




EUROPEAN COMMISSION
EUROSTAT

 Ref. Ares(2016)3153327 - 01/07/2016

Directorate D: Government Finance Statistics (GFS) and Quality

Luxembourg, 17 June 2016

FINAL FINDINGS

EDP dialogue visit to Poland

29-30 June 2015

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Executive summary

An EDP standard dialogue visit took place on 29-30 June 2015. It was carried out by Eurostat in order to review the implementation of the ESA 2010 methodology and to assure that the provisions of the ESA 2010 Eurostat Manual on Government Debt and Deficit as well as the Eurostat decisions are duly implemented in the Polish EDP and Government Finance Statistics (GFS) data.

Regarding the follow-up the EDP upstream dialogue visit of 6-8 March 2013, Eurostat positively reviewed the implementation of recommendation 11 related to the documentation of the procedure for classification of units inside the general government. As a result, Eurostat concluded that all recommendations linked to the 2013 EDP upstream dialogue visit were closed.

The discussion then focused on the sector classification of specific units such as the 'Agency for Industrial Development' (*ARP - Agencja Rozwoju Przemysłu*) and the companies operating in the coal mining industry. As a result, Eurostat asked the Polish authorities to reclassify the ARP in general government together with the investment funds this entity manages for the October 2015 EDP Notification. Regarding the sector classification of a new public unit, '*Nowa Kompania Weglowa*', which was created in the restructuring processes of the Polish coal industry, the Polish authorities were asked to undertake a statistical analysis as soon as the relevant documentation was finalised and report to Eurostat about the results.

Particular attention was paid to the sector classification of the entity 'Polish Investments for Development' (*PIR - Polskie Inwestycje Rozwojowe*), a vehicle for supporting major infrastructure investments. Eurostat extensively investigated its strategy, the decision making process, the composition of the management bodies and the cooperation with the state owned bank, Bank Gospodarstwa Krajowego. In conclusion, Eurostat agreed that this public entity could be classified outside general government, in the sub-sector of the financial auxiliaries (S.126), whereas its managed funds should be classified in the subsector non-MMF investment funds (S.124). Moreover, Eurostat re-visited and confirmed the classification of the public Bank Gospodarstwa Krajowego in the financial institutions sector.

Furthermore, Eurostat enquired about the recording of particular government transactions. The issue of non-satisfactory data availability for no cash transactions was detected at the level of local government. It concerned mainly debt assumption/debt cancellations, accruals for interest and also leaseback operations. The Polish authorities were asked to examine how to include these transactions in the EDP/GFS data reporting.

A number of planned private-public partnership projects were also discussed. An extensive discussion took place regarding the statistical recording of the waste incineration plant in Poznań. Eurostat pointed out that it was essential to investigate if characteristics of this project meet the national accounts statistical definition of a PPP. Until the final documentation would be available for statistical analysis, the project should be recorded on the government balance sheet.

Particular attention was given to the 2013 reform of the Polish pension system. Eurostat confirmed the correct statistical recording of the related flows in the April 2015 EDP Notification. Specifically, the transfer of assets from the second to the first pillar (in the form

of a lump sum) was recorded as a financial advance without impact on government net lending/borrowing. The issue of an appropriate estimation of the reduction in the financial advance linked to the related payments of pensions was left to further bilateral discussions.

Furthermore, Eurostat revisited the statistical classification of the open pension funds (second pillar) in the context of changes introduced by the reform. It was confirmed that despite they cease to be mandatory, the open pension funds should continue to be classified outside general government as they remained funded, defined-contribution scheme, operating under market conditions.

Eurostat thanked the Polish authorities for the documentation provided prior to the visit and appreciated the openness and cooperation demonstrated during the meeting.

Introduction

In accordance with Council Regulation (EC) No 479/2009 of 25 May 2009, as amended, on the application of the Protocol on the excessive deficit procedure annexed to the Treaty on the functioning of the EU, Eurostat carried out an EDP dialogue visit to Poland on 29-30 June 2015.

The delegation of Eurostat was headed by Mr Luca Ascoli, Head of Unit D-1 Excessive Deficit Procedure and Methodology. Eurostat was also represented by Mr Denis Besnard, Ms Malgorzata Szczesna-Rundberg and Ms Lenka Valenta. Representatives of European Commission Directorate General for Economic and Financial Affairs (DG ECFIN) and of the European Central Bank (ECB) also participated in the meeting as observers. The Polish authorities were represented by the National Statistical Institute (Główny Urząd Statystyczny – GUS), the Statistical Office in Wrocław, the Statistical Office in Katowice, the Ministry of Finance (MoF), the Ministry of Treasury (MSP), the National Central Bank (Narodowy Bank Polski – NBP) as well as by representatives from various government departments. For specific items of the agenda, the representatives from the Bank Gospodarstwa Krajowego (BGK), from the Polish Investments for Development (PIR S.A.), from the Industrial Development Agency (ARP S.A.) and from the City Hall of Poznań were present.

Eurostat carried out this EDP dialogue visit in order to review the implementation of the ESA 2010 methodology on the recording of government transactions and the sector classification of units, as well as to discuss the availability of the data sources on specific local government operations.

With regard to procedural arrangements, the Main conclusions and action points would be sent to Poland for review. Then, within weeks, the Provisional findings would be sent to Poland for review. After this, Final findings would be sent to Poland and to the Economic and Financial Committee (EFC) and published on the website of Eurostat.

Eurostat appreciated the extensive information provided by the Polish statistical authorities prior to the EDP dialogue visit. Eurostat also thanked the Polish statistical authorities for the co-operation showed during the visit and for the open and constructive discussions.

1. Institutional arrangements and data sources

1.1. Review of the EDP upstream dialogue visit recommendations

Introduction

On 6-8 March 2013 Eurostat undertook an EDP upstream dialogue visit (UDV) to Poland. The main objective of the visit was to review the quality of the EDP reporting system, and in particular the primary public accounting data sources and the underlying processes (upstream data and processes, as well as quality management processes and practices). Nineteen recommendations were communicated to GUS through the UDV final report dated 24 June 2013. Most recommendations were implemented and closed throughout the years 2013 and 2014. The last outstanding issue was a follow-up on the implementation of

recommendation 11 related to the documentation of the procedure for the sector classification of units inside the general government.¹

On the 15 of May 2015, GUS sent to Eurostat the relevant document presenting in detail the procedure for classification of units inside general government

Discussion and methodological analysis

Eurostat acknowledged the receipt of the document related to the UDV recommendation 11 and appreciated the detailed and clear presentation of the procedure for classification of units inside general government. As a result, Eurostat informed GUS that recommendation 11 was closed and that there were no outstanding issues linked to the 2013 EDP upstream dialogue visit.

1.2. EDP inventory

Introduction

According to the planning agreed with Member States, the new EDP Inventories should be published by the end of December 2015. Prior to this deadline, sufficient time should be foreseen for bilateral comments and discussions in order to reach the final version of the document.

GUS informed that the work on the ESA 2010 updated EDP Inventory was ongoing and that particular sections would be sent in batches to Eurostat for consultation and approval.

Discussion and methodological analysis

Eurostat enquired about the progress in the development of the new EDP Inventory and asked about the expected date for its completion. GUS informed Eurostat that the work was well advanced and that it would be able to provide the draft new Inventory to Eurostat for comments in November 2015.

