Naczyk, Marek

**Taking back control: Comprador bankers and managerial developmentalism in Poland**

*Review of International Political Economy*

APPENDIX A.7.

The creation of Polish Investments for Development (PIR)

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# A.7.1 Summary of evidence on the creation of PIR

|  |  |  |  |
| --- | --- | --- | --- |
| **Actors** | ***“Guilty mind” hoop test***  **Have they *wanted* to create a new developmental finance institution? And from when?** | ***“Guilty act” hoop test***  **Have they *actively participated* in the creation of PIR? And from when?** | **Who has mobilized whom to participate in the creation of PIR?** |
| *Civic Platform (PO) leadership* | PO’s leader, Prime Minister Tusk, himself announces – and, hence, signals his support for – the creation of PIR ([A.7.2.4](#_A.7.2.4._–_Tusk,))  *Inference:* *Hypothesis passes hoop test* | Ministers of Finance (Rostowski) and of the State Treasury (Budzanowski) – both of them PO members – are both directly involved in the creation of PIR ([A.7.2.4](#_A.7.2.4._–_Tusk,))  *Inference:* *Hypothesis passes hoop test* | No evidence of PO leadership (e.g. Tusk) actively mobilizing other actors into creating PIR; Tusk and other PO politicians express their support *when* or *after* the creation of PIR is announced – not *before* it.  All evidence on the decision-making process within the governments points to the agenda-setting and mobilizing role of the European Financial Congress chaired by Jan Krzysztof Bielecki – see cells below  *Inference: Without direct evidence against PO’s leadership role, one could potentially infer that there has been a co-occurrence of PO and other actors’ support for PIR’s creation, but all other evidence points to the fact that the European Financial Congress chaired by Bielecki co-opted other actors into creating PIR* |
| *Law and Justice (PiS) leadership* | Some PiS parliamentarians (e.g. Marek Suski) express their support for the creation of PIR *after* its creation is announced ([A.7.2.18](#_A.7.2.16._–_Sejm))  *Inference:* *Hypothesis passes hoop test* | PiS is not in power when the creation of PIR is announced and there is no evidence of PiS calling for the creation of an institution like PIR before its creation is announced  *Inference: hypothesis fails to pass hoop test* | *Not relevant given failure to pass “guilty act” hoop test* |
| *Ministry of the State Treasury*  *(as a pre-existing developmental institution)* | State Treasury officials directly participate in – and, hence, support – the creation of PIR ([A.7.2.4](#_A.7.2.4._–_Tusk,); [A.7.2.22](#_A.7.2.20._–_Tamborski))  *Inference:* *Hypothesis passes hoop test* | State Treasury officials directly participate in the creation of PIR ([A.7.2.4](#_A.7.2.4._–_Tusk,); [A.7.2.14](#_A.7.2.13._–_Sejm); [A.7.2.22](#_A.7.2.20._–_Tamborski))  *Inference:* *Hypothesis passes hoop test* | The Treasury Undersecretary directly in charge of designing PIR, Paweł Tamborski, states that the State Treasury was “invited” into working on PIR by J.K. Bielecki and L. Pawłowicz ([A.7.2.22](#_A.7.2.20._–_Tamborski))  A response to a FAQ on the Treasury Ministry website states that idea to create PIR was originally developed by the Gdańsk Institute for Market Economics (linked with the European Financial Congress) and L. Pawłowicz ([A.7.2.10](#_A.7.2.9._–_State); see also [A.7.2.13](#_A.7.2.12._–_IbnGR))  *Inference:* “*Comprador” bankers (Bielecki, Pawłowicz*) *co-opted the* *Ministry of the State Treasury into creating PIR* |
| *BGK*  *(as a pre-existing developmental institution)* | BGK’s head (2011-2013), Dariusz Daniluk, expresses his support for PIR when its creation is announced ([A.7.2.5](#_A.7.2.5._–_BGK))  Daniluk’s predecessor, Tomasz Mironczuk (2009-2011) says that, under his leadership, BGK intended to promote a PIR-style developmental fund and project finance ([A.7.2.24](#_A.7.2.24._–_Mironczuk))  *Inference:* *Hypothesis passes hoop test* | BGK participated in the design of PIR before PIR’s creation was announced by Donald Tusk ([A.7.2.22](#_A.7.2.20._–_Tamborski))  *Inference:* *Hypothesis passes hoop test* | The Treasury Undersecretary directly in charge of designing PIR, Paweł Tamborski, states that, like the Ministry of the State Treasury, the BGK was invited into working on PIR by J.K. Bielecki and L. Pawłowicz, and that BGK did not come up with the idea ([A.7.2.22](#_A.7.2.20._–_Tamborski))  The influence of Tomasz Mironczuk’s (head of BGK in 2009-2011) plans to create a development fund is unclear; most actors perceive J.K. Bielecki and others as the key initiators of the PIR project (see cell below); anyway, Mironczuk himself and some of his closest collaborators at BGK had a background as comprador bankers ([A.7.2.24](#_A.7.2.24._–_Mironczuk); A.5.3.9.bios-BGK-heads)  *Inference:* *BGK is highly unlikely to have been the key proponent of the idea to create PIR; most likely it got coopted by comprador bankers* |
| *Top managers of foreign-owned banks* | Through the European Financial Congress chaired by J.K. Bielecki ([A.7.2.25](#_A.7.2.24._–_EFC)), comprador bankers call for the creation of a sovereign wealth fund and an infrastructure development guarantee fund from 2011 (see [A.7.2.1](#_A.7.2.1._–_EFC) and [A.7.2.2](#_A.7.2.2._–_EFC)).  *Inference:* *Hypothesis passes hoop test* | The European Financial Congress (EFC) and, in particular Leszek Pawłowicz, presents its proposals for the creation of a sovereign wealth fund and an infrastructure development guarantee fund to the Ministry of the State Treasury ([A.7.2.3](#_A.7.2.3._–_Pawłowicz,))  The press reports on Bielecki’s and the EFC’s role in developing the PIR concept ([A.7.2.9](#_A.7.2.8._–_Gazeta))  The Gdansk Institute for Market Economics – which co-organizes the EFC – writes expert reports for Ministry of the State Treasury for the design of the institution that eventually becomes PIR  ([A.7.2.13](#_A.7.2.12._–_IbnGR_1))  *Inference:* *Hypothesis passes hoop test* | See elements in row on the role of the Ministry of the State Treasury suggesting that J.K. Bielecki et al. invited Treasury and BGK to discuss PIR rather than the other way around  The press ([A.7.2.9](#_A.7.2.8._–_Gazeta)), the Ministry of the State Treasury ([A.7.2.10](#_A.7.2.9._–_State); [A.7.2.22](#_A.7.2.20._–_Tamborski)), parliamentarians ([A.7.2.14](#_A.7.2.13._–_Sejm_1); [A.7.2.18](#_A.7.2.17._–_Sejm_1)) all see J.K. Bielecki, Leszek Pawłowicz and the EFC as the main originators of the idea to create PIR; so do members of the EFC and Tusk’s Council themselves ([A.7.2.20](#_A.7.2.19._–_Nartowski); [A.7.2.21](#_A.7.2.20._–_Bielecki_1); [A.7.2.23](#_A.7.2.22._–_Nartowski))  *Inference:* “*Comprador” bankers (Bielecki, Pawłowicz*) *co-opted other actors into creating PIR* |
| *Employers’ associations / business groups*  (BCC, KIG, Lewiatan, Pracodawcy RP) | BCC, KIG and PKPP Lewiatan signal cautious support for PIR after its creation is announced ([A.7.2.6](#_A.7.2.5._–_PKPP); [A.7.2.11](#_A.7.2.10._–_KIG); [A.7.2.15](#_A.7.2.14._–_Pracodawcy))  Pracodawcy RP does not signal direct opposition to creation of PIR, but raise some doubts when its creation is announced ([A.7.2.15](#_A.7.2.14._–_Pracodawcy); [A.7.2.16](#_A.7.2.15._–_BCC))  *Inference: Hypothesis passes hoop test though with great difficulty in the case of BCC and Pracodawcy RP* | Ministry of the Treasury holds meetings BCC and Lewiatan participate in consultations over the design of PIR *after* its creation is announced ([A.7.2.16](#_A.7.2.15._–_BCC); [A.7.2.17](#_A.7.2.16._–_Lewiatan)). There is no evidence of similar meetings being held with KIG and Pracodawcy RP.  There is no evidence of employers’ association lobbying for creation of PIR *before* it was announced and all four associations bemoan the lack of details when it is announced ([A.7.2.6](#_A.7.2.5._–_PKPP); [A.7.2.11](#_A.7.2.10._–_KIG); [A.7.2.15](#_A.7.2.14._–_Pracodawcy); [A.7.2.16](#_A.7.2.15._–_BCC); [A.7.2.17](#_A.7.2.16._–_Lewiatan))  *Inference: Hypothesis passes hoop test with great difficulty for all employers’ associations* | Evidence points to *reactive* attitude of employers’ associations. Adam Jasser – Secretary to Tusk’s Council – says that the government had to persuade employers’ associations to support PIR ([A.7.2.21](#_A.7.2.20._–_Bielecki))  *Inference: Employers’ associations did not coopt the Tusk government into creating PIR; Tusk’s Council and the Ministry of the Treasury tried to co-opt employers into supporting the creation of PIR* |
| *Trade unions*  (NSZZ Solidarność, OPZZ) | NSZZ Solidarność and OPZZ both have critical reactions to the announcement of the creation of PIR ([A.7.2.7](#_A.7.2.6._–_NSZZ); [A.7.2.12](#_A.7.2.11._–_OPZZ))  *Inference: hypothesis fails to pass hoop test* | No evidence of activities (e.g. lobbying) for the creation of PIR  *Inference: hypothesis fails to pass hoop test* | *Not relevant given failure to pass hoop tests* |
| *International organizations and international financial institutions* | EBRD signals readiness to continue supporting PIR a year after its creation is announced ([A.7.2.19](#_A.7.2.18._–_EBRD))  No evidence of preferences of other IOs or IFIs before or when PIR is announced  *Inference: Only hypothesis that EBRD is involved passes hoop test* | EBRD signals it has provided technical support to PIR ([A.7.2.19](#_A.7.2.18._–_EBRD))  No evidence of other IOs/IFIs actively participating in the creation of PIR except that Tamborski confirms that they talked with the EIB about PIR  ([A.7.2.22](#_A.7.2.21._–_Tamborski))  *Inference: hypothesis that EBRD is involved passes hoop test with difficulty* | Apart from the fact that there are no calls from IOs/IFIs to create an institution like PIR before its creation is announced, Paweł Tamborski (from the Ministry of the State Treasury) argues that they “made use” of the EBRD’s and EIB’s experience ([A.7.2.18](#_A.7.2.17._–_Sejm); [A.7.2.22](#_A.7.2.21._–_Tamborski_1))  *Inference: IOs/IFIs did not coopt Polish actors into creating PIR; the EBRD and EIB acted as “enablers” of the creation of PIR* |

# A.7.2. Specific pieces of evidence on the creation of PIR

## A.7.2.1. – EFC 2011/05

European Financial Congress (2011, May, 26-7) Recommendations

<https://www.efcongress.com/wp-content/uploads/2020/02/rekomendacje-2011.pdf>

**Recommendation No. 5 – The Treasury’s corporate rights in companies where it has a stake should be concentrated in one body in charge of instilling the principles of market economy and high standards of corporate governance in these companies. In order to achieve this, it is necessary to:**

* Manage value in enterprises of strategic importance for the safe and sustainable development of the country in a manner ensuring an attractive rate of return for all shareholders.
* Introduce success rates (key performance indicators) in treasury companies, including return on capital (total shareholder return), operating profit, cost / income ratio, or market shares that would improve investor relations and increase investment attractiveness. Goals and indicators of success defined in this way would be the basis for the assessment of management boards and supervisory boards.
* Consider establishing a "National Wealth Fund" (name to be discussed), based on the concept of Sovereign Wealth Funds, which would take over shares in companies from the state and manage them based on the principles of an investment fund focused on creating value in the medium and long term.

