

# YEARBOOK OF POLISH

# FOREIGN POLICY

# 2016



PISM

POLSKI INSTYTUT SPRAW MIĘDZYNARODOWYCH  
THE POLISH INSTITUTE OF INTERNATIONAL AFFAIRS



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i Szkolnictwa Wyższego

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## From the Editor

I am pleased to inform you that the Polish Institute of International Affairs has decided to resume the publication of its *Yearbook of Polish Foreign Policy*. For reasons unknown to me, the tradition of publishing the *Yearbook* annually was abandoned in 2012. We will gradually strive to make up for several years' negligence and *Yearbook 2016* is our first step in this direction.

Popularisation of knowledge on Polish foreign policy is among PISM's statutory tasks. We will be carrying out this task by compiling our *Yearbooks of Polish Foreign Policy*. This tradition is important not only for PISM but also for the entire community interested in international affairs and in Poland's place in the global arena—for Polish and foreign diplomats, experts and analysts, academics, and journalists. Human memory is fallible, it is often impacted by opinions formulated *post factum*, influenced by more recent events and their interpretation, which makes them ahistorical. The *Yearbook* has always served as a systematised “snapshot” of Polish foreign policy taken either when this policy was still being pursued or immediately afterwards. We are returning to our tradition according to which the authors of specific chapters are PISM analysts specialising in the discussed issues and closely following the process of how the described policies are shaped and pursued. Our reflection is offered in a systematised manner. Each time, the annual “Government Information on Polish Foreign Policy” delivered by the Minister of Foreign Affairs at the Sejm is the starting point for our discussion. In each of the chapters, we intend to present the manner in which the government defines the goals of its policy and to assess, as objectively as possible, the effectiveness of the implementation of the declared assumptions. In my view, this approach is what we really need in a situation of a heated and highly polarised political debate that results in public opinion mostly receiving extreme views. This is why systematic analytical observation prepared as objectively as possible according to a single method applied each year, is so important. This has always been a strong point of the *Yearbook of Polish Foreign Policy* and this is the standard we intend to revive.

As a result of parliamentary elections held on 25 October 2015, a new government was formed by a coalition of the following centre-right parties: Law and Justice (PiS) led by Jarosław Kaczyński, United Poland led by Zbigniew Ziobro, and Poland Together United Right, led by Jarosław Gowin, all of which formed a joint Law and Justice parliamentary group in the Sejm. This is how, for the first time in Poland's post-1989 history, a government was formed on the basis of a parliamentary majority represented by a single parliamentary group. Beata

Szydło (who received 96,127 votes) was appointed as prime minister. Szydło is a PiS politician and the former head of the presidential campaign of Andrzej Duda, a candidate nominated by Law and Justice who won the presidential election in May 2015. Witold Waszczykowski, PhD (32,909 votes) was appointed as the minister of foreign affairs in the new government, and Antoni Macierewicz (33,960 votes) as minister of defence. Both were Law and Justice politicians. In this way, this party's politicians assumed offices of key importance for the pursuit of foreign policy, as stipulated in Poland's constitution.

2016 was the first year in which the new parliamentary majority assumed full responsibility for shaping and pursuing Polish foreign policy. On 29 January 2016, on behalf of the government headed by Prime Minister Szydło, Minister of Foreign Affairs Waszczykowski presented the government's information on Polish foreign policy to the Sejm. In his speech, he emphasised that in a situation of Europe-wide concern as to the directions and the future of European integration, Poland would base its cooperation with its European and global political partners on four premises:

“Firstly, we will seek to root foreign policy in the political will of sovereign states, which—if they share deep common values and interests—are ready to work together to achieve common goals. This is the base of NATO and the European Union. Secondly, we will base our foreign policy on the primacy of international law over brute force and the idea of a concert of powers dividing the world into spheres of influence against the will of populations. Hence Poland's attachment to the principles of the United Nations, the OSCE and the Council of Europe. We will act in the spirit of the motto that President Andrzej Duda formulated at the UN forum: ‘peace through law, the force of law over the law of force’. Thirdly, our model will be the community of values of the democratic world, which form a space that unites societies around peaceful development and cooperation, regardless of the cultural differences and historical experiences. This means that for the Republic of Poland, a community of interests is underpinned by the values forming the heritage of European civilisation. These values include Roman law, Greek philosophy and Christian ethics, rationalism, common good, and respect for human rights. The protection of these values and tenets of our civilisation will be the sense of our diplomacy [...] Fourthly, we believe that international relations, though sometimes perceived as a sphere of brutal and destructive competition between states, also form a space of economic exchange and mutual understanding of societies, including those very distant in terms of tradition and historical experience. From this imperative stems the idea of a strategic partnership with non-European nations.”

