time work with maternity and parental leaves without the loss or reduction of benefits,
- extending the payment of unemployment benefits to a period of one year,
- increasing family benefits, including, in particular, the supplement for large families,
- increasing the scope of the possibility to combine benefits with remuneration.

In the course of the discussion during the meeting and working meeting of the Team, it was agreed that measures are being conducted towards increasing the professional activity of women by such means as increasing the availability of childcare and introducing parental leaves. The effects of these measures are visible in the increase of the number of places in nurseries and pre-schools. However, it is necessary to analyse the impact of the introduced instruments on the possibility for a parent taking care of a child to return to the labour market and on the level of income of families with small children. As regards recommendations concerning measures towards reducing wage inequalities and measures towards increasing the level and scope of the utilisation of benefits by entitled working-age persons, there are significant discrepancies between the position of partners and the government. Moreover, the partners have also taken regard to in-work poverty with respect to disabled employees and families with a disabled family member. Partners emphasised the need for the government to introduce active measures towards a transition from competing through low work costs to competing through innovation.

In the partners' opinion, the current measures implemented by the government do not reflect, in particular, suggestions towards the limitation of wage inequalities and those aimed at

increasing the level and availability of benefits for working age persons. Moreover, the partners assessed, inter alia, measures in the area of activating disabled persons in the education system and on the labour market as well as regulatory changes, especially as regards tax regulations within the scope of R&D, as insufficient.

What is more, in recommendations regarding the discussed areas, the social and economic partners indicated the procedural aspects of developing solutions and emphasised that measures undertaken by the government should be comprehensive and developed in cooperation with social partners at the stage of preparing, implementing and monitoring both legal and organisational solutions.

Public consultations – main remarks

The draft *NRP 2014/2015* was submitted for consultation with organisations whose representatives are members of the Team for Europe 2020 Strategy and subjected to online consultations using the www.konsultacje.gov.pl website.

As part of public consultations, remarks were submitted by the Independent Self-Governing Trade Union “Solidarność”, All-Poland Alliance of Trade Unions, Polish Committee of the European Anti Poverty Network (EAPN POLAND) and the Foundation Institute for Regional Development. The draft NRP 2014/2015 was also discussed at the forum of the Team for Europe 2020 Strategy on 3 April 2014.

In general remarks, the social and economic partners emphasised the need for a deeper exchange of views between the public administration and social and economic partners as well as for their wider involvement in the preparation of specific measures towards the implementation of the Europe 2020 strategy. In this context, they also pointed towards the need for the government to act in a comprehensive manner and to cooperate with social partners at the stage of preparing, implementing and monitoring both legal and organisational solutions.

In the opinion of NSZZ “Solidarność”, the Europe 2020 strategy is not treated equally with respect to European Semester procedures, and the Europe 2020 strategy targets are not harmonised with the five priorities of the Annual Growth Survey (AGS). In the context of a mid-term review of the Europe 2020 strategy, in the union’s opinion it may be stated that the introduced economic management did not eliminate the growth of social inequalities and disproportions, but rather stimulated it. Therefore, in order for the Europe 2020 strategy not to fail, it must not focus on a policy of savings, but rather on strengthening relevant national and supra-national policies for employment, scientific research and innovation, education and reducing poverty by detailed development and consistent implementation thereof.

Remarks submitted in the area of R&D emphasise the need to increase expenditures, especially state budget expenditures, for that purpose by, inter alia, precisely directing investments and public expenditures towards the sectors of the economy selected by the state. Attention was also focused on the role of industry, emphasising that strong industry is able to generate innovation and indicating the need to improve the share of the industry in generating the Polish GDP.

The role of industry was also emphasised in the context of energy and climate policy objectives. Moreover, they indicated the need to maintain balance between a balanced growth, industry competitiveness and energy security, the need to perform a critical analysis of EU energy objectives due to the international situation and the fact that it does not include the European social model within its framework.