Findings and conclusions

Action Point 1. The Polish statistical authorities will send a complete draft of the updated EDP Inventory to Eurostat for review, in view of its publication on the Eurostat website foreseen for December 2015 (deadline: 16 November 2015)²

¹ Recommendation 11. Eurostat invites GUS to produce a documented detailed procedure describing the decision making processes used to arrive, from the statistical register (BJS), to the final registers of government-controlled entities classified inside and outside government. This should include a description on how GUS treats inactive units which, in Eurostat's understanding, are never taken off the registry, and an estimate of how many such entities may exist at any time. Deadline: 17 June 2013.

² Action Point 1 was completed on the 23rd of December 2015.

2. Follow-up of the EDP standard dialogue visit 8-9 July 2013

There were 23 action points resulting from the 2013 EDP dialogue visit, all of which have been closed or suspended due to the lack of the progress on the relevant investment projects. The implementation of action points was carried out in a timely matter and accompanied by good communication with Eurostat.

The discussion on the sector classification of the entity 'Polish Investments for Development' and public-private partnerships at the local government level was earmarked to be continued during this June 2015 visit.

3. Follow-up of the latest EDP reporting – analysis of EDP tables and the related questionnaires

The main issue during the April 2015 EDP Notification was the verification of the correct statistical recording in the EDP and GFS data of the pension reform enforced in January 2014 (see also item 9 for details). Due to its complexity, the issue had been extensively discussed between Eurostat and the Polish authorities through ex-ante consultations prior to notifying the data. The relevant guidance was communicated in the Eurostat letters sent to the GUS and published on the Eurostat website.³

In particular, the presentation of the amounts related to the security slider linked to the gradual transfer of assets from the second (open pension funds) to the first-pillar of the pension system was discussed and agreed to be shown separately in the EDP Table 3E in the future notifications.

Also, it was confirmed that the Polish authorities would correct the recording of the project for the Poznań incineration plant in EDP Table 3B which was included in the government debt but not in the government net lending/borrowing (EDP Table 2C) in the April 2015 EDP Notification.

In addition, Eurostat noted that according to ESA no government revenue from dividends from the National Central Bank had been recorded for the last three years. The total amount of transfers were regarded as withdrawal of equity (super-dividend) and registered as financial transaction without impacting the net borrowing/net lending (B.9), indicating that the Bank had negative operating profit in these years. The Polish statistical authorities were invited to recheck the calculations and inform Eurostat about the results.

As a follow-up of the April 2015 EDP Notification, there was also a number of technical issues assigned to be further clarified. They mainly concerned the consistency of the data on trade credits between the EDP Tables and the Questionnaire related to the EDP notification tables. Also, a potential reporting of the Bank Guarantee Fund support to the financial institutions in the 'Supplementary tables on government interventions to support financial institutions' was investigated in the context of the ongoing update of the questionnaire and of the related instructions for its completion.

³ <http://ec.europa.eu/eurostat/web/government-finance-statistics/methodology/advice-to-member-states>

Findings and conclusions

Action Point 2. The Polish statistical authorities will present separately, in the EDP Table 3E, the amounts related to the security slider linked to the gradual transfer of assets from the second (open pension funds) to the first-pillar of the pension system (deadline: October 2015 EDP Notification)⁴

Action Point 3. The Polish statistical authorities will correct EDP Table 2C in order to include the effect on net lending/net borrowing (B.9) of the project for Poznań incineration plant (deadline: October 2015 EDP Notification)⁵

Action Point 6. The Polish statistical authorities will confirm to Eurostat the recording of the super-dividend from the National Bank of Poland in the EDP Notification.⁶

Action Point 12. The Polish statistical authorities will assure the consistency between EDP Table 4 and Table 4 of the Questionnaire related to the EDP notification tables in relation to other accounts payable linked to trade credits (deadline: October 2015 EDP Notification).⁷

Action Point 13. The Polish statistical authorities will investigate the reporting of the Bank Guarantee Fund support to the financial institutions in the 'Supplementary tables on government interventions to support financial institutions' (deadline: October 2015 EDP Notification – pending on the update of the questionnaire).⁸

4. GFS revision policy, impact on and coordination with national accounts

Introduction

GUS informed Eurostat that the revision policy is being developed in coordination with the National Bank of Poland.

Discussion and methodological analysis

GUS raised questions concerning the revision policy to be applied in the context of reclassification of units. In particular, they were interested in the guidelines concerning the frequency and need to revise historical data due to changes in the scope of the general government sector, mainly due to reclassification of public corporations.

⁴ Action Point 2 was completed on 30th of September 2015.

⁵ Action Point 3 was completed on 30th of September 2015.

⁶ Action Point 6 was completed on 30th of September 2015.

⁷ Action Point 12 was completed on 30th of September 2015.

⁸ Action Point 13 was completed on 31st of March 2016 due to revision of questionnaire for April 2016 EDP Notification.

Eurostat highlighted that the EDP statistics is a specific field of high administrative usage and implications in the EU policy making. Thus, the EDP figures, in particular for the last four notification years, should be exact. The alignment of the related GFS accounts should follow. GUS raised the issue of the reclassification of units in the context of the uncertainty about their market/non-market character for further years. Eurostat explained that the reclassification should happen earlier than after the rule of 3 years applied in Poland, in case there are expectations that the public unit will continue to be non-market (i.e. it is put in liquidation or reduces its operations). Furthermore, Eurostat explained that the reclassification of the unit in the government sector must be at the time when the unit ceases meeting the market/non-market test (50% criterion), i.e. implying a time-series break. This is contrary to the situation where the unit is reclassified inside general government due to implementation of new accounting rules (like the transition from ESA 95 to ESA 2010) where the reclassification should take place for all the years of the unit's operations.

Eurostat explained that the reclassification should take place as early as possible, taking into account the rules explained in the Manual on Government Deficit and Debt (MGDD). Eurostat pointed out that such cases should be carefully considered taking also into account the size of the units and their likely impact on government deficit and debt.

5. Methodological issues and recording of specific government transactions

5.1. Delimitation of general government

5.1.1. Changes in sector classification due to ESA 2010

Introduction

Prior to the visit, GUS highlighted some pending issues related to the sector classification in the context of implementation of ESA 2010 to Eurostat. They concerned two major entities Industrial Development Agency (*ARP - Agencja Rozwoju Przemysłu*) and Polish Investments for Development (*PIR - Polskie Inwestycje Rozwojowe*). Due to their importance, they were discussed under separate agenda item (see point 5.1.4.1 and 5.1.4.3 below).

Next, GUS indicated a number of public units to be reclassified inside general government due to the results of market/non-market test. The units concerned were: Kopalnia Soli "Wieliczka", Kopalnia Soli Bochnia, Kaliskie Linie Autobusowe, Miejska Komunikacja Samochodowa and Instytut Ochrony Roślin - Państwowy Instytut Badawczy.

In addition, GUS informed Eurostat that the Polish statistical authorities had not yet fully implemented ESA 2010 rules concerning head offices and holding companies and that the work was ongoing. GUS indicated that, according to their preliminary analysis, there were 30 public entities which potentially could meet the ESA 2010 definitions of a head office or of a holding company.

Discussion and methodological analysis

First, Eurostat enquired about the deficit/debt impact of the re-classification of the above mentioned five public non-market enterprises. GUS informed that the impact will be minor and re-confirmed that the reclassification would be undertaken for the October 2015 EDP Notification.