The new government's foreign policy was to be based on the same values that lay behind Poland's foreign policy in the last three decades and were derived from the tradition of Polish political thinking about the world, with concurrent reference to international law and democratic equality of states.

The paramount challenge faced by the new government was the NATO summit, which, in line with the decisions made during the Wales summit back in 2014, was to be held in Warsaw. In connection with Russia's aggression against Ukraine in 2014, the annexation of Crimea and Russia's occupation of parts of eastern Ukraine, the security situation in Europe changed dramatically. In its foreign policy, Russia resorted to military aggression and territorial annexations, first against Georgia in 2008 and then against Ukraine, which marked a watershed in Europe's post-Cold War history. The era in which the Old Continent's security was being shaped on the basis of respect for international law, peaceful dispute resolution, permanent nature of borders, cooperative security, disarmament, and building of mutual trust measures on the part of all European states was becoming a thing of the past. Therefore, the new goal of Polish foreign policy was to have the North Atlantic Alliance adjusted to the new situation, to increase its potential to deter Russia on the Alliance's Eastern Flank and to boost its political assertiveness and combat readiness. To a large degree, these tasks were identical with those defined by the previous Polish government in connection with Russia's increasingly aggressive policy. However, the implementation of decisions made during the NATO Wales summit held in 2014 and preparation of further Allied decisions required efforts and diplomatic activity. Decisions made at the NATO Warsaw summit largely contributed to stabilisation of the security situation in Europe and boosted NATO's resilience to Russia's aggressive policy. What is certain is that the goals formulated ahead of the summit by the two subsequent Polish governments responsible for managing Polish affairs in the period between the Wales summit and the Warsaw summit, have been attained.

Decisions made at the Warsaw summit were all the more necessary because a new source of uncertainty emerged in Europe when the results of the EU membership referendum held in the United Kingdom were announced. For the first time in Europe's history, a great nation that historically was almost a synonym for European culture and politics decided to withdraw from its participation in the integration process. This decision not only focused the European debate, including the one over the future of the EU, on new issues but also generated new dilemmas for Poland. There is no doubt that the United Kingdom has set its stamp on the process of Poland joining the Western structures following the end of the Cold War and on the shape of and conditions for Poland's participation in European integration. Poland's economic transition and creation of the foundation

of a free market economy were inspired by the British approach to the market, the economy, and European integration. Following its EU accession, Poland frequently took advantage of the liberal British approach to shaping European policies, which was much less regulatory and statist than the solutions usually promoted by France and sometimes even by Germany. The United Kingdom's openness to a practical implementation of the freedom of movement not only of goods but also of persons in the European Union fostered new ties between Poland and the UK. Over a mere decade, almost two million Poles used this freedom of movement and relocated to the UK, seeking a better job and a more prosperous life. For all these reasons, for Poland, Britain's decision to leave the EU was tantamount to a deterioration of the international situation. Moreover, a prospect of greater political alienation began to loom on the horizon of Polish European policy. This prospect forced Poland to launch political efforts to build new forms of Polish-British cooperation on the one hand, and carry out greater political investments in cooperation with other Central European states on the other.

The nearing prospect of a change in the U.S. administration was another new challenge that required planning and political activity. As early as summer 2016, President Andrzej Duda launched efforts to use the tradition of the American president paying a visit to Warsaw to solidify Poland's involvement in the process of shaping a new regional cooperation format, i.e., the Three Seas Initiative. During the initiative's second founding meeting in Dubrovnik in August 2016, President Duda proposed that another summit should be held in Poland and agreed with Croatia's President Kolinda Grabar-Kitarović that a joint invitation should be extended to the newly elected U.S. president to attend the summit of the new initiative set up by Central European states. The results of new initiatives and diplomatic activities carried out as part of them will only be visible in the years to come.

**I.**

**THE BASIS OF POLISH FOREIGN POLICY**



**Government Information on the Polish Foreign Policy in 2016**  
(presented by the Minister of Foreign Affairs of the Republic of Poland  
Witold Waszczykowski at a sitting of the Sejm on 29 January 2016)

Mr. President!, Mr. Marshal!, Prime Minister and State Ministers!, Ladies and gentlemen, Members!, Excellencies, Ladies and Gentlemen, Ambassadors!, Dear Sir or Madam!

It is a great honor for me that as a representative of the Government of the Republic of Poland, I can present to the Sejm, gathered guests and citizens of our country today information on the tasks of Polish foreign policy in 2016. Thank you for your presence, Mr. President, who in the field of foreign policy—in accordance with the provisions of the Constitution—cooperates with the Prime Minister and the Minister of Foreign Affairs. Harmonious cooperation between the President and the government, in view of the difficult tasks facing us, is extremely important today. This cooperation strengthens Poland's position.