The recommendation was presented by: Andrzej S. Nartowski

**Recommendation No. 7 – A coherent "National Infrastructure Development Strategy" should be created, which will correctly define investment priorities but, above all, will also identify and ensure long-term and stable sources of financing.**

* Future financing for infrastructure development requires a significant increase in private sector participation (PPP).
* Effective implementation of a policy / strategy requires the creation of a central "PPP Center" within the government administration.
* The increase in non-budget financing of infrastructure investments requires the creation of an "Infrastructure Guarantee Fund" that will not burden the budget and public debt and that will allow to secure risk at an appropriate level.

The recommendation was presented by: Mirosław Gronicki and Krzysztof Opawski

## A.7.2.2. – EFC 2012/05

European Financial Congress (2012, May, 23-5) Recommendations

<https://www.efcongress.com/wp-content/uploads/2020/02/rekomendacje-2012.pdf>

**Recommendation No. 6 – Better management of the country's value**

**We recommend creating a national wealth fund on the basis of separated corporate assets of the Treasury - primarily blocks of shares of companies listed on the stock exchange. The fund manager would exercise ownership supervision over these assets and would implement an investment policy in line with guidelines adopted by the government's governing body. As part of its investment policy, the fund should have the possibility to incur debt and should distribute income from dividends and from the sale of assets to investors in accordance with clearly defined criteria.**

Apart from ensuring a better management of the value of companies under the control of the Treasury, the National Wealth Fund would enable the achievement of two important goals:

* supporting the sustainable development of infrastructure, in particular transport and energy, in a context of limited access to public funds;
* creating a vehicle enabling the purchase of shares of Polish banks in a situation of threat to the stability of the domestic financial system.

(…)

In order to implement the recommendation, the European Financial Congress recommends establishing a permanent working team, attached to the Minister of Treasury, with the participation of experts from the Ministry of the Economy and non-governmental organizations, who would be responsible for:

* analysing the economic rationale for a National Wealth Fund and developing its legal foundations and organizational principles. The National Wealth Fund will take over the management of state-owned shares in companies of strategic importance;

(…)

In addition, a team of experts from the Ministry of Finance and non-governmental organizations should be appointed by the Minister of Transport, Construction and Maritime Economy. The main task of this team should be to develop the legal foundations and political and organizational principles of the Infrastructure Development Guarantee Fund that could use assets accumulated in the National Property Fund.

**Recommendation No. 7 – An idea for infrastructure**

**We recommend:**

* **creating a long-term National Strategy for the Development of Infrastructure and Transport System, covering the perspective of a 25-year implementation period;**
* **establishing an Infrastructure Development Guarantee Fund,**
* **creating stable organizational and financial conditions enabling the long-term development of the infrastructure investment market.**

At present, the lack of a decision to continue creating an integrated network of motorways and expressways and modernizing railway lines is becoming increasingly clear.

Therefore, one can be justified in thinking that Poland lacks a properly defined and properly implemented national strategy for the development of infrastructure and the transport system.

(…)

A coherent vision of a sustainable transport system in Poland is a prerequisite for a rational use of funds in the modernization and development of this system.

It is necessary to develop partnership relations between the state and firms and to develop a catalog of good practices defining mutual relations between the ordering party and the contractor, as well as creating a platform for formulating goals and actions by the public sector and business participants in the process.

Restricting access to public funds makes it necessary to finance investments from private sources, in particular in the PPP formula.

The challenge for the state authorities is to use new infrastructure projects as a factor enhancing the development of the economy. It is necessary to eliminate cases where public procurement becomes a factor destabilizing the market of investment services.

The increase in non-budgetary financing of infrastructure investments makes it necessary to establish an Infrastructure Development Guarantee Fund, which will not burden the budget and public debt, and will allows risks to be secured at the appropriate level.

Under the current conditions, an Infrastructure Development Guarantee Fund seems to be the only real instrument increasing the attractiveness of infrastructure investments for private capital and a guarantor of the implementation of a National Infrastructure Development Strategy

## A.7.2.3. – Pawłowicz, L. 2012/08

Pielach, M. (2012, August 1) Aktywa państwa mogą popracować lepiej [State assets can work better]. *Obserwator Finansowy*

[INTERVIEW with Leszek Pawłowicz]

<https://www.obserwatorfinansowy.pl/tematyka/makroekonomia/finanse-publiczne/aktywa-panstwa-moga-popracowac-lepiej/>

**Obserwator Finansowy: "Puls Biznesu" believes that the establishment of a National Wealth Fund, which you advocate, could prevent nepotism in State Treasury companies. Is that not too optimistic?**

**Leszek Pawłowicz: Unfortunately, it is not possible to eliminate nepotism. It takes place even in reputable private corporations. It is likely, however, that establishing a fund would help reduce it significantly.**

**How?**

**The National Wealth Fund that would be established would have a Council (whose members would be nominated by the Prime Minister) appointing the supervisory boards and management boards of companies. A fund structured in the way, as we propose, should assess management boards by taking into account the results of the companies. (...) However, a better management of the value of Treasury-controlled companies is only one of the objectives of the fund. It is not the most important one.**

**What is more important?**

Making infrastructure projects more attractive for private capital. The National Wealth Fund is primarily an idea on how to raise capital for the construction of road and energy infrastructure. It would be established with the State Treasury contributing to it shares of companies that will not be privatized because of strategic reasons. On the other hand, investment certificates of the National Wealth Fund would constitute an in-kind contribution to the Infrastructure Development Guarantee Fund, which, by reducing a level of risk that is difficult to accept by private investors, would increase the investment attractiveness of infrastructure projects.

This kind of design allows the State Treasury to maintain control over strategic companies while at the same time enabling the use of state-owned assets to support economic development. Not only would it reduce the risk of infrastructure projects for financial investors and private capital, but it would also not increase the budget deficit.

(...)

**Why, however, is a scenario in which power plants and highways are built with the proceeds of the privatization of the largest state-owned companies worse?**

It is not a worse scenario, but it has some limitations. Of course, one can naively think that the whole world operates on the principles of a pure market economy. If that were the case, I would be the first one to privatize because private owners do manage their companies most effectively. The problem is that politics lurks beneath the surface of the economy. We do not sell [oil companies] Orlen and Lotos, and recently [chemical company] Azoty Tarnów, to some companies very interested in their acquisition precisely because we are afraid that those companies are not guided solely by pure economic calculations.

**The fund that you are proposing is universal, like a multifunctional Swiss army knife, because it limits nepotism, it postpones hostile takeovers and it can contribute to road construction or even the "polonization" of banks. Is the latter still relevant after the parent companies [of Polish banks] have met the capital requirements imposed on them by European supervision authorities?**

This idea was suggested to us by [former CEO of Commerzbank-owned BRE Bank and, subsequently, CEO of PIR] Mariusz Grendowicz. In theory, one can imagine that such a fund would help to buy back Polish subsidiaries. For now, however, I do not see such a need or opportunities for that. It would be a different thing if the need to buy Polish banks back resulted from the risk that the Polish banking system would lose stability as a result of, say, a serious threat of cross-border liquidity transfers. The risk of transferring value away from domestic minority shareholders is also significant.

**How long and expensive would the process of creating the National Wealth Fund be?**

All procedures would take a minimum of 9 months. Expenditures would be minimal. It is only a matter of an appropriate political decision – the transfer of ownership of companies towards the National Wealth Fund. However, I realize that this decision is not easy because this raises the question whether the Ministry of the Treasury should exist at all in such an arrangement. We presented this project to, among others, parliamentarians, the Minister of the Treasury, the Minister of Transport. For now, it seems that there is no political support, but this is where our role ends. The strength of the European Financial Congress’s recommendations is that it only relies on the strength of expert arguments. We are trying to present important recommendations that increase the value of the country, but their implementation is no longer up to us.

## A.7.2.4. – Tusk, D. 2012/10

Sejm (October 12, 2012) Sprawozdanie Stenograficzne z 23. posiedzenia Sejmu Rzeczypospolitej Polskiej w dniu 12 października 2012 r. (trzeci dzień obrad) [Full record of the plenary meeting of the Diet – lower chamber of Parliament – on October 12, 2012]

<http://orka2.sejm.gov.pl/StenoInter7.nsf/0/945ED0637D31A632C1257A95007A7BFA/%24File/23_c_ksiazka.pdf>

(…)

Prime Minister Donald Tusk:

Mr. President! Mrs. Marshal! Mr. Marshal! Ladies and Gentlemen, Gentlemen, Members!

The government’s declaration, which has been called the "second exposé", is necessary information after a year of operation, after the first year of operation of the second term of the coalition government of the Civic Platform and the [agrarian] Polish People’s Party.

What is this second exposé for? In order to find ways of protecting Poland against the crisis as effectively as before in 2013 - which will be a difficult year not only for Poland, a year in which there are more question marks than certainty about the development of the economic situation, a year requiring other tools and creative thinking about it.

This so-called second exposé will be largely devoted to economic actions that the government, and actually all Poles, should take to keep Poland safe in times of global turmoil. And there is no indication that 2013 will be an easier or calmer year on a global and European scale. It will be a different year, but not necessarily more difficult for Poland. Our experience to date in the last five years has clearly shown how much value our method – consisting in adjusting economic policy to a specific situation, in acting flexibly, consistently, but with ideas – has. It is because of the ability to be flexible and of tailoring policy to Polish needs that Poland was able to go through the crisis differently from most countries.

(…)

Today, in the context of 2013, I must and would like to focus on two key issues that are, in my opinion, key not for the authorities, not for the opposition, but for the people. If everyone predicts that 2013 will be another critical year in Europe, although no one knows to what extent, when everyone is wondering what priorities should accompany us in times of crisis confusion, I will say that there are indisputably two priorities. It is maintaining economic growth, maintaining the pace of Poland's development, which arouses admiration all over the world, even if it is lower than in recent years, but the point is not to maintain positive growth at all costs so that our statistics look proud compared to other countries. The point is to protect every workplace without exception. When we talk about economic growth, about the need for investment, about the need to jump over the time trap prepared by the crisis for 2013, i.e. the end of the European Union’s financial perspective with these European billions and still some time before the beginning of a new perspective, it is prudent for a government that wants this growth, i.e. jobs for people, to try to maintain it. It is crucial to find financing opportunities for development and growth in 2013. With regard to this first point, we have prepared several tools and several decisions which, in my opinion, should ensure the safety of Poles and give me the right to speak in a moderately optimistic tone about hopes for a unique Polish way of dealing with the crisis.

Firstly, we have prepared a banking tool that also requires additional instruments in the form of a special company for a program entitled "Polish Investments". BGK will be the operator. Until 2015, PLN 40 billion will be used as capital for BGK in order to obtain investment opportunities at the level of PLN 40 billion in this timeframe, i.e. until 2015. It will be possible to do this without compromising the financial security of the state, and thus without burdening the public deficit or debt with this amount. It will be possible to do this through the active use of capital that is currently frozen. I am talking mainly about shares in State Treasury companies. We would like these assets, which are at the moment in a sense - I will use quotation marks – “passive”, to start working for investments, also binding private capital and greater credit opportunities. According to the calculations that will be presented in detail tomorrow by ministers Rostowski [Finance Minister] and Budzanowski [Minister of the State Treasury], we should thus build a leverage for investments and lending to the Polish economy, as I have already mentioned, up to PLN 40 billion by 2015 and approx. PLN 90 billion, counting for six years. They will be used for investments that must be profitable. They will not be allowed to be used as a means of public aid. So we will have to precisely define the area in which this money will be able to be invested, but we are prepared for it. Tomorrow this information, as I mentioned, will be presented in detail.