Next, the discussion focused on the ongoing analysis of potential head offices and holding companies as defined in ESA 2010. Eurostat asked in detail about the work conducted and about the foreseen timetable for its finalisation. It recalled that, in the context of ESA 2010, government controlled holding companies should be reclassified inside general government. Eurostat further explained that, often, the number of employees could be a very useful element treated as a proxy for making the distinction in the absence of other information. The head office should exercise managerial activities and thus should employ a relevant number of staff to conduct these duties. Furthermore, it was pointed out by Eurostat that the *Questionnaire on government controlled entities* does not currently cover units with less than 9 employees.

GUS informed Eurostat that it was planning to establish a statistical survey to obtain information about small units (with less than 9 employees). It would be a one-off questionnaire and would be based on a sample of 5% of the population to be conducted in 2015. Eurostat suggested including a question on the counterparts for the sales of services by holding companies/head offices. GUS stated that it would take this remark into account in the final version of the questionnaire.

Regarding units with more than 9 employees, an analysis of holding companies/head offices was planned to be finalised for the October 2015 EDP Notification.

Eurostat also pointed out that it is important to analyse at which level the debt is being held (at the level of the head office or in the subsidiaries themselves). If the latter is the case, the situation of each company should be analysed on a case-by-case basis.

Furthermore, Eurostat enquired about the potential impact of the Eurostat guideline being developed related to the negative net interest charge in the calculation of market/non-market test. GUS provided some preliminary results of their investigation and stated that the related revisions would be implemented in the EDP Notification following the publication of the 2016 edition of the Manual on Government Deficit and Debt (MGDD).

Findings and conclusions

Action Point 4. The Polish statistical authorities will complete the review of the sector classification of holding companies and head offices and will inform Eurostat about the results and the potential statistical implications due to classification in general government (deadline: October 2015 EDP Notification for big public entities and April 2016 EDP Notification for other entities).⁹

Action Point 14. The Polish statistical authorities will analyse and undertake the necessary reclassifications linked to the update of Manual on Government Deficit and Debt

⁹ Action Point 4 was completed respectively on the 30th of September 2015 and on the 31st of March 2016.

provisions on negative interest charge (deadline: April 2016 EDP Notification - pending on the update of the MGDD).¹⁰

5.1.2. Reclassification of units between sub-sectors of the general government

Introduction

GUS, in co-operation with the Statistical Office in Wrocław, analyses all public units registered in the register of statistical units (BJS) on an ongoing basis using, among others, data from the statistical surveys (SP – Annual Business Survey and F-02 – Statistical Financial Statement) to assess their market/non-market nature using the 50% criterion. The sector classification of all units with the ratio below 50% is analysed and discussed at the General Government Statistics Working Group meeting (consisting of the representatives from GUS, MoF, NBP, Statistical Offices in Wrocław and in Katowice).

One of the issues encountered during this work is the identification of public units in the context of the frequently changing percentage of government ownership, even on a quarterly basis. GUS explained some practical difficulties with the potential frequent reclassifications between the sub-sectors of general government.

GUS pointed out as a particular example the Port Lotniczy Szczecin Goleniów Sp. z o.o. which was classified in the local government subsector in 2014 on the basis of data from annual business survey for 2010-2012. The survey showed that the local government subsector had more than 50 % of the company shares. In 2014, the unit was included in quarterly survey used for the debt calculation (RF-02) showing that, in the 3rd quarter of 2014, the 52 % of the company shares were owned by central government and not by local government units.

Discussion and methodological analysis

Eurostat explained that, in this particular situation, it is important to establish the controlling unit of the analysed entity. It further clarified that the control is not only assessed on the basis of the ownership share. Factors such as special powers held by a particular sub-sector or decision making powers must also be considered. The Polish statistical authorities were advised to analyse the statutes of such units or other legal acts in order to find an indication of the controlling unit and classify the entity accordingly. The analysis should be conducted by shareholders individually and by sub-sectors. Eurostat also recalled that any unit which would be owned in majority by government should be classified in the general government sector even if the control would be undertaken by different levels of government.

¹⁰ Action Point 14 was agreed for implementation in the October 2016 EDP Notification.

5.1.3. Government controlled entities classified outside the general government (public corporations)

Introduction

At the end of 2013, Eurostat received the Polish reply to the 'Questionnaire on government controlled entities classified outside general government'. The information provided in the Questionnaire is used by Eurostat, among others, for compilation of data series on 'Liabilities of government controlled entities classified outside general government' that are published on the Eurostat website in the context of Directive 2011/85/EU and of Eurostat data collection on contingent liabilities.

Discussion and methodological analysis

Eurostat thanked GUS for providing the completed Questionnaire and investigated some issues linked with the coverage and completeness of the data reported. In particular, Eurostat pointed out that the questionnaire does not include small units employing 9 persons or less. GUS explained that such units are not covered by the exhaustive Structural Business Statistics (SBS) surveys and that there were no possibilities at present to include them due to their great number (3 million small units).

Next, Eurostat asked for clarification on the availability of data for units listed in the questionnaire but for which data on liabilities are not reported. Eurostat pointed out that there were some units (34 entities) listed for which the data on liabilities are not reported. Out of these, 6 units are classified in the financial sector (S.12) (these are: PZU Asset Management, PKO BP Bankowy, PTE PZU SA, TFI PZU SA, KGHM Towarzystwo Funduszy Inwestycyjnych and MS TFI).

Findings and conclusions

Action Point 5. Concerning the Questionnaire on government controlled entities classified outside general government, the Polish statistical authorities will introduce a four-digit NACE classification for the data reported and will investigate the availability of data on liabilities for entities for which these figures are currently not reported (deadline: December 2015)¹¹.

¹¹ Implementation of Action Point 5 is being followed-up by Eurostat.

5.1.4. Sector classification of specific units

5.1.4.1. Sector classification of the Industrial Development Agency JSC (Agencja Rozwoju Przemysłu - ARP S.A.)

Introduction

Prior to the meeting, the Polish authorities had provided extensive information on the functioning of the ARP and also their views on its appropriate sector classification in national accounts.

The ARP S.A. is a company exclusively owned of the State Treasury, employing around 350 people. Its main activity is providing funds for business entities (NACE 64.92.Z other forms of granting credits). Its secondary activities include other concessionary financial activity, other business and management consultancy activities, purchase and sale of real estate on own account, rental and management of possessed or rented real estate and hotel and catering activity in monument reservations.

The ARP S.A. offers a wide range of financial products. They are available for both large enterprises (financing of development of enterprises, state aid for rescuing and restructuring) and small and medium enterprises implementing innovations and financing innovative projects.

The Company's governing bodies are: the General Meeting, the Supervisory Board and the Management Board. The resolutions of the governing bodies of the Company are taken by an absolute majority of votes. The functions of the General Meeting in the ARP S.A. are performed by the Minister of the Treasury. The consent of the General Meeting (the Minister of the Treasury) is required for a number of legal actions of the company that are stipulated in the statute of the company.

In 2015, its capital amounted to approximately 5 bln PLN (0.3% GDP). All the shares are owned by the State Treasury. The main source of financing is as follows: equity capital (92.7%), the Entrepreneurs' Restructuring Funds (for granting aid for rescuing and restructuring entrepreneurs), a loan from the BGK guaranteed by the State Treasury and the issuance of bonds.