This is the first expose of the minister of foreign affairs of the new cabinet. Therefore, I am facing the task of outlining the objectives of Polish diplomacy not only for 2016, but also the broader vision of foreign policy that we would like to implement in the next four years. It is important because due to technological and social changes, armed conflicts, economic crises and migration, we see the erosion of the old world order, which is rooted in the end of the Cold War, or even further—the end of World War II. At the center of this global uncertainty and instability was Europe weakened by the recession, divided against the backdrop of various visions for the development of the European project, and surrounded by wars just below its threshold. This negative experience has also happened to Poland, which is part of Europe and which has shared its pit and misery with it since the beginning of its history. In the case of our country, this situation is taking on a special meaning, because despite the passage of a quarter of a century since being freed from the communist system imposed on us, we cannot say that we achieved all the goals that guided Polish society in 1989.

When we first joined NATO and later the European Union, it seemed that we stood on some ground, that we could forget about the difficult dilemmas of the state located between East and West. Today, we feel more than ever before how optimistic we perceived our position. We have entered institutions that, although built on a community of strategic interests of member states, do not abrogate differences in the priorities of individual countries, but only the debates around them include civilized rules of the political game. Therefore, it is not enough to be a member of one or another international organization, but to shape its policy

actively and in a sense of subjectivity, pursue the interests of the Commonwealth, ensure real security and development conditions for all citizens. The current government is determined to achieve these goals by pursuing a bold and realistic, and above all effective foreign policy based on four premises:

First of all, we will strive to root foreign policy in the political will of sovereign states, which – if they share a deep community of values and interests—are ready to cooperate in solidarity with each other to achieve common goals. NATO and the European Union are emerging from these sources.

Secondly, we will base politics on the primacy of international law over brute force, on the idea of a concert of powers that divide the world into spheres of influence against the will of societies. Hence the Polish attachment to the principles of the United Nations and the OSCE. We will act in the spirit of the motto formulated by President Andrzej Duda at the UN forum: “peace through law, power of law over the law of force.”

Thirdly, the determinant for us will be the community of values of the democratic world, which create a space uniting societies around peaceful development and cooperation, regardless of cultural differences and historical experiences. The idea of strategic partnership with non-European nations arises from this imperative. This means that for Rzeczpospolita, the basis of common interests are above all values that constitute the heritage of European civilization. These values are primarily Roman law, Greek philosophy and Christian ethics, rationalism, the common good and respect for human rights. Defending these values and the principles of our civilization will be the sense of our diplomacy.

Fourthly, we are finally convinced that international relations, although sometimes seen as a sphere of brutal and destructive rivalry between states, also create a space for economic exchange, mutual understanding of societies, including those very distant in terms of tradition and historical experience.

Members of the House!, In 2016, Poland will have to face three major crises that have hit Europe: a security crisis on our continent, a neighborhood crisis and a crisis of the European project itself. Each of them can have very serious and far-reaching consequences for our country.

This dimension of international relations that raises the most concern is security. For several years we have been observing a gradual, dramatic deterioration of the situation in the eastern and southern neighborhood of the European Union, including directly at the borders of the Commonwealth. The current system of international security in Europe is marginalized. Institutions, such as the OSCE or regional organizations, set up to relieve tension through dialogue, conflict prevention or resolution based on generally accepted principles,

are disregarded and ignored. This creates a favorable ground for a policy of power that has brought so many misfortunes to European societies in the 20<sup>th</sup> century.

The biggest concern in this respect is the policy of our great neighbor in the east, which aims to revise the post-Cold War European order. The new “Security Strategy of the Russian Federation” allows the use of force in the pursuit of its interests when political methods fail. An illustration of this logic is Russian aggression against Ukraine and the war, which in fact is already underway in this country for the second year. Russia is aiming at expanding its own sphere of influence and stopping the democratic transformation of those Eastern European countries that are seeking rapprochement with the West. It is a policy supported by the development of Russian military potential and hybrid activities, including propaganda ones. I am sorry to say that the naivety was the faith that one of my predecessors demonstrated a few years ago that Russia adheres to democratic values and the principles of international law, postulating its invitation to join NATO.

Secondly, the deterioration of our security is strongly intertwined with the crisis of the European neighborhood. Although Russian policy plays a destructive role in Eastern Europe, it is not one that is the source of concern. Corruption and the lack of consistent political, system and free market reforms also have a negative impact on this region. In the southern neighborhood, the same or similar phenomena have led to the collapse of countries such as Syria and Libya, and have shaken the stability of many other countries. The Middle East is falling into chaos. The Middle East peace process suffers. South of Europe, the biggest problems today are armed conflicts, terrorism and the breakdown of state structures. A growing problem is the powerful wave of labor migration and refugees. Actions are also needed to adapt Polish foreign and security policy to these challenges. However, I want to emphasize that Polish diplomacy, also using development aid instruments, actively involved in solving the problems of Africa and the Middle East, will strive to maintain the right balance between the involvement of our partners and allies from NATO and the EU in preventing and solving problems in the Eastern neighborhood and south.