(…)

## A.7.2.5. – BGK 2012/10

PAP (2012, October 12) BGK gotowy do utworzenia z MSP, instytucjami publ. spółki Inwestycje Polskie – prezes BGK [BGK ready to form the Inwestycje Polskie company with the Ministry of Treasury and public institutions - President of BGK]

<https://www.bankier.pl/wiadomosc/BGK-jest-gotowy-do-utworzenia-spolki-Inwestycje-Polskie-2656338.html>

"Bank Gospodarstwa Krajowego is ready to implement the task of establishing the company Inwestycje Polskie in cooperation with the Ministry of the Treasury and other public institutions. I am convinced that the task entitled" Inwestycje Polskie" will also be carried out properly and in line with expectations" - he said in an interview with PAP Daniluk.

The president emphasized that the main task of the bank he manages remains to support the government in the implementation of socio-economic programs.

"The main task of BGK is to support the government's social and economic programs. We have proved that we carry out the entrusted tasks efficiently and effectively. We successfully carried out the process of public finance consolidation, thanks to which we collected free funds in the amount of nearly PLN 30 billion since May 2011 accounts of 47 units of the public finance sector "- said Daniluk. (…)

## A.7.2.6. – PKPP Lewiatan 2012/10

PKPP Lewiatan (2012, October 12) Lewiatan o “expose” Premiera [Lewiatan about the Prime Minister’s “exposé”]. <http://konfederacjalewiatan.pl/aktualnosci/2012/14/lewiatan_o_expose_premiera>

(…)

In his speech, the Prime Minister rightly paid a lot of attention to domestic investments. He announced, among others, the establishment of a fund in the amount of PLN 40 billion, secured with assets owned by the State Treasury and administered by BGK. The idea is to bring about PLN 40 billion in additional investments within 3 years (until 2015) and PLN 90 billion by 2018. On a scale of the three years 2013-2015, however, this corresponds to only approx. 5% of the current expenditure on fixed assets in Poland. Secondly, the government plans to put pressure on companies controlled by the State Treasury, mainly in the energy sector, to increase investments, especially in the development of generation capacity in the energy sector, as well as in the extraction of shale gas. According to Lewiatan, without presenting the details of the investment stimulation program, it is impossible to estimate its impact on the macroeconomic situation in Poland. However, it seems that the implementation of this project by BGK will allow for the creation and use of financial leverage, and at a relatively low cost, because the bank's rating after such a capital injection will allow it to obtain capital on the market at a lower price. "

(…)

Lewiatan will present its position on the prime minister's specific proposals after details will be presented by the Ministers in the next few days.

Polish Confederation of Private Employers Lewiatan

## A.7.2.7. – NSZZ Solidarność 2012/10

gazetaprawna.pl (2012, October 13) Duda o drugim expose Tuska: Rząd przerzuca koszty kryzysu na pracowników [Solidarity leader Piotr Duda about Tusk’s second programmatic speech: The government is shifting the costs of the crisis onto workers].

[ARTICLE]

<https://www.gazetaprawna.pl/artykuly/654323,duda-o-drugim-expose-tuska-rzad-przerzuca-koszty-kryzysu-na-pracownikow.html>

[N.B.: the article’s excerpt reports on the reaction of Piotr Duda, the leader of trade union NSZZ Solidarność, to PM Tusk’s second expose where Tusk announced the government’s intention to create the “Polish Investments” program that would lead to the creation of PIR]

(…)

In his opinion, the experience with public investments so far, especially those related to Euro 2012, has shown that the government is not coping with them. "So far, they have done more harm than good. They have led to the bankruptcy of many companies, especially in the construction industry, and the loss of thousands of jobs. If we hear about large-scale investment today to counteract unemployment, we are full of anxiety. If it will look the same way as has so far, we will have a mill wheel at our necks that will pull us to the very bottom instead of having a flywheel for economic development"- he wrote.

(…)

## A.7.2.8. – Pawłowicz 2012/10

Pielach, M. (2012, October 17) Rząd nie powinien konkurować z prywatnymi firmami [The government should not compete with private firms]. *Obserwator Finansowy*.

[INTERVIEW with Leszek Pawłowicz]

<https://www.obserwatorfinansowy.pl/tematyka/makroekonomia/finanse-publiczne/rzad-nie-powinien-konkurowac-z-prywatnymi-firmami/>

(…)

**Is the government’s project to increase the capitalization of the BGK and to make it collaborate with the company called Polish Investments just another name for your proposal to establish a wealth fund and an infrastructure development fund?**

Leszek Pawłowicz: I do not know that because it all depends on the details. I certainly identify with the starting point of this project, i.e. with the assumption that there is no point in holding shares in State Treasury companies unproductively and that it is worth activating them. We suggested activating them by using them as collateral for guarantees granted for the long-term risks related to financing infrastructure. The government bill goes further in terms of the possibility of using this property. As I understand it, the government also considers providing loans and equity funding, i.e. with ownership rights, for which one needs cash. This points to a slightly different model – a state-owned investment bank that the BGK is supposed to become.

**Why did you not take the BGK into account in your project?**

We did not rely on the BGK, as it was not supposed to act as a development bank. To be sure, there were such plans in the past, but they were cut off two years ago. Basing the project on the BGK has its pros and cons. The upside is that the BGK has its own traditions and its own apparatus although the latter is large and bureaucratic. The Infrastructure Development Guarantee Fund could employ only a dozen or so people. By contrast, the costs at the BGK would be definitely higher.

An advantage of the bank is that there is only a minimal risk that these funds or guarantees will be considered as public debt or illegal state aid, which would not be in line with the principle of fair competition. The risk is minimal but not inexisting. It is no coincidence that the German state-owned public bank, Kreditanstalt für Wiederaufbau, has a specific agreement with the European Union, which defines the limits of potential aid so that it does not qualify as illegal state aid. It is worth taking a closer look at this agreement from 2002 before changing the BGK's strategy.

(…)

## A.7.2.9. – Gazeta Wyborcza 2012/10

Nowakowska, A. and Wielowieyska, D. (2012, October 17). Inwestycje polskie, czyli Platforma uwierzyła w państwo [Polish investments, or how the Civic Platform has started believing in the state]. *Gazeta Wyborcza*.

[ARTICLE]

<https://www.pressreader.com/poland/gazeta-wyborcza-0557/20121017/textview>

Prime Minister Donald Tusk surprised the opposition with the "Polish Investments" program – which will lead to hundreds of billions of zlotys being invested in the economy by the state-owned BGK (…) and by a new investment company that will support large projects of both state-owned and private companies. (...)

**Who came up with this?**

Jan Krzysztof Bielecki is the head of the Prime Minister's Council of Economic Advisers. In an interview with Gazeta, he admits that he participated in the preparation of the program. It turns out that Pomerania [region in the North of Poland where Gdańsk is located] and Gdańsk are the main source of expertise supporting the government’s concept and that similar projects are implemented in other European Union countries.

Bielecki refers to a report written by Prof. Eugeniusz Gostomski from the University of Gdańsk on the use of the experience of German banks in the activities of BGK. Gostomski gives KfW Bankengruppe as an example.

(...)

- This program is obvious for many European experts - Finance Minister Jacek Rostowski tells us. This topic was dealt with this year by the European Financial Congress – organized by financial institutions and economic think tanks – in Sopot.

Jan Krzysztof Bielecki is a member of the honorary committee of the Congress. In an expert opinion, Krzysztof Szymański and Leszek Pawłowicz from the Gdansk Institute for Market Economics (Instytut Badań nad Gospodarką Rynkową) developed the Congress’s recommendation called "Better management of the country's value" on how to better use the assets of the Treasury to create investments.

This means that Gdańsk liberals, who are today a constituent element of the Civic Platform and provide the expertise for the idea of "Polish Investments", are more and more willing to accept an active role for the state in the economy.

(…)

**Bielecki: father or ghost?**

The head of the Council of Economic Advisers to the Prime Minister is considered a very influential person. People reluctant to him in the Civic Platform began to suggest that the new idea was there so that he could supervise "Polish Investments" either as the chairman of the special purpose vehicle or as the chairman of BGK. Bielecki is irritated by such allegations. "This is nonsense" he says. - BGK has very experienced staff, and the authorities of the special purpose vehicle of the "Polish Investments" program will be selected in a competition.

(…)

Despite these assurances, Bielecki's role and influence in the government have already been subject to many speculations. - He advises, but takes no responsibility for anything - they complain in the Civic Platform. So the issue of the nature of Bielecki’s role will keep coming back.

**Who will face Balcerowicz?**

However, Bielecki's position outside the government also has advantages for the Civic Platform. It gets Tusk less involved in ideological disputes with the liberal camp. It is Bielecki who will have to face prof. Leszek Balcerowicz.

The "Polish Investments" program does not constitute some kind of U-turn in politics or in the Civic Platform’s views on the economy. It is rather another episode in the same dispute – that pits two camps against each other – that has been going on in Poland for several years.

One camp is led by Jan Krzysztof Bielecki and by the Pomeranian school of economic thought. The second camp is led by prof. Leszek Balcerowicz and his Forum for Civic Development. At the center of the dispute are two different approaches to privatization and the role of the state in the economy.

(…)

## A.7.2.10. – State Treasury 2012/10

Ministry of the State Treasury (2012, October 24) Program „Inwestycje Polskie” – FAQ. <http://www.msp.gov.pl/portal/pl/29/23465/Program_Inwestycje_Polskie__FAQ.print> [Retrieved on November 7, 2012].

[N.B.: This is an excerpt of the FAQ page of the Polish Investments program as part of which PIR was created]

**How is the “Polish Investments” project related to the idea of prof. Leszek Pawłowicz to establish a company that would not sell the shares of state-owned enterprises at all and use them as a collateral against the loans taken out?**

The "Polish Investments" program was based on the idea of the Institute for Market Economics (IBnGR), led by prof. Leszek Pawłowicz. The idea of IBnGR was to grant guarantees to investors in public-private partnership (PPP) projects. When analyzing market needs (with the analytical input provided by IBnGR), a team from the Ministry of the Treasury, Ministry of Finance and BGK went a few steps further and decided to offer market participants a broad and flexible investment tool. The "Polish Investments" program enables the continuation of the IBnGR idea, and BGK can be the entity providing guarantees in PPP projects.

## A.7.2.11. – KIG 2012/11

Arendarski, Andrzej (2012, November 5) Drugie expose - zielona wyspa to już historia? [Second expose: Is the green Island already history?]

[OP-ED}

<http://gazeta-msp.pl/index.php?id=pokaz_artykul&indeks_artykulu=2156&slowo_kluczowe_id=214>

[N.B.: This is an op-ed written by the president (1993-now) of the Polish Chamber of Commerce]

(…)

The announcement of large investment programs in the energy industry sounds encouraging. However, two serious objections should be made to it. Firstly, the prime minister did not indicate the sources of financing of these expenses. Secondly, the last public-funded infrastructure construction program, related to investments until EURO 2012, ended with spectacular bankruptcies of construction companies and a wave of subcontractors' claims. Without changing the public procurement law, we will have to repeat tenders, where the price is practically the only criterion for selecting an offer. Here, too, urgent legislative changes are necessary, which the Prime Minister did not mention. In this context, the announcement of changes in bankruptcy law and its adaptation to "crisis times" sounded a little ironic.