In the context of the changing economic environment, the Management Board has been in the process of redefining the tasks of the Company. The strategy and scope of activities of the ARP S.A. are planned to be based on three equivalent pillars: INNOVATIONS, RESTRUCTURING and INVESTMENTS. The implementation will be conducted through a new tool, the operations of closed-end non-public investment funds: FIZAN of the ARP companies and FIZAN the ARP Real Estate. The first one is dedicated to production and service companies, which are located in the portfolio of the ARP S.A. The second concentrates on the real estate of the portfolio companies, on the real estate owned by the Agency and on the undeveloped real estate for special economic zones.

The entity cooperating in this area is Towarzystwo Funduszy Inwestycyjnych BGK S.A. The ARP S.A. concluded a cooperation agreement with Towarzystwo Funduszy Inwestycyjnych BGK S.A., under which the aforementioned funds were established.

Discussion and methodological analysis

GUS informed that the ARP S.A. had been classified in the financial institutions sector in the subsector S.126 (financial auxiliaries). The branches of the agency including special economic zones were not regarded as institutional units according to the context of ESA 2010. The foundations established by the ARP S.A.: PRO ARTE ET HISTORY and Foundation Innovation Centre FIRE had been classified in sector S.15 (non-profit institutions serving households). GUS asked Eurostat for advice regarding the sector classification in the national accounts of the new tool – closed-end non-public investment funds established by ARP S.A.

Firstly, Eurostat highlighted that there was a need to re-visit the classification of the ARP S.A. in the context of the new strategy being implemented and the MGDD provisions regarding the government-controlled captive financial institutions.

At the beginning of discussion, it was agreed that the ARP S.A. is controlled by the government sector as the State Treasury is the sole shareholder. Next, different aspects were extensively analysed, and in particular Eurostat raised a number of questions aiming at assessing whether the unit has control over its liability and/or assets. In particular, an investigation of the composition and powers of the Management Board and Supervisory Board took place. The scope of the economic activities of the unit was also discussed in detail.

In conclusion, Eurostat highlighted the following crucial elements for the sector classification of this unit. The ARP S.A. is an entity governed by a special legislation where government has extensive controls over both assets and liabilities. The main goal of the ARP is not to maximise the profits but to implement public policies. Government is taking most of the decisions directly through its powers in the Supervisory Board and the General Meeting. The unit has been regularly recapitalised in the last 4 years, following legal provisions. The recapitalisations are fixed by law and are linked to the privatisation proceeds of the State linked to the units restructured by the ARP S.A. The capital injections were made both in cash and in shares. The pay-out of fees and dividends were pre-defined by law regardless of the results of the ARP S.A.

In the context of the above, Eurostat stated that ARP S.A. should be classified inside general government together with the funds it manages. In addition, Eurostat pointed out the need to investigate other entities at local level that operate similarly to the ARP S.A. in the context of their potential reclassification to general government as government controlled captive financial institutions.

Findings and conclusions

Action Point 7. The Polish statistical authorities will reclassify into general government the Industrial Development Agency (ARP S.A.) and the investment funds this entity manages (deadline: October 2015 EDP Notification).¹²

Action Point 8. The Polish statistical authorities will conduct an analysis of the entities at regional and local level with some features similar to the Industrial Development Agency (ARP S.A.) in view of their potential reclassifications to general government (deadline: April 2016 EDP Notification).¹³

5.1.4.2. Sector classification of mining companies

Introduction

Prior to the visit, GUS had provided an extensive analysis of the structure and the functioning in the coal mining industry in Poland. In summary, the branch of industry related to mining consists of units conducting coal mining, companies trading in coal and other units supporting the mining sector.

In June 2015, there were 28 mines, both private and public, operating in the coal mining, grouped in 7 companies: Kompania Węglowa S.A. – 14 mines, Jastrzębska Spółka Węglowa S.A. – 5 mines, Katowicki Holding Węglowy S.A. – 4 mines, Tauron Wydobycie S.A. – 2 mines, Lubelski Węgiel "Bogdanka", Przedsiębiorstwo Górnicze "SILESIA" and Zakład Górniczy "Siltech" with one mine each.

Public entities involved in the coal trade are mainly: Węglokoks S.A. (100% of shares belong to the State Treasury), Katowicki Węgiel Sp. z o.o. (a subsidiary of Katowicki Holding Węglowy S.A.) and Polski Koks S.A. (a subsidiary of Jastrzębska Spółka Węglowa S.A.).

Additionally, in the coal mining sector, there is a restructuring company running physical liquidation of mines after they finish the process of coal mining, and dealing with the management of non-production property of the mines. The company is Spółka Restrukturyzacji Kopalń S.A. (100% of shares belong to the State Treasury).

Due to the difficult situation in the hard coal sector, a recovery program was being implemented for Kompania Węglowa S.A. It assumed the transfer of 4 mines to the Spółka Restrukturyzacji Kopalń S.A. (SRK S.A.) in order to conduct the restructuring and then sell them to investors or transform them into employee-owned companies.

The remaining 11 mines will be transferred to the newly created special purpose vehicle (Nowa Kompania Węglowa). Non-production property not related to mining is intended for liquidation or sale.

At the moment, there are no grounds (based on market/non-market tests) to reclassify the public mines extracting coal into the general government sector. According to the MGDD guidelines, the Spółka Restrukturyzacji Kopalń S.A. was included in the general government sector in April 2015 EDP Notification.

¹² Action Point 7 was completed on the 30th of September 2015.

¹³ The implementation of Action Point 8 was postponed until the 30th of June 2016.

Discussion and methodological analysis

Eurostat very much appreciated the information provided by the Polish authorities providing a clear picture of the situation and the developments in the coal mining sector in Poland. Eurostat enquired about any new developments and progress regarding the restructuring programme. In particular, the questions were asked about the financial standing of the new unit to be created - Nowa Kompania Węglowa.

GUS informed Eurostat that, according to information received from the Ministry of the Treasury, a plan on the creation of the new unit Nowa Kompania Węglowa is still under preparation. It was agreed that once the plan is finalized, GUS will analyse the relevant statistical recording of this unit and the related transactions (i.e. a transfer of assets and debt) and will inform Eurostat about its findings. Also, Eurostat encourage GUS to continue monitoring the situation, in particular the market/non-market test results of entities involved in the context of the deteriorating situation in this industry.

Findings and conclusions

Action Point 9. The Polish statistical authorities will analyse the situation of the new unit Nowa Kompania Węglowa and will send to Eurostat the results of the analysis, together with the business plan of this entity (deadline: October 2015 EDP Notification).¹⁴

5.1.4.3. Sector classification of the unit 'Polish Investments for Development' (Polskie Inwestycje Rozwojowe S.A.)

Introduction

The sector classification of the unit Polskie Inwestycje Rozwojowe (PIR) S.A. was discussed during the standard dialogue visit in 2013 and the ad-hoc ESA 2010 visit in 2014. It was analysed in the context of having a character of a government-controlled captive financial institution. In the view of the expected changes of the statute, the company had been temporarily classified in S.127 (captive financial institutions and money lenders (S.127)). In 2015, the statute of the company was changed as well as some important aspects of its activities. As a result, it was decided that the sector classification of the unit should have been re-visited during the EDP dialogue visit of 2015.