The third important task for Polish diplomacy and Polish authorities in general is to face the crisis of the European project. We are a member of the European Union and our condition is directly influenced by our condition and safety. The Union’s crisis is manifested by the Greek debt crisis and the prospect of the UK exiting it. A massive violation of the rules at the external borders of the Schengen area threatens to undermine the entire freedom of travel system within that area. Polish diplomacy will oppose the internal differentiation of the Union, the idea of mini-Schengen or discrimination against Polish citizens living in EU

countries. We will also oppose any solutions that would affect the interests and economic security of Poland and Polish entrepreneurs. We hope that the Dutch Presidency will recognize these problems.

The most important problems I have indicated are complex and long-lasting. They impose on Polish diplomacy an obligation of increased activity, so that Poland can eliminate emerging threats. That is why I will repeat what the Prime Minister said when presenting her expose in front of the High Chamber in November—the priority of the Polish government in the coming years will be to provide the state and citizens with broadly understood security. Understood as classic military security and the stability of our borders, and more broadly as economic security.

Mr. Marshall, Ladies and gentlemen, Members!

The basis of Polish, European and transatlantic security remains the North Atlantic Alliance. In view of the deteriorating situation on NATO's eastern and Southern Flank, the role of the Alliance will be to strengthen the deterrence function and the ability to collectively (jointly and severally) defend against external invasion. We hope that, as in the past, also today NATO will be capable of strategic adaptation in changing security conditions and geopolitical realities. Polish diplomacy spares no efforts and initiatives to actively influence this process. The involvement of the President in this field is particularly valuable. This was demonstrated by his participation in the successful November meeting of NATO Eastern Flank leaders in Bucharest and the recent fruitful visit to Brussels and NATO Headquarters in Mons. A number of visits by the Prime Minister to the capitals of our most important European partners are planned in the coming days. The security of our region will be an important element of consultations with the Prime Minister before an important meeting of NATO defense ministers in February this year.

The military strengthening of NATO's Eastern Flank, postulated by Poland and other countries of our region, will remove from the calculations of European peace destroyers a sense of disbelief in the cohesion of the North Atlantic Alliance and replace it with an element of assessing material realities. The implementation of this intention will therefore eliminate the temptation to test NATO cohesion and will be a step towards reducing the risk of conflict.

Strengthening the Alliance should be of a lasting and long-term nature. Allied obligations are a joint, collective obligation. This rule should be reflected during the upcoming July NATO summit in Warsaw. In Warsaw, we want the Alliance to confirm the credibility of security guarantees with practical steps, also in relation to the countries of its Eastern Flank. Our proposals in this area are currently the subject of alliance arrangements. They come down to leveling the obvious

disproportions between the so-called “Old” and “new” NATO members when it comes to the state of defense infrastructure. In talks with our allies, we emphasize that we are not demanding privileges. We strive for equal security status for all NATO members throughout the alliance. There is and cannot be a return to “gray” zones or a security vacuum in our part of the continent. We clearly communicate and remind our allies as well as partners outside NATO: the military infrastructure of the Alliance has not been, is not and will not pose a threat to anyone.

Similarly, the threat is not the sovereign decisions of states on possible future integration with the North Atlantic Alliance. The attractiveness and effectiveness of NATO is also manifested in the power of attracting possible new members. In this spirit, we are in favor of maintaining the Alliance’s “open door” policy as long as the enlargement process serves to strengthen NATO’s defense functions.

Our goal is also to further develop security cooperation with the United States. Both bilateral cooperation as well as in multilateral fora, and above all in the NATO forum. The year 2016 is the time of transition to the implementation of the Polish-American missile defense agreement and commencement of construction of the missile defense base in Redzikowo. It is also another year of increased presence of U.S. troops in Poland, including during *Anakonda* military exercises. We will strive for a more permanent anchoring of elements of the U.S. Armed Forces on Polish territory. Such an opportunity is created, among others U.S. armaments storage project in our country. In the course of preparations for the NATO summit in Warsaw, we expect strong support from the United States in strengthening the security of the Alliance’s Eastern Flank. Solidarity in our alliance should apply to everyone equally and in all directions. Once operations in Haiti, Afghanistan or Iraq required support. Today, NATO’s Eastern Flank requires special attention.

Not only NATO members but also NATO partner countries are experiencing the challenges and threats of the modern security environment. We want to develop and nurture cooperation with these countries, strengthen their sense of security. In these categories, we primarily think of partners from the closest NATO environment, such as Finland, Sweden, Ukraine, Moldova, Georgia, but also Lebanon, Jordan and Iraq. No less important is maintaining ties with politically close, strong partners a bit further away, such as Australia, Japan and South Korea.