(…)

## A.7.2.12. – OPZZ 2012/11

PAP (2012, November 22). OPZZ domaga się szczegółów dot. programu "Inwestycje Polskie" [OPZZ demands details on the “Polish Investments” program].

[REPORT on OPZZ press conference]

<https://www.cire.pl/item,68549,1,3,4,0,210053,0,opzz-domaga-sie-szczegolow-dot-programu-inwestycje-polskie.html>

[N.B.: This is a report on a press conference held by the OPZZ trade union a bit more than a month after the Polish Investments program was announced by Prime Minister Donald Tusk]

(...)

As emphasized on Thursday at a press conference by the chairman of OPZZ Jan Guz, the union asked the government for information about the "Polish Investments" program immediately after the Prime Minister's autumn speech in the Sejm and has not yet received it. "We believe that it is an entity built in great secret from workers and society. (...) We are afraid that this is a way of opening up the management of part of national property [in other words, state-owned enterprises]" Guz said.

"We are calling for the declassification of the project for the management of the remnants of the national property and for information on who will manage this property, and to what extent” - he added.

As the head of OPZZ emphasized, the staffs of state-owned companies are concerned about the government’s plans, because it may turn out that the transfer of shares of their companies to the program may, for example, be used to privatize them.

(...)

## A.7.2.13. – IbnGR 2012/12

Instytut Badań nad Gospodarką Rynkową – Gdańska Akademia Bankowa (2012, December) Ekspertyza: Studia i materiały dla programu Inwestycje Polskie [Expertise: Studies and material for the “Polish Investments” program].

<https://www.efcongress.com/wp-content/uploads/2020/02/analizy-program-inwestycje__ekspertyza_studia_i_materialy_dla_programu_inwestycje_.pdf>

[N.B.: This is the first page of a report produced by the Gdansk Institute for Market Economics – which is one of the organizers of the European Financial Congress chaired by Jan Krzysztof Bielecki – for the Ministry of the Treasury]

This expert opinion was commissioned by the Ministry of the Treasury to develop a proposal for the creation of an entity supporting investments in economic and social infrastructure using the property assets received by this entity from the Treasury. In its original form, this proposal was an extension of the idea of ​​an Infrastructure Development Guarantee Fund, put forward by the Gdansk Institute for Market Economics (IBnGR), and contained in the recommendations of the 1st and 2nd European Financial Congress of 2011 and 2012. Ultimately, the initiative to support infrastructure investments by activating State Treasury assets was developed and modified with the participation of teams from the Ministry of Treasury, the Ministry of Finance and BGK. It was announced under the slogan of the "Polish Investments" program on 12 and 13 October 2012 in public speeches by the Prime Minister, the Minister of Treasury and the Minister of Finance. The individual parts of the report have been prepared by the employees of the Gdańsk Institute for Market Economics as well as by people and companies cooperating with IBnGR.

Executive summary: Dr. Krzysztof Szymański, IBnGR

1. Assessment of the development potential of private investments in infrastructure in Poland - review of available analyzes and forecasts: Dr. Krzysztof Szymański, IBnGR
2. Assessment of the development potential of private investments in infrastructure in the local government sector: Ernst & Young
3. Design risks that may be covered by the Development Fund Infrastructure: Ernst & Young
4. Selected legal aspects of the Infrastructure Development Fund's operations: Law firm CMS Cameron McKenna

* Annex I. Macroeconomic effects of the operation of the Guarantee Fund: Dr. Mirosław Gronicki
* Annex II: Preamble to the draft of the Infrastructure Development Guarantee Fund: dr Piotr Rosik, Institute of Geography and Spatial Organization of the Polish Academy of Sciences
* Annex III. Current trends on the Public-Private Partnership market in Europe: Dr. Krzysztof Szymański, IBnGR
* Annex IV: Synthetic assessment of the state of development of Public-Private Partnerships in Poland: Dr. Krzysztof Szymański, IBnGR.

(…)

## A.7.2.14. – Sejm 2012/12

Sejm (December 5, 2012) Pełny zapis przebiegu posiedzenia Komisji Skarbu Państwa (nr 43) 5 grudnia 2012 r. [Full record of the meeting of the State Treasury Committee]

<http://orka.sejm.gov.pl/zapisy7.nsf/0/6FF50962452B9C46C1257AE20050207B/$File/0125307.pdf>

[N.B.: These are excerpts of the minutes of a meeting of the State Treasury Committee of the lower chamber of the Polish Parliament – the Sejm; the focus of the meeting is the Polish Investments program that led to the creation of PIR]

**Chairman Tadeusz Aziewicz (Civic Platform)**: I am opening the meeting of the State Treasury Committee. I cordially greet the Minister of the Treasury, Mr. Mikołaj Budzanowski, the Undersecretary of State in the Ministry of the Treasury, Mr. Paweł Tamborski. I also greet prof. Leszek Pawłowicz from the Gdańsk Banking Academy - one of the originators of the Polish Investments program. The agenda of today's meeting focuses on information from the Minister of the Treasury on the Polish Investments program. (...)

**Marek Suski (Law and Justice):** (…) But there is also very interesting information about super independent supervisory boards, super independent committees that are to manage this company. I perceive it as a new idea for the nomination committee. This idea was rejected in the previous term of the Sejm. Mr. Jan Krzysztof Bielecki used to come to meetings of this Committee and tried to convince us that it is necessary to create a corps of independent people who will be appointed in various companies. He wanted to supervise this.

Do you have any ideas about this then? I know that, when a company was established in order to (…) build a nuclear power plant, some super-good managers were being considered in order to manage it, obviously in return for an adequate remuneration. Do you already have such eminent managers? Will it be Jan Krzysztof Bielecki? Or maybe Mikołaj Budzanowski in the footsteps of Aleksander Grad [both Ministers of the State Treasury]? It seems that, after these changes, 2014 should be the year of the liquidation of the Ministry of the Treasury, of the transfer of the remaining [state] assets – part of them to BGK, part of them to this company. Do you already have an elected supervisory board and a new nomination committee? Who will lead it?

(…)

**Director of the Gdańsk Banking Academy at the Gdańsk Institute for Market Economics, Prof. Leszek Pawłowicz**: Thank you very much for inviting me to the meeting of the Committee. I am not a politician. This is probably why I will not be well understood by some of you. We have been dealing with the problem of sustainable infrastructure development for over two years within the framework of the European Financial Congress. About two years ago, we proposed the concept of a guarantee fund that would support infrastructure investments. It was clearly visible that there must be a slump and that the availability of public funds would be lower. Unfortunately, the slump has already happened. When we announced the concept of the infrastructure development guarantee fund for the first time two years ago, Chairman Aziewicz criticized us in public, if I remember correctly. But, after two years, he has invited us...

**Chairman Tadeusz Aziewicz (Civic Platform)**: We have found a consensus.

**Director of the Gdańsk Banking Academy at the Gdańsk Institute for Market Economics, Prof. Leszek Pawłowicz:** I just wanted to draw your attention to those issues that are key – in my opinion. We are dealing with a protracted crisis. (...)

Any slowdown where one cannot see a green light when it comes to a positive future requires some intervention. I am sorry to say that because I come from the Institute for Market Economics and, at the end of the day, we resort to projects that involve interventionism.

Polish investments are undoubtedly a tool of state intervention. In our opinion, the whole program - I say, limits, loans, equity - is a sort of interventionism. I would like to give you some background information on the extent to which interventionism occurs in Poland in comparison to our neighbors. If we look at the BGK, the scale is embarrassingly low. Comparing to the Kreditanstalt für Wiederaufbau of our neighbor, the German equivalent of the BGK, which has - I do not know if any of you are aware of the amount of assets, because the sum of assets is the scale of interventionism - almost EUR 600 billion. This interventionism occurs in the German economy via the German BGK, with an equity capital of the Kreditanstalt für Wiederaufbau of EUR 15 billion. So the leverage is forty, not four. The Germans consider it a safe vehicle. This interventionism is mainly aimed at promoting exports, not supporting infrastructure – only to some extent – but Germany has long ago developed infrastructure. Everyone can see the effects of supporting the exports of the German economy with the naked eye. It does not need to be explained.

It seems that it would an enormous neglect on the part of policy-makers - the Minister of the Treasury and the Polish government – if they continued keeping the assets that are under the control of the State Treasury inactive. (...)

## A.7.2.15. – Pracodawcy RP 2012/12

Pracodawcy RP (2012, December 28). Pracodawcy RP: Czeka nas trudny rok [Pracodawcy RP: A difficult year is awaiting us]. *portalspozywczy.pl*

<https://www.portalspozywczy.pl/technologie/wiadomosci/pracodawcy-rp-czeka-nas-trudny-rok,80253_1.html>

[N.B.: this is an excerpt of a long analysis of Poland’s economic situation written by Polish employers’ association “Pracodawcy RP”]

(…)

“One of the key instruments for supporting public investments is the" Polish Investments" program, which, according to Pracodawcy RP, raises more doubts than hopes today. The details of the program are unknown, and the announcements of significant support for the economy in 2013 will be difficult to meet.

In the opinion of Pracodawcy RP, the most important thing is to quickly close the commenced investments and "complete" individual arteries, the construction of which is often fragmented today - some sections are already completed, others are under construction, while still others have not yet started. In the long term, it is absolutely necessary to create a network of connections between the largest cities and agglomerations in the country, which is particularly important from the point of view of the cohesion and the use of the potential of individual regions.

(...)

## A.7.2.16. – BCC 2013/02

Business Centre Club (2013, February). BCC ostrzega - Z ministrem Budzanowskim o Inwestycjach Polskich [BCC is warning – together with Minister Budzanowski on Polish Investments]. *Gazeta BCC* (nr 2, p. 2) <https://www.bcc.org.pl/uploads/gazeta_bcc/Gazeta_BCC_2013_02.pdf>

BCC experts met with Minister Mikołaj Budzanowski, Deputy Minister Paweł Tamborski, the team of the Ministry of Treasury and representatives of BGK.

BCC is in principle against state intervention and participation of the state in economic activity. However, taking into account the market situation, the decline in public investments, and the shortage of foreign investments, BCC consulted with Minister Budzanowski, pointing to a number of necessary changes to be introduced in the Polish Investments project. According to BCC, ensuring clear and transparent rules of operation, good quality of staff and a sufficient number of attractive investment projects will be key to a successful implementation of this program in line with market rules.

## A.7.2.17. – Lewiatan 2013/02

PKPP Lewiatan (2013, February 14) O projekcie Inwestycje Polskie z ministrem Mikołajem Budzanowskim [About the Polish Investments project with Minister Mikołaj Budzanowski] <http://konfederacjalewiatan.pl/aktualnosci/2013/68/o_projekcie_inwestycje_polskie_z_ministrem_mikolajem_budzanowskim_>

On February 13, a discussion was held at the Lewiatan headquarters with the participation of Minister Mikołaj Budzanowski and the Undersecretary of State at the Ministry of State Treasury, Paweł Tamborski, about the Polish Investments project proposed by the government. The meeting was attended by Dr. Henryka Bochniarz, President of PKPP Lewiatan, entrepreneurs and experts.

In its commentary and opinion on the so-called "second expose" of Prime Minister Donald Tusk, PKPP Lewiatan supported the idea of ​​implementing the Polish Investments program as one of the important elements of maintaining the level of investment during the economic slowdown in 2013. The decisive argument for supporting the idea was, in Lewiatan's opinion, the need to look for all ways to stimulate investments. So far there was a lack of details about the project.