PIR S.A. was created by the Minister of Treasury in 2012 on the basis of the Code of the Commercial Companies as a purpose investment company. It is a joint stock company with the company bodies including the general assembly, the supervisory board and the board of directors. The owners are the State Treasury, owning 98,7% of the shares and Bank Gospodarstwa Krajowego with 1,3% of the shares.

According to the modified company statute published in May 2015, the main activity of the PIR S.A. would be the management of investment funds. PIR S.A. would realize its activities in cooperation with Bank Gospodarstwa Krajowego (BGK) and Towarzystwo Funduszy Inwestycyjnych BGK S.A. (TFI BGK S.A.) To this end, it was foreseen that PIR S.A. and BGK will create 4 closed-end investment funds (FIZ): two infrastructure investment funds, a local-government investment fund and a corporation's investment fund.

¹⁴ Implementation of Action Point 9 is pending on the final decision about the restructuring process.

The funds would be created within the existing TFI BGK S.A. structure. PIR S.A. would appear simultaneously as the owner of investments certificates and as the manager/operator of the investment part of each fund, while the liquid assets of each fund will be managed by TFI BGK S.A.

Discussion and methodological analysis

GUS provided Eurostat with its views on the appropriate sector classification of PIR S.A. following the recent changes in the statute. GUS maintained its opinion that PIR S.A. is a public institutional unit but its main area of activity had changed in the direction of financial auxiliary functions. Due to the substance of the main PIR activities and its performance, GUS considered that it would be adequate to reclassify PIR from S.127 to the S.126 (financial auxiliaries) sub-sector: managers of pension funds, mutual funds, etc.

Concerning the sector classification of funds managed by PIR, according to the available information concerning their character and rules of their management and predicted profitability, in GUS's opinion, they should be classified in the subsector non-MMF investment funds (S.124).

Eurostat enquired in detail about the functioning of the PIR S.A. and the related funds following the changes in their statutes.

Eurostat re-visited several aspects linked to the set-up and the functioning of the PIR S.A. discussed during the visit in 2013, in order to understand the impact of the changes enshrined in the new statutes. Eurostat investigated the autonomy of decision of PIR S.A. in great deal. The Polish authorities described the relevant staff recruitment and dismissal procedures, the composition of its management bodies and its decision making processes. The Polish authorities also informed Eurostat about the investment policies and the level of profitability required in selected projects. Eurostat raised a number of questions with the aim to obtain a better understanding of the PIR cooperation with the BGK and of the interrelations and interactions with the government.

The role of BGK was analysed, in particular in the context of the decision making process linked to the selection of the investment projects to be undertaken. Eurostat also enquired about the safeguards against government influence on the selection of the projects and the financing terms.

In conclusion, Eurostat confirmed the correctness of GUS analysis and agreed to the proposed sector classification of the PIR and the related investment funds. Also, the sector classification of the Bank Gospodarstwa Krajowego in S.12 was re-confirmed. Eurostat highlighted the fact that PIR is able to control its assets and can incur liabilities under its own responsibility. It was also crucial for the analysis that the above mentioned funds would be managed according to market rules and that each type of fund would have a rate on return targets based on the market benchmarks. The investment process rules are supposed to be based on the rules applicable in the private sector. According to the information provided, there are satisfactory safeguards envisaged for the State not to be involved in the investment decision process and there are no State guarantees foreseen.

Findings and conclusions

Action Point 10. The Polish statistical authorities will provide to Eurostat the current version of the investment strategy and the investment decision process of the Polish Investments for Development (PIR S.A.) (deadline: end-August 2015).¹⁵

Action Point 18. As far as the Bank Gospodarstwa Krajowego and the Polish Investments for Development (PIR S.A.) are concerned, Eurostat invites the Polish statistical authorities to monitor whether any operations should be re-routed through government accounts due to explicit government instructions or due to projects carried out at non-market conditions (progress report April 2016 EDP Notification).¹⁶

6. ‘Investment Plan for Europe’ – involvement of the Bank Gospodarstwa Krajowego (BGK) and of the Polish Investments for Development (PIR)

Introduction

BGK will be one of main partners of the European Investment Bank (EIB) for implementing activities under the European Fund for Strategic Investment (EFSI) in Poland, in the form of assessing both market needs and particular investment projects. BGK has already launched very specific discussions with the EIB on particular areas of cooperation, including the development of a new guarantee scheme for supporting the small and medium enterprises (SME) sector, infrastructure financing as well as the supporting of the Polish companies in the expansion phase.

BGK’s role would be based on increasing its engagement in areas in which the bank is already very active, such as providing debt financing (credits and guarantees) to large infrastructure projects or supporting SMEs in the portfolio guarantees scheme. Potentially, BGK may enter also into new areas of cooperation with the EIB such as investment activities.

Discussion and methodological analysis

Eurostat enquired about the status of the various projects linked to the EFSI. The Polish authorities explained that it was impossible to deliver more details at this stage as the relevant works at the EU level was still not finalized (adopting the relevant Regulation, including Investment Guidelines and EFSI Agreements, as well as establishing the European Investment Project Pipeline). They highlighted however that, in accordance with art. 6 (1) of the EFSI Regulation, all projects financed within the framework of EFSI shall be economically viable according to a cost benefit analysis.

¹⁵ Action Point 10 was completed.

¹⁶ Progress report on Action Point 18 was provided on the 7th of April 2016.

Findings and conclusions

Action Point 11. The Polish statistical authorities will provide to Eurostat an updated note on the role of the Bank Gospodarstwa Krajowego and Polish Investments for Development (PIR S.A.) in the 'Investment Plan for Europe', as soon as the relevant details related to financial instruments and amounts involved have been established (deadline: end-November 2015).¹⁷

7. Implementation of accruals principle

7.1. Cash and accrued interest in EDP tables

Introduction

As customary, in order to verify the recording of interest in the Polish EDP Notification, Eurostat requested GUS to provide an updated one-off questionnaire on reconciliation of flows entered into the EDP tables.

Discussion and methodological analysis

A technical analysis of the reply to the above questionnaire took place. In general, Eurostat confirmed the correctness of the recording of interest in the EDP Notification. Some minor presentation issues were assigned for bilateral clarification after the visit.

8. Recording of specific government transactions

8.1. Government guarantees

Introduction

The Polish authorities provided a detailed list of government guarantees granted to public and private companies in 2014. There were no cash guarantee calls or repayments on guarantees during this period. One case of the debt assumption was reported.

Discussion and methodological analysis

Eurostat thanked the Polish authorities for the detailed information provided and confirmed its consistency with the data included in the Questionnaire related to the EDP notification tables and the Eurostat Supplement on contingent liabilities and potential obligations linked to the provisions of Directive 2011/85/EU. Eurostat focussed on the availability of data on guarantees granted by local government units. In particular, questions were asked about the lacking split for public corporations and financial corporations and missing data on standardised guarantees.

¹⁷ Action Point 11 was completed on the 23rd of December 2015.

GUS explained that the basic information on local government guarantees are included in the report on the realization of the local entities budgets from the Ministry of Finance (total stock, new guarantees provided, cash calls payments, repayments by original debtors). GUS had proposed to supplement the report with detailed data concerning standardized guarantees, and with a distinction of the local guarantees between banks and financial institutions on one side and public non-financial institutions on the other side. GUS informed Eurostat that no positive feedback from the Ministry of Finance on this suggestion had been received so far.