Recognizing the Alliance’s primary role in maintaining transatlantic security, we are in favor of closer and more effective cooperation between NATO and the European Union in solving complex international problems. Poland will be involved in activities aimed at strengthening the Common Security and Defense Policy of the European Union. The more defensive elements the better. From the point of view of the Polish *raison d’etat*, it is necessary to develop common

quick response mechanisms on the EU forum. I am referring to the possibility for the European Union to carry out peace and stabilization missions and to ensure adequate civilian and military capabilities for this purpose. However, it is important that these solutions do not duplicate, and even less that they do not compete with the already existing Atlantic Alliance.

In the current security environment, regional cooperation with our Nordic and Baltic partners and the Visegrad Group is particularly important. Through this cooperation, we should sensitize both NATO and the EU to the north-eastern dimension of Europe's security. This year, together with the Visegrad partners, we put at the disposal of the European Union a combat group capable of rapid intervention. It currently comprises less than 4,000 soldiers, half of them from Poland.

Focusing on problems in our part of the continent, we also see the importance of the threat from the so-called Islamic State. Poland is a member of the global coalition fighting this criminal group. We support allies and partners in the fight against international terrorism. In this context, we remind you that the defense belongs to religious minorities, especially to Christians. We also participate in providing humanitarian aid to victims of a terrorist war. We intend to specifically respond to requests addressed to us by the U.S. and France. The Minister of National Defense is already conducting appropriate consultations.

Our ambition is to expand our commitment to international security. In this spirit, we are applying for an unstable place in the United Nations Security Council in 2018–2019. This status is associated with responsibility, but also prestige and chance for a broader promotion of Polish experience in the field of democratic and political transformation.

We are working on increasing Poland's participation in UN peacekeeping operations. Poland has been an active participant in peacekeeping missions for many years and we want to return to this good tradition. However, any decisions in this respect will be made with prudence and responsibility for the lives of our soldiers and the security of the mission.

Dear Sir or Madam!, Far-sighted and ambitious Eastern policy is one of the most important dimensions of the foreign policy of the Polish state. The challenges of the eastern direction for our and European security fully justify this point of view. It is in Poland's interest that Eastern European societies, in accordance with the spirit and letter of the United Nations Charter and the OSCE, have the right to sovereign choice of development path, political system and alliances, without fear of their own security. Only in this way will Eastern Europe cease to be a source of unrest and become a stable region, founded on sound foundations. Therefore, our goal remains to support the stabilization processes of those countries that wish to

do so and to arrange correct relations with partners who do not always share our point of view in every field.

One of the ways to implement such a policy is to effectively use the available European instruments. The idea of creating a new instrument for the positive impact of the European Union on its eastern neighborhood remains key in this area. Together with regional partners, we will take into account all positive aspects of the Eastern Partnership and add new elements that will contribute to increasing regional cooperation. I have already started talks on this subject with my partners from Sweden, Finland, Lithuania and Romania.

We hope that the entry into force of the Association Agreements with Georgia, Moldova and Ukraine, and the green light of the European Commission for visa waiver for citizens of Georgia and Ukraine, will contribute to the stabilization of the region and will be an incentive for the development of regional cooperation. In line with the spirit of the individualized approach, we will also support Europe's cooperation with Belarus, Armenia and Azerbaijan.

Pragmatic and substantive relations with the Russian Federation lie in the interest of Poland and Europe. This is not an easy task, given the different approach to international relations, which our neighbors treat not as a sphere of cooperation, but as a sphere of geopolitical competition in which the use of force is allowed if political methods fail. However, we believe, like our Western partners, that it is in our interest even to maintain open channels of communication with Moscow. This approach is manifested, among others, by consultations at the level of deputy foreign ministers held a week ago. Cooperation with Russia, however, should not be built on the basis of unilateral concessions, but in the spirit of constructive dialogue and respect for bilateral agreements and international law. Therefore, in relations with the Russian Federation, we aim to align relations and take into account our interests and expectations. Mutual trust, so needed in relations between states, is built through specific gestures. From the Polish point of view, such gestures can be: reliable cooperation in explaining the causes of the Smolensk catastrophe, return of the presidential plane wreck and declassification to the end of the archives related to the crimes committed by Stalin on Polish officers. A bilateral solution to such matters would be a positive step and would stop the need to seek international solutions.

With Russia in mind, I will repeat the words of President Andrzej Duda: "Poland has no eternal enemies." Despite the difficult history, we managed to build "friendship relations" with Germany. In Poland, many believe and hope that a similar process is possible in relations with Russia. Therefore, we are ready to resume substantive contact with Moscow, which would lead to the resolution of at least some specific cases. We have demonstrated our readiness by sending

a diplomatic mission at working level. Expert meetings of the Citizens' Dialogue Forum could also improve the mutual atmosphere.