During the meeting at the Lewiatan headquarters, the ministers presented the assumptions of the new government project. Polish Investments is a financial tool that will support long-term and profitable infrastructure projects (energy, gas, sea, rail, road, local government, industrial and telecommunications).

The Minister of the Treasury explained the rules under which private entrepreneurs will be able to apply for loans at Bank Gospodarstwa Krajowego and for co-financing of projects at Polskie Inwestycje Rozwojowe. However, he emphasized that the project management strategy assumes that the state will always be a minority partner, while the main investment risk will rest with private investors. According to the opinions expressed by the entrepreneurs present at the meeting, the interest in participating in the government program would be significant.

## A.7.2.18. – Sejm 2013/10

Sejm (October 9, 2013) Pełny zapis przebiegu posiedzenia Komisji Skarbu Państwa (nr 85) 9 października 2013 r. [Full record of the meeting of the State Treasury Committee]

<http://www.sejm.gov.pl/sejm7.nsf/biuletyn.xsp?documentId=E1E5F612F7E37B0DC1257C080047B419>

**Chairman Tadeusz Aziewicz (Civic Platform):**

I am opening the meeting of the State Treasury Committee. I cordially greet you, ladies and gentlemen. I welcome the invited guests together with the Minister of the Treasury, Mr. Paweł Tamborski. I cordially greet Mr. Mariusz Grendowicz, President of Polish Investments for Development. I also greet Mr. Dariusz Kacprzyk, President of Bank Gospodarstwa Krajowego (BGK), prof. Pawłowicz, who is one of the authors of the concept of Polish Investments, and now Polish Investments for Development, I also greet all the other people present today.

(…)

**President of the management board of Polskie Inwestycje Rozwojowe (PIR) SA Mariusz Grendowicz:**

(…)

Let me say a few words on the investment policy. Due to the challenges related to the fact that the activity of PIR was not considered illegal state aid, as well as due to the lack of effects of consolidation with the public finance sector, it is important that the process of making investment decisions with regard to the projects undertaken is apolitical. The basic question arose, how should one implement very important pro-development elements included in the PIR mission while ensuring the apolitical nature of this process? The solution, the philosophical stone, I would say, has to be and will be the company's investment policy, which is approved, in accordance with the company's articles of association, by the General Meeting of Shareholders. It will set the priorities for PIR, it will decide in which sectors, in what form, in what amount and in what process these investments will be undertaken. From August 26, as I mentioned, the company has been carrying out a project consisting in the preparation of the Investment Policy, the "bible" of PIR. It will include information on the sectors and industries that are the subject of PIR involvement, types of infrastructure that are eligible for investment, product offer, main parameters of PIR involvement, the investment process, as well as the principles of portfolio management.

I have already mentioned cooperation with McKinsey & Company. I would like to add that as part of this work, very intensive consultations took place, inter alia, with experts from the European Investment Bank and the European Bank for Reconstruction and Development. Their comments on the investment policy were also taken into account. The document was also consulted with McKinsey & Company offices in Singapore, Philadelphia and Toronto, where experts with practical experience in projects for leading state-owned funds and international development institutions work. I would also like to add that the investment policy was the subject of consultations in ministries that can be considered as stakeholders of the Polish Investments Program, and in particular the activities of PIR. The result of the work is a draft of the document "Investment Policy", which was presented to the members of the Supervisory Board on September 30 with a request for an opinion in the working mode.

(…)

Now a few words about the investment team. I will not talk about individual people, I can only say that everyone, maybe except me (...), are extremely young people, but extremely rich in experience, very, very strongly focused on financing infrastructure investments based on special-purpose vehicles. As I said, the experience in this area is not very rich in Poland and in fact it amounts to 2, maybe 3 banks. At the moment, thanks to my colleague Kacprzyk [the head of BGK], competences at BGK are growing very dynamically, but these competences are not very rich, and therefore many people from the PIR investment team are people who have spent most of their professional careers outside Poland, by financing investment projects in the Middle East, Russia, Africa, Western Europe - in France or the Netherlands.

We have two investment directors, and I can only emphasize that too, for those of you who want to slightly 'scan' these CVs. (...) I can only say that I am proud of this team, I am proud that in many cases these people accepted a lower salary than they received in the organizations they worked for so far. They decided to start working at PIR, treating it as an extremely interesting professional challenge and one that allows them to do something for their country, using the experience gained in other markets. (...)

As for the supervisory board, it is a mixture of 3 people from ministries, my colleague Dariusz Kacprzyk [BGK], who is here, and 4 independent members of the supervisory board. Again, I recommend the CVs of those people posted on our website. I do not want to present each of them separately, I can say that these people present a very, very rich experience and, what must be said, less than 3,000. PLN that they receive from membership in our supervisory board, in the case of most members of this board, will constitute a small percentage of their income, because each of the independent members has an extremely well-paid job elsewhere, which will also guarantee a very high and not related to immediate need the merits of decision making.

We even have one member who is not Polish. KhaiTan is Dutch, but speaks perfect Polish, so it is not a problem in making investment decisions.

(…)

**Marek Suski (Law and Justice):**

(...) From what we heard, from what we read in the newspapers and learned between the lines from the announcements that were made, it is indeed a kind of, as probably Jan Krzysztof Bielecki called it, - Polish EBRD, i.e. a type of development bank. (…)

When one analyzes of the people who are on the supervisory board and on the management board [of Polish Investments for Development], their CVs and work histories show that this is an interesting team. I wish you good luck, I would like this team to be successful. For, if these investments are to lead to positive changes in our economy, then I am wholeheartedly in favor of you doing this. It is true that, from various other things, one can clearly see some bonds of friendship between some gentlemen and Mr. Bielecki, but this in itself does not make it impossible for it to be a success. As usual, the beginnings are difficult. We will be looking at the program. Right now, I would say that it carries a lot of risk, but if it were to work, it might be worth the risk.

(…)

**Undersecretary of state at the Ministry of the State Treasury, Paweł Tamborski:**

With the PIR project, we are trying to catch up. I admit that we made use of the experience of various institutions: the EBRD, the European Investment Bank, examples from various countries because similar institutions operate in many countries: in Russia, in France and Germany. Talking about catching up. I was amused by the information I got from a meeting with French colleagues from the CDC when they said that it was created in 1816. I think there is a lot to be made up for. This 1816 date shows how much patience and experience you need to have when it comes to working on infrastructure projects. I also think that what is also important - and here I am really very satisfied with the satisfaction of Mr Suski - is the fact that we are creating an institution that goes beyond the political calendar. I think that the only defense that this program can have against attempts to influence the decision-making process without substantive influence is the high professionalism of those entities and of the people who are employed in these entities. (…)

## A.7.2.19. – EBRD 2013/12

EBRD (2013). Strategy for Poland – as approved by the Board of Directors at its meeting on 17 December 2013. <https://www.ebrd.com/downloads/country/strategy/poland.pdf>

**3.2. Enhancing the private sector’s role in the economy**

(…)

**Policy dialogue and TC**

The Bank will continues its dialogue with the State Treasury and local governments with regard to the privatisation of remaining state and municipally controlled companies, including involvement with public sector counterparts to develop feasible contracting structures and best practice PPPs. The new allocation mechanisms for EU structural funds will require greater use of commercial co-financing on which the Bank, together with the EIB, could advise and contribute.

The Bank will continue its policy dialogue as part of integrated approach in financing private equity, with the objective of mobilising local and regional institutional investors to participate in private equity fundraising.

Finally, the Bank will remain available to work with the authorities on the new ‘Polish Investments’ fund (a leveraged sovereign fund) on issues such as internal governance and investment principles. This may lead to future co-investment opportunities.

## A.7.2.20. – Nartowski 2015/08

Nartowski, A. (2015, August 27) Lasy państwowe, państwo lasów. Skąd wziął się pomysł na prywatyzację [State forests, state of forests. Where the idea for privatization came from]. *Forbes.pl*.

[OP-ED by Andrzej S. Nartowski, former President of the Polish Institute of Directors (2006-2014)]

<https://www.forbes.pl/wiadomosci/prywatyzacja-lasow-panstwowych-skad-wzial-sie-pomysl/jplhcxr> OR <http://www.andrzejnartowski.pl/lasy-panstwowe-panstwo-lasow/>

At the 1st and 2nd editions of the European Financial Congress (Sopot, 2011 and 2012), I presented the Congress’s recommendations on the creation of a National Wealth Fund, which would take over the management of corporate assets of the State Treasury from the government agencies which currently supervise them. The intention was obvious: to remove state property from the influence of politicians and entrust it to a professional National Wealth Fund governed by the principles of the market economy and high standards of corporate governance and striving to create value in the medium / long term, going beyond parliamentary terms.

I enthusiastically supported this project, but I was not its originator. Authorship belonged to the organizer of the Congress, prof. Leszek Pawłowicz and the inspiration behind the Congress’s ideas, Jan Krzysztof Bielecki. Anyway, the idea evolved. The starting point was to improve corporate governance. The result was an attempt to better manage the value of the country. And, on the way, the topic of supporting and guaranteeing infrastructure investments appeared, which prompted the creation of the special purpose vehicle “Polish Investments for Development”.

The intention had nothing to do with privatization - on the contrary, it was about concentrating those assets that were to remain in the domain of the State Treasury under competent management and efficient supervision. There was no reason to meddle in privatization processes. The Ministry of the State Treasury dealt with it well. However, it was worth considering how to prevent politicians from exerting immediate influence on the country's property – including on its staff – and how to prepare for the buyout of shares in Polish banks from multinational groups when they leave our market. We intended to interfere not with the market, but with the state, showing the direction of systemic change.

The idea of a National Wealth Fund shared the fate of earlier proposals of the Economic Council at the Prime Minister, such as the forgotten National Corporate Supervision Program or the Nominating Committee: To be sure, one would nod in agreement about the direction of change, but, at the same time, one said that nothing would come out of it since politicians, their clienteles and their networks would not agree.

## A.7.2.21. – Bielecki and Jasser 2019/09

Naczyk, M. (2019, September 13). Author interview with Jan Krzysztof Bielecki [former CEO of Bank Pekao S.A. and former chairman of Council of Economic Advisers to Prime Minister Tusk] and Adam Jasser [former Secretary of the Council of Economic Advisers to PM Tusk and Secretary of State in the Chancellery of the Prime Minister], Warsaw

[N.B.: the first half the interview – focusing on the repolonization/redomestication of foreign-owned Polish banks and on attempts by Tusk’s Council to depoliticize and professionalise the management of SOEs – can be accessed in Appendix A.6 – document A.6.2.31]

(…)

**So the next topic is the creation of Polish Investments for Development. Who was actually behind this project? Was it the Council of Economic Advisers or the Minister of the Treasury? Also, how was it related to decisions made at the European level – namely the decision made by the European Council in June 2012 to promote "off-balance sheet investment", a decision that prefigured the 2015 Juncker Plan. Who had a decisive role here?**

Bielecki: Well, but the Juncker Plan was decided only later. What we wanted was to have funds for a more aggressive development of Polish companies through M&As. So, at this stage, it was more about the domestic and foreign expansion of Polish companies than about domestic investments.

**Where did the idea of ​​establishing Polish Investments for Development come from?**

Bielecki: We proposed it.

Jasser: We proposed it some time after the elections because we were still looking for a vehicle that would allow us to increase the level of investments and to take advantage of opportunities for acquisitions on the market ...

Bielecki: ... acquisitions both in Poland and abroad, and we also wanted to use this vehicle to leverage Polish business.

Jasser: But there was no legal vehicle ...