Findings and conclusions

Action Point 15. The Polish statistical authorities will investigate with the Ministry of Finance how to improve the availability of data on one-off guarantees for public corporations and financial corporations as well as on standardised guarantees at the level of local government (deadline: 11 December 2015).¹⁸

8.2. Government claims, debt assumptions, debt cancellations and debt write-offs

The discussion was merged with point 8.3 below.

8.3. Capital injections in public corporations, dividends, privatization

Introduction

Prior to the visit, GUS had provided to Eurostat a detailed list of dividends paid to government in 2011-2014 by individual companies as well as their respective profits.

Discussion and methodological analysis

Eurostat took note of the information provided and confirmed its consistency with the data reported in Table 10 of the Questionnaire related to the EDP notification tables.

The issue of availability of information on dividends at the local government level was raised. Additionally, Eurostat enquired in general about the availability of data for local government in transactions where no cash transfer takes place, i.e. guarantees, capital injections, accruals for interest, debt assumptions and debt cancellation, etc.

GUS explained that the main data source for local government is the budgetary reporting, reflecting predominantly transactions involving cash transfer. It is usually complemented by other sources; however the availability of information varies depending on the type of the transaction. According to GUS assessment, the situation is not satisfactory for debt assumption and debt cancellation, accruals for interest as well as leaseback operations.

¹⁸ Action Point 15 is ongoing.

Findings and conclusions

Action Point 16. The Polish statistical authorities and the Ministry of Finance will examine how to include, in the EDP reporting, the transactions at the level of local government which are not reflected in budgetary reporting because no cash transfer takes place (deadline: progress report October 2015 EDP Notification; full implementation April 2016 EDP Notification).¹⁹

8.4. Sale and leaseback operations

Introduction

In the April 2015 EDP Notification, the Polish statistical authorities reported that there were no sales and leaseback operations in Poland. The issue of the sale and leaseback operations were introduced to the agenda of the EDP dialogue visit at the initiative of GUS. Prior to the visit, GUS informed Eurostat that it had identified leaseback operations in three local government units: the Krośnice Gmina Office, the County Office in Kluczbork and the Wrocław Gmina Office. The Polish authorities thoroughly described the details of these contracts and presented the analysis and their view concerning the appropriate statistical recording in national accounts, which can be summarised as follows:

- the project in the Krośnice Gmina Office had been correctly considered by the local government unit as a financial leasing. It was recorded as such and included in general government deficit and debt, so no data revision would be required;
- the project in the County Office in Kluczbork is assessed by GUS to be a financial leasing agreement. It has been considered by the local government unit as an operation leasing. It has not been so far included in the general government deficit and debt so the data revision would be required;
- the project in the Wrocław Gmina Office is assessed by GUS as a financial leasing agreement. It had been considered by the local government unit as an operational leasing. It has not been included in general government deficit and debt so far, so a data revision would be required.

GUS informed that due to the very minor implications of such projects on government deficit and debt, the necessary revisions will be implemented for the October 2015 EDP Notification and it would undertake steps aiming at regular acquisition of information about possible leaseback contracts.

Discussion and methodological analysis

Eurostat thanked the Polish authorities for providing this new information and appreciated the initiative to ensure the appropriate reporting of sales and leaseback operations in future EDP notifications.

¹⁹ Action Point 16 is ongoing.

In addition, Eurostat investigated the circumstances which allowed for the reporting of the sale and leaseback agreements in Poland that were not identified before; whether it was linked to new data sources, new reporting procedures or other factors.

GUS explained that until now there had been no single data source or reporting allowing for the identification of sales and leaseback operations for local government. The information was mainly obtained from the press and then the relevant local authorities were contacted in order to obtain more details about the contracts signed and the budgetary reporting applied. GUS informed that it had undertaken steps aiming at regularly acquiring information about potential sale and leaseback contracts. From 2017, regular reporting to GUS will be launched at the level of local government and will include data from both lessees and lessors.

At the level of central government, these transactions are covered by the budgetary reporting to the Ministry of Finance. Until now, no such contracts were reported.

Eurostat welcomed the measures foreseen to systematically gather information on the sales and leaseback operations conducted by local government. Eurostat stressed that particular attention should be paid to the cases where an agreement is signed with a public unit in order to ensure a proper statistical recording.

Findings and conclusions

Action Point 17. The Polish statistical authorities will follow-up on the appropriate recording of the sales and leaseback operations, in particular to ensure that the sales are not recorded as revenue of local government in case of financial leasing operations. Eurostat recommends the Polish statistical authorities to monitor the sales and leaseback operations conducted with the public units (deadline: October 2015 EDP Notification).²⁰

9. Polish pension system

Introduction

In December 2013, the Polish parliament adopted a law on amendment of certain acts in relation to the definition of principles for pension payments from funds collected in private open pension funds (OFE) that introduced major changes in the Polish pension system.

As a result, on the 3rd of February 2014, 51.5% of the assets gathered in the mandatory fully funded defined contribution second pillar (OFE) were transferred to the first, pay-as-you-go, pillar, managed by the Social Insurance Institution (ZUS). The value of the transferred assets was registered on the already existing accounts in ZUS, the so-called sub-accounts which are subject to indexation via the rate of nominal GDP growth.²¹ At the same time, 51.5% of the

²⁰ Action Point 17 was completed on the 30th of September 2015.

²¹ In its letter of 10 February 2014, Eurostat expressed its view that the sub-accounts should be classified in the general government sector with no associated liabilities to be recorded in the balance sheet of ZUS http://epp.eurostat.ec.europa.eu/portal/page/portal/government_finance_statistics/documents/PL-Ex-ante_consultation-Subaccounts.pdf

assets recorded in the individual accounts of each member in OFE were cancelled. The remaining part of accumulated assets (48.5%) stayed in the open pension funds and cannot be withdrawn by their current members.

Furthermore, the reform of 2013 established the following way of allocation of pension contributions (19.52% of the gross wage): 12.22% of the gross wage - on the ZUS account, 4.38% - on the ZUS sub-account and 2.92% - on the OFE account or ZUS sub-account.

Regarding the last component of the pension contribution (2.92%), the insured person may decide if the funds will be directed to the ZUS sub-account or to the OFE account. The decision could only be taken during the so called 'transfer window' period from the 1st April of 2014 to the 31st of July 2014, then during the same months of 2016 and then every four years.

In case an OFE member or a person entering the labour market does not deliver to ZUS a statement with his/her decision, it is presumed that they want to pay the total contribution to ZUS. The decision can then be changed during the above mentioned 'transfer windows'.

The OFE participants, who have less than 10 years left until the statutory retirement age, are not eligible to choose to continue to pay a part of their contributions to OFE - all of their contributions are now paid to ZUS.

The reform also foresaw a gradual transfer of members' assets accumulated in OFE to ZUS, starting 10 years of less before retirement (on monthly basis, in cash only) – the so called 'security slider'. Transferred amounts are recorded on the sub-accounts in ZUS.