As regards remarks concerning the implementation of the employment objective, NSZZ “Solidarność” critically assessed the effectiveness of drafted solutions, provided for under the reform of the labour market policy, due to the assumption that the planned instruments will be financed within the framework of the current financial plan of the Labour Fund. They also indicated the limited, in trade unions’ view, scale of support provided within the framework of the Act on special solutions related to the protection of jobs and critically referred to the indication of the implementation of flexible working time as having an impact on the increase of the participation of women on the labour market. NSZZ “Solidarność” also critically referred to the consequences of the 50+ Programme, indicating that the general nature of measures contained therein does not allow for the assessment of its real impact on the labour market.

Trade unions also noted the abuse of uncertain contracts (contracts for a definite period or civil law contracts) on the labour market. It was also indicated that legislative initiatives aimed at introducing an obligation to pay contributions in respect of an amount no lower than the amount of minimum remuneration, in the case of a concurrence of insurance titles from several contracts for mandate or with other gainful activity, are part of necessary changes, but do not exhaust the scope of reforms required in this area. NSZZ “Solidarność” indicated that in the case of concurrence of insurance titles, a generally applicable rule of paying contributions in the amount of up to 30 times the contribution basis should be applied. The All-Poland Alliance of Trade Unions (OPZZ) noted the need to strengthen the National Labour Inspectorate by providing it with additional legal and financial measures allowing for more efficient supervision. At the same time, the partners noted that recent directions in the discussion on labour market segmentation have shifted towards an excessive focus on an issue, that is on the use of civil law contracts. As another tool, OPZZ indicated the introduction of amendments to the Act - Public Procurement Law, which would oblige the ordering party to have regard to the circumstances of the inclusion, by the contractor in the submitted offer, of obligations within the scope of providing employees with an employment contract as well as healthy and safe working conditions.

As regards education objectives, NSZZ “Solidarność” noted that, in their opinion, there has been a reduction of budget expenditures on higher education. On the other hand, EAPN indicated that despite a good situation within the scope of exiting education, as compared to the European average, it is necessary to present specific measures aimed at reducing the problem of leaving education, especially in the case of disabled children and young persons.

As regards the objectives in the scope of counteracting poverty, the partners agreed with the remarks submitted previously as part of the works of the Team for Europe 2020 Strategy, described above. Moreover, EAPN suggested to increase the objective in the scope of counteracting poverty from 1.5 million to 3 million and to specify a target value to be reached with respect to children at risk of poverty (reduction by 1 million, from 1.7 million in 2008 to no more than 700 thousand in 2018). Trade unions referred to the extension of the period of raised VAT rates and the maintenance of the tax free amount at the same level since 2009. At the same time, they proposed the introduction of two additional income tax rates – the lowest rate for persons with lowest income and a tax rate for persons with the highest income.

Moreover, trade unions referred to the lack of state activity with regard to housing policy, especially activity aimed at the poorest. A critical regard was given to schooling benefits – it was indicated that all socio-residential issues should be implemented under family benefits. Trade unions are also opposed to indicating the increase of the minimum remuneration for work as a measure for counteracting in-work poverty. On the other hand, EAPN noted that increasing minimum wage is not a sufficient instrument for limiting in-work poverty.

In reference to guidelines to the Act on social assistance, included in the *NRP 2014/2015*, NSZZ “Solidarność” noted the lack of the specification of a method and tools for estimating the amount of minimum social income (MSI) for specific types of families; the lack of the specification of who will lead research and calculation as well as whether MSI will be compared to household budget expenditures for the first quintile (the 20% of the poorest households); the lack of the indication of the family’s existential needs; the failure to ensure unambiguous participation of social and economic partners in the process of monitoring and determining the amount of MSI and social assistance benefits.

The remarks of the Foundation Institute for Regional Development were concentrated around supporting disabled persons on the labour market and in the education system. The Foundation Institute for Regional Development suggested to prepare guidelines for the new support system for disabled persons, to reform the disability assessment system, reform the benefit scheme, implement a (pilot) scheme for the services of personal assistants of disabled persons and the supported employment scheme, place increased focus on professional activation programmes, ensure stable financing for the social and professional rehabilitation, perform an analysis of the efficiency of support for professional activity of disabled persons, implement measures transferring the responsibility for education of children and young persons with disabilities from special schools to public schools and to ensure adequate support for disabled pupils at school as well as monitor the continuation of education at the upper-secondary level by disabled young persons.