Bielecki: ... and no money, because back then, right after the crisis and with a record deficit of the state budget, there was no money for anything.

**A novelty related to the implementation of the Polish Investments program was that the funds from the privatization of State Treasury companies would no longer be used to plug deficits in the budget, but to recapitalize both PIR and BGK.**

Jasser: Indeed. Besides, such a financial institution is able to leverage the market. Giving assets to such a development fund gives it firepower and, since it is attached to the state, it also has an appropriate credit rating.

Since we had already been thinking about how Treasury assets should be managed in a more professional way, the Polish Investments program was a continuation of that thinking. It was the next stage in trying to adapt what we have in Poland to the best patterns.

**Was the composition of the supervisory board of PIR - which included five people associated with the private market and four with the State Treasury - also part of this strategy towards professionalization?**

Jasser: We were looking for a compromise that would allow the state to positively influence the country's development, but that, at the same time, would not create another typical state institution. Our approach was therefore to find a good mix where the institution would be able attract people with business experience, be based on clear rules and clear targets in terms of return on capital, so that it would function in accordance with the best models, i.e. Singapore’s Temasek and Norwegian arrangements where there have been transparent rules for many years, where social goals are pursued of course, but the overall functioning is guided by business rules. Hence, the search for people with direct business experience apart from the State Treasury, of course, where, in fact, there were also several professionals with market experience.

**Paweł Tamborski, for example?**

Jasser: Yes, but also a few lawyers who understood the market. But, of course, our role was not to do recruitment for this institution. That was within the competence of the Ministry of the Treasury. Our role was more conceptual; it was not to influence the specific shape of these bodies. Here, the Minister of the Treasury made decisions.

**But how should one interpret the whole process? Did the idea first appear in the Council of Economic Advisers before being implemented by the State Treasury?**

Jasser: Yes, exactly.

Bielecki: You say it correctly...

Jasser: And that was the case during both parliamentary terms since, first, we proposed the bill on ownership supervision and this somehow evolved into the concept of a "sovereign wealth fund". However, we deliberately did not call it a "sovereign wealth fund" because no one understood that concept well and there was a lot of hostility towards it in business circles. Even with the first project, we had less work to do in terms of convincing Law and Justice or the left than in terms of convincing business circles.

**But whom do you have in mind here? Employers' organizations?**

Jasser: Yes, employers' organizations.

**Lewiatan?**

Jasser: Yes, but also Balcerowicz [former Minister of Finance; father of “shock therapy” in the early 1990s and former head of the Central Bank], Rozłucki [founder and former head of the Warsaw Stock Exchange]... All those people who were associated with the vision ...

Bielecki: ... of the first decade of post-communist transformation...

Jasser: ... of the first decade and of the absence of the state in any form in the economy. We were constantly suspected of trying to create national champions who would do a power grab and become new monopolies. But, towards the end, we felt that, even if some skepticism remained, we had managed to build some public trust. And, when we went to the Parliamentary Committee for the State Treasury, even the PiS representative started teasing us ...

Bielecki: ... it was Marek Suski, currently the director of Prime Minister Morawiecki's political office.

Jasser: At the end of the meeting he told us: "Actually it is not a bad concept at all, but you will screw it up and, when we come to power, we will do it better than you do.” So that was a source of general merriment at the meeting.

**And today's PFR [Polish Development Fund] is yesterday's PIR [Polish Investments for Development] only under a different name though the approach is a bit different since PIR had a bottom-up approach - i.e. it was supposed to support investment projects proposed by companies - while the PFR has a more top-down approach – i.e. it directly chooses the companies that will get support.**

Bielecki: Yes. But they do not only plan from above. They also act as a fire brigade because, when a firm collapses, they enter its capital and become a strategic investor. Look at PESA [trainmaker]. In addition, they build venture capital funds to stimulate the development of startups in Poland. They start designing various capital market institutions. PIR was there to provide capital and organizational support for market opportunities.

**After PIR was created in 2012/13, it was criticized for acting too slowly. What went wrong?**

Bielecki: There was no proper leadership and there was not enough money either, because it was a very difficult period for Polish public finances. It is hard to build a nice institution when you have two basic conditions unfulfilled.

Jasser: At the beginning, PIR had the benefit of the doubt. Such an institution cannot be built overnight. But the reaction time was too slow. And then the election cycle [with presidential and legislative elections in 2015] blocked any further actions.

**You mentioned several foreign models. Did you then travel around the world?**

Bielecki: We brought experts to Warsaw.

**And where did they come from? KfW [German development bank]? Caisse des Depôts {French development bank]?**

Jasser: Not too much with KfW, because they no longer played the role that interested us.

Bielecki: We did hear some presentations about KfW.

Jasser: We had various consultants and investment bankers who prepared analyzes of various institutions - also BPI France. But we focused the most on Temasek and Norwegian arrangement. Temasek was a bit incongruous due to the fact that the Singapore political system is completely different from the Polish one, but the idea is the same: The state is active and makes equity investments, but operates on market principles" And we had the Norwegian system very well monitored. Some of us went to Norway. Norwegian experts also came to us. McKinsey helped bringing them here. The Norwegian ambassador also helped us.

**The argument I have heard about consulting by McKinsey is that it is primarily used to nicely "pack" a project, not really for in-depth analysis. Is that true?**

Jasser: They did both. We gained a lot of knowledge ourselves, but they also did. And our efforts all nicely fed into each other. At the end, we had acquired really good knowledge of these institutions and we had prepared a "mother of all presentations" in which these various sovereign wealth funds were compared with each other.

Bielecki: When the Norwegians got down to it, they recruited the best people from the market to the body supervising state property and I remember how they explained that they did not have to pay these people a lot of money because, for them, the satisfaction they got from working on interesting projects was more important than money. They had already earned money in the market and the state could now hand it over to such an elite. In Poland, we did not have such an elite, nor do we have it today. Neither do politicians seem willing to step aside and make space for such group of professionals.

Jasser: And one has to remember that, in Norway, things did not happen overnight either.

Bielecki: But politicians said it plainly: We will not privatize remaining state property but now let us build a mechanism that will make it work as effectively as possible.

**But, when it comes to Norway, what fund do you mean here? You are not talking about the Norwegian Government Pension Fund Global, are you?**

Bielecki: We are talking about the Ownership Department they have at their Ministry of Trade and Industry.

Jasser: This is one institution they have. In addition, they have a very extensive corporate governance system - with a statutorily guaranteed sieve in the recruitment of managers and supervisory board members - in public enterprises.

[Adam Jasser had to leave the meeting]

**Did publications by heterodox economists – e.g. Start-Up Nation, which you quoted during one of the Puls Biznesu debates on “economic patriotism”, or Mariana Mazzucato’s book on the “Entrepreneurial State” - also influence your thinking?**

Bielecki: Back then, our focus was on the paradigm shift, not so much on operational issues. Back then, I had a big problem with the Civic Platform [Donald Tusk’s traditionally neoliberal party] and the fact that its entire leadership took heed of public opinion and the media and various opinion-makers who were all fundamentally against what we proposed.

**So your participation in debates such as those organized by Puls Biznesu was important because it helped to change the views of the public and decision-makers?**

Bielecki: Exactly ... We were not at the stage of operationalization, but had to make sure that the leadership does not kill our concept entirely.

(…)

## A.7.2.22. – Tamborski 2020/05

Naczyk, M. (2020, May 20). Author interview with Paweł Tamborski [former Undersecretary of State at the Ministry of the State Treasury], video call

**How did the idea for Polish Investments for Development (PIR) arise?**

It basically started with an idea that was being tested with Jan Krzysztof Bielecki and with the Council of Economic Advisors to Prime Minister Tusk by Bielecki’s friend, Leszek Pawłowicz, a professor from the University of Gdańsk, who had developed a concept of a State Guarantee Fund. This fund was to be endowed with some state assets and, based on them, was to provide guarantees to private capital when it would engage in various kinds of long-term risky infrastructure projects. This is how the conversation began. We, at the Ministry of the Treasury, got involved in it because we controlled the assets.

As part of this conversation, we made a world tour during which we met with various state institutions that were in charge of financing infrastructure projects. These were, among others, KfW and CDC. During the Prime Minister's visit to Singapore, we met with Temasek. We also went to the United Kingdom in order to learn about the Green Investment Bank. These study missions helped crystallize the concept of Polish Investments for Development. From the original plan to create a guarantee institution, we moved to a concept of an institution directly involved in the financing of infrastructure projects. The assets of the State Treasury would no longer be privatized in order to finance the budget, but would be used to create a leveraging mechanism for financing infrastructure projects in which the private sector is afraid to get involved. This is where one of our slogans came from: PIR is there to give you the first or the last zloty. At the time, we also discussed the possibility of putting PIR in charge of managing at least some of the assets of the State Treasury, but this was not implemented.

When shaping this institution, we tried to base its corporate governance on the best standards resulting from our various studies. Although it was supposed to be a public institution, the decision-making process was to be in the hands of professionals who, based on their market experience, would be able to give their professional input.

**You said that the idea of establishing PIR came from the concept promoted by Leszek Pawłowicz and Jan Krzysztof Bielecki. Would you say that they were the main originators of this project?**

It started with Leszek Pawłowicz’s idea of a guarantee institution that would support the state's infrastructure investments. We – as the Ministry of the Treasury – got invited to this conversation because we managed state assets. In the Ministry, we tried to develop this idea of a guarantee institution, but quite quickly the discussion turned towards a more direct financial involvement of the state. With Leszek Pawłowicz, we had a number of conversations on this topic, but we – at the Ministry – believed that our concept would have much faster impact, which was important from a political point of view as politicians, the media and the public would expect some impact in the short term.

**So the Ministry of the Treasury influenced the direction in which the concept was taken, but do I understand it well that the idea itself came from the Prime Minister’s Council of Economic Advisers or, even possibly, from the European Financial Congress?**

In a way, yes, because each edition of the Congress would make some recommendations. Now, I do not remember what the process was like. But the first conversation we had with Prime Minister Bielecki and Leszek Pawłowicz at the Prime Minister's Office was about the Guarantee Fund. There is no doubt that it started from there. We even hired an expert associated with Pawłowicz as a consultant, who then created an analysis of foreign state institutions that guarantee infrastructure investments.

**What role did the BGK play?**

The BGK did not come up with this idea. However, BGK was immediately considered as an institution that should be strictly part of this program. PIR was supposed to be active on the equity side, and BGK was supposed to support the program on the debt side. BGK was naturally predestined for providing loans because it is a special bank that is at the intersection of the commercial market and the public finance sector and it borrows funds with a State Treasury rating. The first office of the PIR was located at the BGK and there was close cooperation between the two institutions.

Yet, even today, I would not really count on the emergence of major innovative ideas at the BGK. Putting the BGK in charge of the "Polish Investments" program was mooted as a possibility. But it was thought that the BGK would not be up to the task because it was seen as a bureaucracy (*urząd*) and it did not have the entrepreneurial culture needed for such a program to gain the necessary momentum.

**Did the European Investment Bank influence discussions on “Polish Investments for Development”?**

We did visit the EIB. The EIB actually pretty much equals the BGK. I do not want to say that the BGK reports to the EIB, but there are very close relations between these two institutions. At the EIB, we talked about how their funds could be used to implement the PIR program. We also took inspiration from various standards and solutions applied by the EIB. But they did not influence the overall design of PIR. Somewhat anecdotally, I remember that, when I saw Jyrki Katainen [Vice-President of the European Commission from 2014 until 2019] present the Commission’s and EIB’s plans for the creation of a “European Fund for Strategic Investments” at the 2015 edition of the European Economic Congress in Katowice, I thought to myself that we were "well ahead” [in English during the interview] in terms of experience in creating such an institution.