Polish diplomacy will participate in creating solidary and consistent policy of the European Union and the North Atlantic Alliance towards Russia. Our coherent position should take into account Russian behavior towards both the Union and NATO, as well as individual Member States and our strategic partners. We do not object to the convening of the NATO-Russia Council, provided that the Crimean issue and the war in eastern Ukraine are one of its topics of debate.

It is in Poland's interest to support Ukraine's sovereignty and territorial integrity. A democratic, politically and economically stable Ukrainian state is an important element of European order and security, built after the political changes of 1989–1991. In the last two years, the independence of our eastern neighbor, like never before in the last quarter century, has been severely tested. The scale of pressure, pressure and attempts at destabilization corresponds at the same time to the scale of freedom and democratic aspirations of the Ukrainian people. Pro-European reforms, advocated by Ukrainian society at Euro-Maidan, need the support of the Western world and the active involvement of Poland. This commitment was declared by President Andrzej Duda during his first official visit to Ukraine in December 2015. The Minister of National Defense Antoni Macierewicz also paid a visit to Kiev in December. We will help Ukraine, but at the same time we will require the effective use of this assistance.

We support our Ukrainian partners in the most important areas of the organization of a modern state: creating a system of local governments, deregulation, fighting corruption, building an efficient state administration, but also settling difficult and painful historical issues. The Ministry of Foreign Affairs advises and helps in preparing draft legal acts as well as training officials. We provide assistance to people who have been forced to leave their current homes. In 2016, we plan to continue the implementation of humanitarian and development projects for the victims of war in eastern Ukraine. Poland has opened the door widely for hundreds of thousands of Ukrainian citizens who, for material reasons or a lack of security, want or need to look for their place outside their homeland.

We will strive for consistent implementation of the EU-Ukraine Association Agreement and an agreement on a deepened free trade area. Closer economic cooperation and competing Ukrainian and European entrepreneurs on the same terms will be the best incentive to implement reforms that permanently modernize the Ukrainian economy. It will also be a real response to attempts to destabilize the situation in this country. An additional instrument for building our solidarity with Ukraine will be the introduction of visa-free travel to the EU for its citizens. We also cooperate with non-European countries in support

of Ukrainian reforms, including the United States, Canada, Japan, Australia and New Zealand.

We look with hope at the recovery in EU-Belarus relations. Polish diplomacy does not intend to interfere in the policy of any state. However, we expect, especially from our neighbors, only compliance with standards set by law and international organizations. The release of political prisoners by the Belarusian authorities is a step in the right direction of respecting international standards. However, if we want to go this way further, further joint actions will be needed. We count on stimulating cooperation in the field of infrastructure, including improving the capacity of border crossings and simplifying the rules of passenger traffic, especially through the implementation of the agreement on local border traffic. At the same time, we are aware that difficult issues will not be avoided in the dialogue with Minsk. The problems of the Polish minority in Belarus will remain high on our agenda. I hope that I will talk about these matters soon in Minsk.

We do not lose hope for the success of the reform process in Moldova. For Poland, the countries of the South Caucasus are an important area of economic and political cooperation, the diversity of which requires us to be well-balanced. Georgia has been consistently taking further steps towards rapprochement with the European Union and NATO. We strongly support Tbilisi in this regard. We maintain interest in starting the Tbilisi Conference initiated in April 2015, which—modeled on the model of the Utrecht and Skopian conferences—aims to transfer experience serving Georgia's European integration with the EU, based on the Association Agreement. We will also work on further developing the dialogue with Armenia and Azerbaijan.

High Sejm!, Debate on the future of the European Union torn by shocks is gaining fundamental importance today, at the root of which are not always real integration projects such as the single currency, excessive regulation or economic governance. It is in them that the causes of the Greek crisis and the question of the idea of ever closer integration by Great Britain should be sought. In both cases, the unity and cohesion of the Union have been called into question.

Poland is a beneficiary of European unity. Cracks that appeared on the structure successfully built for several decades are an undesirable and dangerous phenomenon. We want to create a Union of free nations and equal states, solidary and economically competitive, enjoying authority in the world. However, we believe that the path to this goal does not lead through the Union of two speeds, closer economic and political cooperation by the eurozone countries.

An alternative to the efficiently acting and respecting the subjectivity of its member states of the European Union is the concert system of the powers with which Poland has historically had bad experiences. At the same time, we see and point out what is defective in the European project. It is difficult for our acceptance for the EU departing from the treaty rules in search of ad hoc effects, for delegating decision-making and executive powers in the field of various policies to informal bodies, for decisions taken without consulting them with other partners. We see attempts to transfer some of the effects of these decisions to countries that did not participate in the process of their elaboration, and which are then faced with fait accompli. The lack of respect for equality and subjectivity of EU Member States that are not superpowers is a mistake—it weakens the will of European nations to continue the integration process and undermines its achievements to date. The cohesion of the European Union lies in the interest of the Commonwealth. The condition of this cohesion is, however, support for citizens of the Member States. Practice based on the principle of “more Europe, less democratic control over its actions” leads to erosion, not to strengthening of the integration process. In the intelligent concern for its success, we must urge our EU partners to recognize the danger behind it.