In 2014, the appropriate statistical classification of the 2013 pension reform in the EDP and ESA data was extensively discussed between Eurostat and the Polish authorities through a process of ex-ante consultations. The eligibility of the Polish pension system for a treatment as a systemic pension reform was also re-assessed by Eurostat in the context of the changes undertaken. The Eurostat's views and relevant guidance was communicated in the letters to the GUS and published on the Eurostat website.²²

In summary, with regard to ESA 2010, Eurostat confirmed its view expressed in 2011 that the sub-accounts are to be classified within the general government sector and that no liabilities are to be recorded for these sub-accounts. Next, Eurostat expressed its opinion that the transfer of assets (in the form of a lump sum) should be viewed as a pre-payment of social contributions and recorded as a financial advance (AF8). In the future, a pre-payment of miscellaneous current transfers (D.75) should be recorded in proportion to the related payments of pensions.

As a result, the lump sum payment will have no impact on the net lending/net borrowing of the general government in the year of the transfer of obligations. The same approach should be followed in the case of asset transfers (in cash) resulting from the 'security-slider' mechanism i.e. a gradual transfer of members' assets accumulated in OFE to the first pension pillar. The transfer of assets should be registered through transactions in the financial account and the redemption of the State Treasury bonds in securities other than shares (AF.3) should be recorded as other changes in volume.

Finally, on the basis of the detailed analysis of the changes introduced, Eurostat expressed its view that, after the amendments in 2013, the Polish pension reform of 1999 was not

²² <http://ec.europa.eu/eurostat/web/government-finance-statistics/methodology/advice-to-member-states>

eligible for a treatment as a systemic pension reform. From 2014, the transfer of the pension contribution to the second pillar ceases to be mandatory and becomes voluntary, which will gradually impact the population coverage.

Discussion

During the meeting, Eurostat thanked the Polish authorities for the efficient cooperation on this complex issue of the statistical recording of the 2013 pension reform. It was confirmed that the Eurostat's guidance had been correctly applied in the EDP tables and GFS data during the April 2015 EDP Notification.

The outstanding issue identified was the mechanism to be used for revenue imputation (D.75) in proportion to the expenditure, alongside with a reduction in the financial advance (AF.8). Eurostat explained that this could be conducted either through the monitoring of accounts for the actual payments of pensions or (in the absence of actual payment information) the expected cash flows resulting from the actuarial calculations.

The Polish authorities explained that it was not possible to identify the actual payments of pensions linked to the transferred assets and that a model would have to be used. GUS and Eurostat agreed to reflect together on the best practical solution in this respect.

Another aspect of the discussion was the sector classification of open pension funds (OFE) following the reform of 2013. Based on the extensive information provided, Eurostat re-confirmed that the open pension funds should be classified outside general government. It emphasized that, from 1 August 2014 onwards, open pension funds ceased to be mandatory, however they remained funded and based on a defined-contribution scheme. The assets held in the second pillar continue to be invested in the market and their return depends on the market developments.

Findings and conclusions

Action Point 19. The Polish statistical authorities and Eurostat will reflect on how to solve the issue of the lack of information on the part of pensions that will be paid, resulting from the value of assets accumulated in the open pension funds, in view of an appropriate estimation of the reduction in the financial advance (AF.8L) (deadline: April 2016 EDP Notification).²³

10. Private-public partnerships (PPPs)

Introduction

Prior to the visit, GUS informed Eurostat that there were four new public-private partnerships projects in preparation in Poland. They were all planned at the level of local government and concerned the construction of 1) the hospital in Żywiec (Śląskie

²³ Action Point 19 is ongoing.

voivodship), 2) the Nowy Sącz Regional Court, 3) the Students' Hostels in Kraków and 4) the waste incineration plant in Poznań.

Discussion and methodological analysis

Eurostat enquired about the progress regarding these investment plans and asked about GUS' views on their statistical classification in national accounts. GUS provided an overview of the current status of the projects. In particular, it explained that regarding the hospital in Żywiec and the Nowy Sącz Regional Court, the copies of the contracts were made available to GUS and they were being analysed, although the financial agreements had not been signed so far.

Regarding a project concerning the Students' Hostels in Kraków (Jagiellonian University-Collegium Medicum), the Polish authorities informed that the contract had been signed in October 2014. GUS informed Eurostat that they were waiting for a copy of the contract, in order to be able to undertake an appropriate statistical analysis.

With regard to the project for the waste incineration plant in Poznań, an extensive discussion took place also involving the representatives of the City of Poznań. It was recalled that the project had been already discussed during the EDP dialogue visit in 2013. The construction phase started in April 2014. Meanwhile, GUS gathered the necessary documentation and conducted the relevant statistical analysis. As a result, GUS decided that the project should be recorded in the balance sheet of the government for the April 2015 EDP Notification.

On the 9th of June 2015, GUS asked Eurostat for formal advice on the appropriate statistical recording of this project. The Polish authorities emphasised that the project had a precursor character as it was likely that it would be repeated in other cities. The Polish authorities provided a thorough description of the project and presented the results of the undertaken statistical analysis. They also described some difficulties encountered during the analytical process, predominantly linked to the access to the relevant information (including the financial agreement).

Eurostat asked GUS both to recall the main characteristics of the project and to summarise the main elements influencing its statistical classification inside general government. GUS explained that the project is performed by the City of Poznań in cooperation with the private company SITA Zielona Góra Sp z o.o. (classified in S.11). The construction work would be finished in 2016 by a private partner, who would then exploit it during 25 years after the construction phase. The private partner would be responsible for waste processing and maintenance of the whole installation. The contribution of the city would be the land on which the installation would be built. The cost of the project was estimated at 919 million PLN (0.06% GDP).

Regarding the financing, the contract foresaw different options. At the time of the EDP dialogue visit, the financial structure was not entirely finalised but it was confirmed that the project would involve the EU funds from the Cohesion Fund earmarked for the private partner in order to cover eligible costs.

Eurostat pointed out that the received EU funds would reduce the cost of the projects for the private partner as well as lower the related availability fees paid by the government. As a consequence, Eurostat emphasized that the ring-fenced EU funds should be regarded as

transparent/neutral in the analysis of the project for statistical purposes and should not impact the analysis of the risks involved following the guidance presented in the MGDD.

Moreover, the issue of penalties and/or reductions in the availability fees were extensively discussed, taking into account the complexity of the legal terminology used in the contract and some disagreements in their interpretations between GUS and the representatives of the City of Poznań.

During the discussion, the issue of the sources of revenue for the private partner was emphasised as being one of the key issues for the statistical recording of such undertaking. Eurostat recalled that the MGDD provides a definition of PPPs as contracts where the majority of the payments for the services were made by the government and not by the final users. Thus, in order to decide on the statistical recording of a project, it would be crucial to establish if its characteristics fulfil this definition and the provision of the guidance related to the PPPs would be applicable in this respect.

In this context, Eurostat enquired about the sources of revenue for the private partner from the waste incineration plant in Poznań. It was explained that the revenues will come from the availability fees, financed mainly through a local tax on waste as well as the revenue from the output produced (energy and heat). At that moment, the preliminary calculations in this respect were available only to the representatives of the City of Poznań.

Findings and conclusions

Taking the above into account, Eurostat informed the Polish authorities that in case they would like to re-discuss the statistical recording of this project, they should provide an updated methodological analysis of the project, including the provision of EU funds, along with the complete set of documents related to the project. The documents should include the finalised version of the contract, a presentation of the financial model and a description of the revenue sources of the private partner. Meanwhile, the statistical recording on the government balance sheet, as recommended by GUS, should be maintained.²⁴

11. Transmission of GFS-tables

The issue of transmission of the EDP tables and EDP Questionnaire to the European Central Bank (ECB) was raised by GUS. Eurostat explained that the approach had been changed and due to the legal considerations linked to the Eurostat Impartiality Protocol, Eurostat would not send anymore the EDP tables or the EDP Questionnaire to the ECB. However, Eurostat emphasized that, nationally, it remains an independent decision of GUS whether the EDP tables and the EDP Questionnaire are shared with the national central bank, and that usually this is settled through a service-level agreement.