## A.7.2.23. – Nartowski 2020/06

Naczyk, M. (2020, June 30). Author interview with Andrzej Nartowski [former president of the Polish Institute of Directors and former member of the Program Board of the European Financial Congress], video call

**In a blog post, you described the origins of PIR. You wrote that the idea to create this institution arose from the recommendations of the European Financial Congress chaired by Jan Krzysztof Bielecki who was at the same time the Chair of the Council of Economic Advisers…**

... to the Prime Minister - he was indeed its chairman and Adam Jasser directed the Council’s events very dynamically. They decided to create a National Ownership Supervision Program. I was the rapporteur for only one of the ten topics raised during the Congress. I participated in congresses as the president of the Polish Institute of Directors, which is a small foundation dealing with shaping knowledge about corporate governance and is incomparable, for example, with the London Institute of Directors, which is a large chamber of commerce. I attended congresses for several years until 2014 when I retired, and then I was still there as an observer.

Initially, the idea was to create something like a sovereign wealth fund and introduce corporate governance in State Treasury [state-owned] companies on the Norwegian model. Bielecki was very keen on this. In Poland, for many years, various shares in various companies of the State Treasury have been administered by various ministries. The Ministry of the Treasury deals with shares in most companies with its participation, but various Ministries also have their plots. Therefore, the idea was to build a professional agency managing shares in state-owned companies. They are called State Treasury companies, despite the fact that in many of them the State Treasury is a minority shareholder – it has 30 percent of votes, or even less than that in Orlen or KGHM - but the State Treasury does not consider other shareholders. Even then, as the head of the Institute of Directors, I drew attention to the nonchalance with which the Minister of Treasury changes the composition of supervisory boards, disregarding the opinion of other shareholders. Therefore, the idea was to create an agency that would deal with the management of Treasury shares, introduce modern corporate governance principles, introduce elements of performance evaluation ("KPI" – key performance indicators) and will multiply the assets of the State Treasury over time.

It was a pipe dream. Today [with the PiS-led government having used state-owned enterprises for political patronage] I can see how dramatically we were right. Treasury shares in listed companies are valued very low - for example in bank Pekao S.A. whose CEO used to be JK Bielecki – Bielecki who was an ethical CEO; it was one of two banks that did not agree to the epidemic of foreign currency loans. The other bank was BZ WBK. In any case, the goal at the first [2011] European Financial Congress was about creating an agency. At the next Congress where I presented the topic, it was greatly expanded. It was about managing the country's brand by building a modern economy.

By contrast, an issue that appeared on the sidelines of the discussion on the National Wealth Fund was the idea of building a nominations committee that would recommend candidates for positions in State Treasury companies. Prime Minister Tusk proposed it as government policy at the behest of Bielecki and Jasser. It was about the professionalisation of management. At the same time, the National Ownership Supervision Program assumed that high qualifications would be required, but it also assumed that managers’ and directors remuneration would be low because they had to save, and besides, being a manager or a director in a State Treasury company is a great prestige. I strongly argued with this: I believed that people with honest qualifications must be paid fairly for honest work.

This nomination committee was not created for two reasons. First, the Prime Minister was reluctant to follow his own idea. I was told that the committee could not be promoted because Schetyna [politician from Wroclaw; considered for a long time as the Civic Platform’s deputy leader; he became the Civic Platform’s leader after Donald Tusk’s departure to the European Council in late 2014] would not agree, because in Lower Silesia, in many companies, the party had its representatives on supervisory boards. Second, the media unanimously attacked the idea of a nomination committee, claiming that its downside was that its members would be nominated by the Prime Minister and that this would undermine their independence. After that, the case simply died. Neither a nomination committee nor the National Property Fund was established. No ownership supervision program has been established.

And today this project has no chance of coming back because the clocks have been turned back by thirty years in terms of the politicization of of state-owned companies. For example, there was a good private bank, Alior, founded by a Polish manager [Wojciech Sobieraj] with the support of Italian capital [Romain Zaleski]; the state decided to redomesticate it – in other words to nationalize it – and, to date, capitalization has fallen by 80% and there are constant changes to the board. Now, in the entire management board of the bank, there is not a single person who would have the consent of the regulator - i.e. the Polish Financial Supervision Authority - to perform his function, and such consent should be at least sought for the CEO and chief risk officer.

**When were got involved in this matter and got invited to the European Financial Congress (EFC), was the idea to create a property fund born there, or did Prime Minister Bielecki and Leszek Pawłowicz already have this idea before?**

It emerged from the discussion. These Sopot-based congresses were preceded by a long series of meetings, the so-called “Program Board” that was attended by approximately 20 people - generally very influential people either because of their positions or because of their personal position. These meetings were always chaired by Prime Minister Bielecki and there were people very closely related to Prime Minister Tusk himself.

Bielecki evolved in his views. He was one of the first people in Poland who understood what corporate governance is. He brought it from the EBRD, from London. He was a bit disappointed with his adventure at Pekao S.A. He worked very loyally for the UniCredit Group and, even at one of the group’s steering committees, he said that he imagined a situation that one day a Pole would become the head of the – international, open, etc. – Group. He thought that there would be a burst of laughter and there was an embarrassing silence. People gathered at the EFC Program Board and we discussed what would be discussed at the Congress. The Council of Economic Advisers to the Prime Minister was working on the National Ownership Supervision Program and, at the EFC, we started talking about the National Property Fund, which was seen as the only way to strengthen Poland's economy. Even then, there was strong resistance to further privatization and there were pressures towards an institution that would manage national [state-owned] assets professionally.

**And were there any formal links between the Council of Economic Advisers to PM Tusk and the European Financial Congress?**

The Council of Economic Advisers met from time to time, but the meetings of the Program Board of the Congress were held roughly with the same frequency. The only liaison between the Council of Economic Advisers and the Congress was Bielecki as he participated in most meetings of the Congress’s Program Board. And the main organizer of the Congresses was and still is Leszek Pawłowicz, who always decided about who would be the "owner" of a given topic and would have to present it at the end of the Congress. And behind Pawłowicz stood Bielecki.

**When the National Wealth Fund was discussed at the 2011 EFC, were there any people from the Ministry of Treasury?**

Somewhere there was always an observer from the Ministry of Treasury, but generally they did not take part in any discussions. There were people from companies with a State Treasury stake. But the Treasury did not participate in any attempts to discuss economic issues. The Treasury was an instrument of central policy. In short, it received orders from the Prime Minister.

## A.7.2.24. – Mironczuk 2020/07

Naczyk, M. (2020, July 15). Author interview with Tomasz Mironczuk [former president of the management board of BGK], phone conversation

**You became the head of BGK in November 2009, and, at the beginning of 2010, the bank adopted a new strategy under which BGK wanted to clearly redefine itself as a state development bank that would not compete with commercial banks, but would rather be complementary to them. What was this strategy about? And to what extent was the adoption of this strategy considered in the bank before you became its head? And to what extent were you the main driving force behind its adoption?**

When entering BGK, I did not find any orderly thought about how this bank should fit into the financial system and the economy. We realized that we needed to write a constitution that would define what the bank does, what it does not do, what it focuses on, so that it is known both at the governmental and financial sector level. We started to write it de facto from scratch, but such thoughts were spinning in my head earlier because the problem was simple: BGK had done various things before, such as retail loans, retail guarantees, corporate loans, including in areas where there is market competition, and we decided that it did not make sense to do that if it increased competition in areas where there is already a competitive product offer. To prepare the strategy, we reviewed the activities of development banks and development institutions in countries such as France, Germany, Portugal, Italy, Great Britain, etc.

There were several guiding principles in the strategy. One fundamental thing was the consolidation of the public finance sector, an issue that Minister [of Finance] Rostowski was piloting at the time. It got done. This was one of the important axes of the strategy. The second thing was the consolidation of EU settlements and the coordination of the payment of subsidies from EU programs. This used to be settled in many places, and BGK managed to take it over. The third thing was to focus on supporting surety funds and guarantee programs - not for retail, but for banks - and to provide guarantees for portfolios, which started to be implemented after my exit from BGK.

There were several other important things in the strategy, namely export finance in the “project finance” formula. BGK had declared that it was already doing it, but had no team to start doing these projects. In cooperation with KUKE [Export Credit Insurance Corporation], the idea was to help important Polish companies that want to go outside of Poland to insure their financing on loans. In other countries - such as Germany or Great Britain - this had been done for a long time. Even before the WWII, BGK had a de facto company that did export finance. In a way, saying that the BGK had been financing exports together with the British under Prime Minister Grabski was also a way of building credibility for our strategy.

Another thing on the occasion of export finance, i.e. project finance abroad, was project finance in Poland, including in the PPP formula. At that time - but itt is still the case - there were many misunderstandings about what PPP was all about. There was very little reliable knowledge and competencies in this area. We took the British market as a model. We wanted to do exemplary PPP projects with the participation of strategic enterprises. It was not a success story, but we showed the pros and cons based on British, Portuguese, Spanish examples.

Another big point in the strategy was the creation of a development fund, but the Ministry of Finance had doubts and this was not realized by the time I got dismissed. Later it probably served as an inspiration for the creation of Polish Investments for Development and for the Polish Development Fund.

**In more than one interview, I have heard that BGK is just an "office" [or, in other words, “bureaucracy”] - not a real bank – from which little innovation emerge, and that this is why PIR and PFR were created outside of this institution. To what extent had this new strategy – and the innovations derived from it – emerged from inside versus outside BGK?**

I am convinced that this innovation came from within the institution. I and a few people I found at the bank or brought to it all had ideas. Until 2009, BGK was seen as an old state-owned dusty machine with no purpose. To exaggerate, many people thought that BGK is a place full of old ladies wearing slippers. Unfortunately, BGK had earned this reputation for a reason and we wanted to change it. A nice team had got together because I had been given carte blanche to assemble the board of management. I found two members of the board and kept them. I chose two new members. It was a team – mainly from the market, not from the public sector, with international experience – which was open-minded and full of ideas. We had an idea of ​​what we would like to do. Nobody brought it to us in a briefcase, from outside, certainly not from the Ministry of Finance.

Sure, there were government goals and priorities – different guarantee programs, for example, but that was not all. For example, project finance both in exports and in PPP, these were the things that we found difficult factually: You need good craftsmen and even artists in finance with market experience to start putting it together. With PPP and project finance, anyone can talk about it until they do it, and, even if someone did it, the real risk came out after three years. It was important to us to attract people from the market: It was then that the entire team of 6-7 people who had international experience and experience in commercial banks was created. Then, many of them went to the PFR to do these projects, and they continue to do them there.

**At that time, Prof. Gostomski and the Gdansk Institute for Market Economics (IBnGR) - in which, as far as I understand, you are now also working – prepared a report on KfW for BGK. Were these Gdańsk circles - I mean Prof. Leszek Pawłowicz and Prime Minister Jan Krzysztof Bielecki in particular – already participating in these discussions then?**

I really just got to know Professor Pawłowicz when I left BGK and his reports were not decisive for me at the time. There were even topics on which I did not agree with him. KfW was just one of the institutions we were interested in. Regardless of this report, I learned a lot about the CDC, development institutions in Portugal, Spain, Finland and South Korea. What Prof Pawłowicz’s team was preparing was inspiring, but not decisive at the time.

**Were there any discussions between you and the Council of Economic Advisers to Prime Minister?**

I talked with them several times and had constructive exchanges of views. Prime Minister Bielecki and Minister Michał Boni were supportive, but the Council did not come up with ideas that we would have to implement.