The criticism of the dispute about the future shape of the Union is the criticism of changes taking place in Poland by some European politicians. In fact, the dispute is not so much about the content of this or that act adopted by the Polish parliament, but rather about the extent of interference by the European institutions in the internal affairs of the Member States. In other words, the scope of the sovereignty of the Republic of Poland and other Member States. The Polish *raison d'état* is unequivocal in this case: in Poland's interest lies a lasting and strong sovereignty that harmoniously fits into the European construction resulting from the treaties. It is worth that the essence of this dispute is widely understood in Poland.

The European Union should return to its roots, to the four basic freedoms, freedom of movement: people, services, goods and capital. Supporters of close integration of the euro area want coordination of economic governance and a de facto political union. Unfortunately, there is no fair and democratic way to select the credible authorities of such a political union today. However, we still have a lot to do in implementing these fundamental principles of the Single Market. We are far from the common market of services. We hardly implement the principle of free movement of goods in relation to energy resources. Question marks appear in relation to the free movement of people.

Sometimes you get the impression that the idea of a political union (ever closer union) is treated as a way of escaping forward. As if they wanted to hide

the mistakes made in connection with the single currency, and recently also with the migration crisis. The principle of subsidiarity falls victim to this attitude. This is how we should read the situation in which, after making mistakes in the protection of common borders, asylum and migration policy, some European politicians want to impose mandatory quotas for migrants on Member States and even intend to establish a European border guard operating independently of their will. Our goal is to restore the right to subsidiarity in European policy, which is the best guarantee of a balance between the prerogatives of EU institutions often suffering a clear deficit of democratic mandate and the competences of Member States whose governments derive their power directly from the election decisions of their citizens.

Mr. Marshall!, Ladies and gentlemen, Members!, Regional cooperation is an integral element of Polish European policy. We have high hopes for her, but we also see problems that we will face. Central Europe has fallen victim to the migration crisis. Rational and accurate from today's perspective, initially found themselves in the heat of criticism from many European politicians before they were considered justified. The ideas of closer European integration or the so-called "little Schengen" are addressed primarily to the countries of "old Europe." Our region is not taken into account.

The current government will pursue regional policy arising from Poland's special position in Europe. Our country connects two large European areas—the broadly understood Baltic Sea region and Central Europe with the Balkan countries to the Adriatic Sea. Not only will we be present in various formats of cooperation within individual regions, but we will also strive to bring the north and south of Europe closer through our country. In the political sphere, the above-mentioned summit of nine Central European leaders organized in Bucharest on the initiative of Poland and Romania—our important regional ally—is a manifestation of such thinking. In the economic and communications sphere, we will strive to make Via Carpatia a brace connecting different parts of Europe in the field of infrastructure development. We will also solicit and promote further infrastructure initiatives among the countries connected by the Carpathian massif.

The Visegrad Group, built on the model and making use of Benelux's experience, is a proven element of European architecture and a format for joint representation of the interests of the region of Central and Eastern Europe. The 25-year jubilee of the existence of the Group celebrated this year makes us aware of the scale of our region's success. Poland will take over the annual chairmanship from mid-2016—under it we will strive to increase the effectiveness of cooperation, in particular on the issues of the European agenda, defense, energy security, cohesion policy and infrastructure. At the same time, we will seek synergies with the efforts of

the Slovak presidency of the Council of the European Union, e.g. in the scope of reviewing EU budget issues, development of the digital market, Energy Union, migration crisis or the situation in Ukraine. We will also develop cooperation with the Visegrad partners on a bilateral basis, including by organizing a number of intergovernmental consultations with the Czech Republic and Slovakia. Close cooperation with the third important Visegrad partner, Hungary, will be reflected, among others, in joint celebrations of the 60<sup>th</sup> anniversary of the events of 56, in June in Poznań and October in Budapest. Thanks to the decision of the parliaments of our countries, we will also celebrate the Year of Solidarity referring to the events of those days.

We will engage with equal energy in cooperation with our neighbors in the north, especially in the field of security policy, the European agenda, as well as in rich sectoral cooperation. We also cooperate using multilateral channels, which is supported by the current Polish presidency of the Council of the Baltic Sea States. Poland wants to be a responsible partner that unites and unites around common values and ideas, which is why we value dialogue in the Visegrad Group format—the Nordic and Baltic states.