²⁴ The approach was then re-confirmed in the Eurostat letter addressed to the Polish authorities: <http://ec.europa.eu/eurostat/documents/1015035/6761701/Advice-2015-PL-PPP-Pozna%C5%84-incineration-plant.pdf>

Annex 1

Agenda

1. Institutional arrangements and data sources
 - 1.1. Review of Upstream Dialogue Visit recommendations
 - 1.2. EDP inventory
2. Follow-up of the EDP standard dialogue visit 8-9 July 2013
3. Follow-up of the latest EDP reporting – analysis of EDP tables and the related questionnaires
4. GFS revision policy, impact on and coordination with national accounts
5. Methodological issues and recording of specific government transactions
 - 5.1. Delimitation of general government
 - 5.1.1. Changes in sector classification due to ESA 2010
 - 5.1.2. Reclassification of units between sub-sectors of the general government
 - 5.1.3. Government controlled entities classified outside the general government (public corporations)
 - 5.1.4. Sector classification of specific units
 - Sector classification of the Industrial Development Agency JSC (Agencja Rozwoju Przemysłu S.A.)
 - Sector classification of the mining companies
 - Sector classification of the unit 'Polish Investments for Development' (Polskie Inwestycje Rozwojowe S.A.)
6. 'Investment Plan for Europe' – involvement of the Bank Gospodarstwa Krajowego (BGK) and the Polish Investments for Development (PIR)
7. Implementation of accruals principle
 - 7.1. Cash and accrued interest in EDP tables
8. Recording of specific government transactions
 - 8.1. Government guarantees
 - 8.2. Government claims; debt assumptions, debt cancellations and debt write-offs
 - 8.3. Capital injections in public corporations, dividends, privatization
 - 8.4. Sale and leaseback operations
9. Polish pension system

10. Private-public partnerships (PPPs)

11. Transmission of GFS-tables

Conclusions

Annex 2

List of participants

1.	Mr Luca Ascoli	Eurostat
2.	Mr Denis Besnard	Eurostat
3.	Ms Małgorzata Szczesna-Rundbreg	Eurostat
4.	Ms Lenka Valenta	Eurostat
5.	Mr Wojeciech Balcerowicz	DG ECFIN
6.	Mr Patrick Grussenmeyer	ECB
7.	Ms Halina Dmochowska	Vice-President of CSO
8.	Ms Maria Jeznach	CSO, National Accounts Department
9.	Ms Olga Leszczyńska-Luberek	CSO, National Accounts Department
10.	Ms Anita Perzyna	CSO, National Accounts Department
11.	Ms Urszula Kapczyńska	CSO, National Accounts Department
12.	Ms Małgorzata Buba	CSO, National Accounts Department
13.	Ms Ewa Szczerbińska	CSO, National Accounts Department
14.	Ms Marta Kotańska	CSO, National Accounts Department
15.	Ms Katarzyna Boraczewska	CSO, National Accounts Department
16.	Mr Jerzy Krysta	CSO, National Accounts Department
17.	Mr Mariusz Madejski	CSO, National Accounts Department
18.	Mr Grzegorz Leszczyński	CSO, National Accounts Department
19.	Ms Agnieszka Tymoszuk	CSO, National Accounts Department
20.	Ms Anna Śliwa	CSO, National Accounts Department
21.	Ms Zofia Wnuk	CSO, National Accounts Department
22.	Ms Magdalena Smólska	CSO, National Accounts Department
23.	Ms Grażyna Mitura	CSO, National Accounts Department
24.	Ma Hanna Gembarzewska	CSO, National Accounts Department
25.	Ms Irmina Cerling	CSO, National Accounts Department
26.	Ms Natalia Baron	Regional Statistical Office in Katowice
27.	Ms Aleksandra Bartoń	Regional Statistical Office in Katowice
28.	Ms Danuta Komorowska	Regional Statistical Office in Wrocław
29.	Ms Bogumiła Szalla	Regional Statistical Office in Wrocław
30.	Ms Martyna Rozynek	Regional Statistical Office in Wrocław
31.	Ms Monika Wygoda	MoF, Macroeconomic Policy Department

32.	Mr Andrzej Szpak	MoF, Macroeconomic Policy Department
33.	Ms Aleksandra Żebrowska	MoF, Macroeconomic Policy Department
34.	Ms Marika Lach	MoF, Public Debt Department
35.	Mr Damian Brzuszek	MoF, Public Debt Department
36.	Ms Karolina Burzyńska	MoF, Local Government Finances Department
37.	Mr Marek Wiewióra	MoF, Local Government Finances Department
38.	Mr Janusz Jabłonowski	NBP, Statistics Department
39.	Mr Tomasz Jędrzejowicz	NBP, Economic Institute
40.	Mr Marcin Kitala	NBP, Economic Institute
41.	Ms Małgorzata Dzięgielewska	MoF, Guarantee Department
42.	Ms Beata Kasprzyk	MoF, Guarantee Department
43.	Mr Piotr Olesiński	MoF, Guarantee Department
44.	Ms Agnieszka Rutkowska	MoF, Guarantee Department
45.	Mr Jacek Skrzyński	MoF, Guarantee Department
46.	Ms Ida Bisecka	MoF, European Union Department
47.	Ms Iwona Lewińska	Ministry of Treasury Republic of Poland, Department of Ownership Supervision
48.	Mr Rafał Dąbrowski	Ministry of Treasury Republic of Poland, Department of Restructuring and State Aid
49.	Mr Marcin Wojniak	Bank Gospodarstwa Krajowego (BGK)
50.	Mr Mariusz Grab	Bank Gospodarstwa Krajowego (BGK)
51.	Mr Sebastian Skuza	Bank Gospodarstwa Krajowego (BGK)
52.	Ms Karolina Kaptur	Bank Gospodarstwa Krajowego (BGK)
53.	Ms Krystyna Chlebowska	Bank Gospodarstwa Krajowego (BGK)
54.	Ms Agata Chmiel	Industrial Development Agency Joint Stock Company (IDA JSC)
55.	Ms Agnieszka Sinior	Industrial Development Agency Joint Stock Company (IDA JSC)
56.	Ms Monika Cichobłazińska	Industrial Development Agency Joint Stock Company (IDA JSC)
57.	Mr Rafał Hubczyk	Industrial Development Agency Joint Stock Company (IDA JSC)
58.	Ms Barbara Sajnaj	City Hall of Poznań
59.	Mr Michał Bitner	City Hall of Poznań
60.	Ms Anna Stachowiak	City Hall of Poznań
61.	Ms Magdalena Zabłocka	City Hall of Poznań
62.	Mr Remigiusz Chlewicki	City Hall of Poznań
63.	Ms Anna Ogrodowczyk	City Hall of Poznań

64.	Mr Michał Lubieniecki	Polish Investments for Development
66.	Ms Joanna Warchoł	Translator
67.	Ms Katarzyna Zając	Translator
68.	Mr Marcin Czerniewski	Translator