**Had you not come and attracted these people from the market, would such a strategy have a chance to emerge?**

There are no irreplaceable people and it would probably be created one day. However, I am quite sure that, at the time, we outlined our vision of BGK quite quickly and specifically – we knew what we wanted. Perhaps if someone else came, they would start doing the same, but I do not know whether it would have been at the same pace and whether they would have known how to do it. Besides, at that time, I started to dig up the history of BGK, including that of its building and architecture. The BGK building is a piece of monumental and modernist architecture of the interwar period and symbolizes quite well what BGK was supposed to be in the vision defined by Grabski and Górecki in 1924, i.e. a development bank, which financed the construction of the Central Industrial District, the port in Gdynia with slightly different tools, all the housing logistics, which mainly supporting manufacturing industries in the 1920s. So our strategy was embedded in history.

**During the financial crisis, many top managers of Polish banks controlled by foreign capital were frustrated by overt attempts by foreign headquarters to take control of the decision-making processes at Polish banks. Some bankers began to say loudly that "capital has a nationality." When you picked up BGK's helm, did you see this bank as a tool to promote companies controlled by Polish capital?**

Absolutely, and with full premeditation. It was especially about companies that were focused on foreign expansion or technological expansion. We did not disclose this preference so sharply, but I believed that BGK was fit for it and, while the declaration was that we do not compete with commercial banks, BGK was a natural partner in the case of projects with an increased level of risk. Commercial banks are not interested in such activities, neither from a strategic point of view, nor even from a micro level. BGK was also involved in the National Capital Fund (KFK). One of the smaller elements of BGK's strategy was also the development of an investment umbrella for companies at an earlier stage of development, offering capital at higher risk as part of co-investments with Polish capital.

**You worked, inter alia, at Bank Przemysłowo-Handlowy [controlled by HypoVereinsbank from 1998 and UniCredit from the 2005-6]. Did you already share the idea that capital has nationality and that Polish companies need to be strengthened? Did it influence your thinking?**

At BPH, I had not dealt with such macro thoughts yet. It was two or three years earlier [i.e. before Mironczuk got appointed as deputy head of PKO BP in May 2008]. Back then, I was in charge of treasury, market risk, trading, and liquidity issues. I did not think about large state projects.

**So far, we have talked about Polish actors. Someone told me that BGK pretty much equals European Investment Bank. It may not be considered as a branch of the EIB, but there is a lot of convergence in activities between these two banks. Did the EIB influence the formulation of the strategy?**

It did, but it depends on how we understand this. My view was that the EIB distributes a lot of funds to Poland and Eastern Europe, and the idea was to take over these funds and to be an agent that directly manages them - not an agent that stands at the end of the food chain, and, at most, gets micro-funds for specific projects. It was about, for example, managing JEREMIE funds. Local governments could obtain funds. But why was the EIB supposed to be the manager of these funds when BGK could take that function over? The EIB had an impact since it offered funds. We decided that we were able to be no worse at getting along with local authorities.

**So, were you trying to become more autonomous vis-à-vis the EIB?**

We wanted to be an equal, substantive partner – not a poor relative who knows nothing and can do nothing. We had a team, we had people, we had ideas and we knew how to manage a project profitably, and that’s it.

## A.7.2.25. – EFC Program Board (2011-2015)

**List of the members of the Program Board of the European Financial Congress, 2011-2015**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Members** | **Organization** | **2011** | **2012** | **2013** | **2014** | **2015** |
| Bielecki, Jan Krzysztof | Council of Economic Advisers to PM Tusk | ✓ | ✓ | ✓ | ✓ | ✓ |
| Chyczewski, Michał | MCI Management S.A. (2014: PIR S.A. / 2015: Perm. Rep WTO) | ✓ | ✓ | ✓ | ✓ | ✓ |
| Gajewski, Jerzy | NDI S.A. | ✓ | ✓ | ✓ | ✓ | ✓ |
| Jagiełło, Zbigniew | PKO BP S.A. | ✓ | ✓ | ✓ | ✓ | ✓ |
| Kachniewski, Mirosław | Polish Association of Listed Companies (SEG) | ✓ | ✓ | ✓ | ✓ | ✓ |
| Krawiec, Jacek | PKN Orlen S.A. | ✓ | ✓ | ✓ | ✓ | ✓ |
| Morawiecki, Mateusz | Bank Zachodni WBK | ✓ | ✓ | ✓ | ✓ | ✓ |
| Pawłowicz, Leszek | Gdansk Banking Academy | ✓ | ✓ | ✓ | ✓ | ✓ |
|  |  |  |  |  |  |  |
| Lovaglio, Luigi | Pekao S.A. | ✓ | ✓ | ✓ |  |  |
| Ścisłowski, Andrzej | KPMG | ✓ | ✓ | ✓ |  |  |
| Nartowski, Andrzej | Polish Institute of Directors (PID) | ✓ | ✓ |  | ✓ |  |
| Bieliński, Mirosław | ENERGA S.A. |  | ✓ | ✓ | ✓ |  |
| Stelmach, Beata | Ministry of Foreign Affairs (from 2014: General Electric) |  | ✓ | ✓ | ✓ |  |
| Jakubiak, Andrzej | KNF |  | ✓ | ✓ |  | ✓ |
| Grabowski, Maciej | Ministry of Finance / Ministry of the Environment |  | ✓ |  | ✓ | ✓ |
| Karnowski, Jacek | City of Sopot |  |  | ✓ | ✓ | ✓ |
| Kawalec, Stefan | Capital Strategy |  |  | ✓ | ✓ | ✓ |
| Kopyrski, Andrzej | Pekao S.A. |  |  | ✓ | ✓ | ✓ |
| Sławiński, Andrzej | Economic Institute of the National Bank of Poland |  |  | ✓ | ✓ | ✓ |
| Wirth, Herbert | KGHM Polska Miedź |  |  | ✓ | ✓ | ✓ |
|  |  |  |  |  |  |  |
| Grabowski, Bogusław | Skarbiec TFI S.A. | ✓ | ✓ |  |  |  |
| Sobolewski, Ludwik | Warsaw Stock Exchange (GPW) | ✓ | ✓ |  |  |  |
| Aluwihare, Duleep | Ernst & Young (EY) |  | ✓ | ✓ |  |  |
| Daniluk, Dariusz | Bank Gospodarstwa Krajowego (BGK) |  | ✓ | ✓ |  |  |
| Kilian, Krzysztof | PGE S.A. |  | ✓ | ✓ |  |  |
| Krupiński, Michał | Bank of America Merrill Lynch |  | ✓ | ✓ |  |  |
| Dziekoński, Olgierd | Chancellery of the President of the Republic of Poland |  | ✓ |  |  | ✓ |
| Bartkiewicz, Jacek | National Bank of Poland (NBP) |  |  | ✓ | ✓ |  |
| Szwoch, Władysław | IBM Global Business Services |  |  | ✓ | ✓ |  |
| Pruski, Jerzy | Bankowy Fundusz Gwarancyjny |  |  | ✓ |  | ✓ |
| Kacprzyk, Dariusz | Bank Gospodarstwa Krajowego (BGK) |  |  |  | ✓ | ✓ |
| Kozera, Iwona | EY |  |  |  | ✓ | ✓ |
| Kroc Jarosław | Accenture |  |  |  | ✓ | ✓ |
| Ligas, Stacy | KPMG |  |  |  | ✓ | ✓ |
| Malinowski, Andrzej | Pracodawcy RP |  |  |  | ✓ | ✓ |
| Paprocki, Wojciech | SGH |  |  |  | ✓ | ✓ |
| Piwowar, Grzegorz | Pekao S.A. |  |  |  | ✓ | ✓ |
| Reich, Andrzej | KNF |  |  |  | ✓ | ✓ |
| Rosiński, Marek | Baker & McKenzie / Krzyżowski i Wspólnicy |  |  |  | ✓ | ✓ |
| Szkaradek, Dariusz | Deloitte |  |  |  | ✓ | ✓ |
| Woszczyk, Marek | PGE S.A. |  |  |  | ✓ | ✓ |
|  |  |  |  |  |  |  |
| Gronicki, Mirosław | National Bank of Poland (NBP) | ✓ |  |  |  |  |
| Herman, Andrzej | SGH | ✓ |  |  |  |  |
| Jasser, Adam | KPRM | ✓ |  |  |  |  |
| Kawiński, Andrzej | KŁOS Nowoczesne Technologie Bankowe | ✓ |  |  |  |  |
| Kluza, Stanisław | KNF | ✓ |  |  |  |  |
| Malisz, Zbigniew | PZFD | ✓ |  |  |  |  |
| Meder, Maciej | zeb/ | ✓ |  |  |  |  |
| Opawski, Krzysztof | Saski Partners, former Minister of Infrastructure | ✓ |  |  |  |  |
| Pyka, Andrzej | Accenture | ✓ |  |  |  |  |
| Szyszko, Roman | ENERGA S.A. | ✓ |  |  |  |  |
| Zadroga, Tomasz | PGE S.A. | ✓ |  |  |  |  |
| Budzanowski, Mikołaj | Minister of the State Treasury |  | ✓ |  |  |  |
| Kwaśniak, Wojciech | Polish Financial Supervision Authority (KNF) |  | ✓ |  |  |  |
| Okoński, Zbigniew Wojciech | Polish Association of Developers (PZFD) |  | ✓ |  |  |  |
| Pietraszkiewicz, Krzysztof | Polish Bank Association (ZBP) |  | ✓ |  |  |  |
| Piotrowska-Oliwa | PGNiG S.A. |  | ✓ |  |  |  |
| Raczko, Andrzej | National Bank of Poland (NBP) |  | ✓ |  |  |  |
| Stępniewski, Michał | Central Securities Depository of Poland (KDPW S.A.) |  | ✓ |  |  |  |
| Szczerbetka, Zbigniew | Deloitte |  |  | ✓ |  |  |
| Aziewicz, Tadeusz | Sejm RP (lower chamber of Parliament) |  |  |  | ✓ |  |
| Baniak, Rafał | Ministry of the State Treasury |  |  |  | ✓ |  |
| Jóźkowiak, Jerzy | Poczta Polska |  |  |  | ✓ |  |
| Kacperczyk, Katarzyna | Ministry of Foreign Affairs |  |  |  | ✓ |  |
| Kleina, Kazimierz | Senat RP (upper chamber of Parliament) |  |  |  | ✓ |  |
| Kobosko, Michał | Project Syndicate Polska |  |  |  | ✓ |  |
| Maciejewski, Adam | Warsaw Stock Exchange (GPW) |  |  |  | ✓ |  |
| Purwin, Adam | PKP Cargo |  |  |  | ✓ |  |
| Sieradz, Andrzej | Bank BGŻ |  |  |  | ✓ |  |
| Binek, Beata | Polish Institute of Directors (PID) |  |  |  |  | ✓ |
| Markiewicz, Waldemar | Izba Domów Maklerskich |  |  |  |  | ✓ |
| Rostowski, Jacek | Sejm RP, Former Minister of Finance |  |  |  |  | ✓ |
| Socha, Jacek | PwC |  |  |  |  | ✓ |
| Sroka, Iwona | Central Securities Depository of Poland (KDPW S.A.) |  |  |  |  | ✓ |
| Suszycki, Andrzej | Joschka Fischer & Company |  |  |  |  | ✓ |
| Sztabińska, Jadwiga | Dziennik Gazeta Prawna |  |  |  |  | ✓ |
| Tamborski, Paweł | Warsaw Stock Exchange (GPW) |  |  |  |  | ✓ |
| Tersa, Andrzej | ENERGA S.A. |  |  |  |  | ✓ |