Poland currently holds the chairmanship of the Council of Baltic Sea States. This forum is increasingly used as a platform for the exchange of experiences between countries with different potential and degree of economic development. We also attach great importance to bilateral cooperation with the countries of the region, as evidenced, among others, by my first visits to Stockholm and Helsinki.

We will maintain dialogue and regular consultations at various levels with key European partners—first of all with Great Britain, with which we share not only an understanding of many important elements of the European agenda, but also a similar approach to the problems of European security. A common perception of European problems was confirmed during my recent visit to the United Kingdom. At the same time, I would like to emphasize—there will be no consent of the Polish authorities to violate one of the foundations of the Union, i.e. the right of EU citizens to move freely in the EU, also due to the importance of employee mobility for a strong, single market in the context of global competition. We will not accept solutions that would result in discrimination against our compatriots in any EU Member State.

Poland will continue friendly relations with Germany, our most important neighbor and economic partner. This year marks 25 years since the signing of the Treaty on Good Neighborhood and Friendly Cooperation between Poland and the Federal Republic. This is a good time for a positive reflection on the community of interests in Europe, because despite some opinions and stereotypes, we have a lot in common. It is also a good opportunity for a small neighborly stocktaking.

Polish-German contacts will be even better if they are accompanied by honesty and openness, rather than superficial conciliation, which is sometimes feigned. Such a spirit of sincerity and openness to cooperation accompanied the recent visits of President Andrzej Duda and mine to Berlin, as well as the visit of Minister Frank-Walter Steinmaier in Warsaw. We will also maintain a good atmosphere during the next visit of Prime Minister Beata Szydło to Berlin.

The 25<sup>th</sup> anniversary of the Weimar Triangle, which was also celebrated this year, will be the basis for summarizing the cooperation with France and Germany so far and for setting new directions for it. Paris will remain an important reference point for us in European and political-military matters. Traditionally, the most important European partners of the Commonwealth will include Italy, Spain and the Netherlands, which in January began the Presidency of the EU Council.

Members of the House!, I have just mentioned the migration crisis and its European aspect. However, the causes of this phenomenon should not be sought in Europe. Polish foreign policy does not underestimate the problems of the South. We treat the region of Africa and the Middle East as an area with both opportunities and serious challenges. Political instability, regional conflicts, terrorism, uncontrolled migrations, activities of large organized crime groups—these are just a few of the region's basic phenomena and problems. By their scale and character, they pose a direct challenge to European security, thus engaging the European Union's forces and resources.

The migration and refugee crisis is one of the most serious challenges for Poland and Europe. It should be assumed that further weakening of state structures and impoverishment of local societies will generate further migration waves to Europe. These issues will engage Poland both globally at the UN, EU and NATO forum, as well as bilaterally.

In order to combat the negative effects of the current crisis, the EU should, above all, regain control of the flow of people coming to Europe. The condition for limiting migration pressure is effective protection of the EU's external borders. This will allow you to exit the permanent crisis response mode. That is why we will analyze the European Commission's proposals regarding the management of the EU's external borders, while respecting the principle of respecting Member States' competences. We will also emphasize that the improvement of border protection can also be achieved through the full implementation and improvement of existing mechanisms of cooperation between national border services. Poland, not only because of its geographical location, plays a significant role in protecting the external borders of the EU. In addition to the obvious tasks carried out in their own territory, more than a hundred Border Guard officers last year also had

a difficult service in other EU countries. It will be no different this year. Polish border guards are also currently working in Slovenia and Greece.

To effectively counteract migration pressure, well-targeted cooperation with third countries is also needed, including with Turkey. The package of measures agreed at the end of November last year between the EU and Ankara creates a chance to partially stop the wave of refugees. Poland will contribute financially to this agreement, but decisive action is also needed in other sensitive areas of the southern neighborhood. The measures adopted so far and the decisions to relocate refugees within the EU have not brought the expected results. They merely responded to the growing influx of refugees to Europe, without touching the causes of the phenomenon outside the EU.

Poland is consistently implementing its migration policy. As I have already mentioned, since the outbreak of the conflict in Ukraine, our country has been receiving more and more citizens of this country (a double increase between 2014 and 2015).

When it comes to the relocation of refugees, we do not shirk the commitments made by the previous government, but we will consistently ensure that elementary security principles are observed. A necessary condition for admitting refugees in Poland will be full verification of the identity of the persons concerned, as well as compliance with the principle of full voluntariness in choosing Poland as the destination country of settlement.

Dear Sir or Madam, In the conditions of the modern international environment, the importance of the economic factor as an element influencing the shape of relations between states is growing. It strongly influences the assessment of security conditions and how the national interest is perceived.

Today, Poland is very strongly associated with the European market, which accounts for over 60 percent of our foreign turnover. On the one hand, it is pleased that Polish entrepreneurs are doing great on one of the most difficult global markets, on the other, it is worrying that we are so strongly dependent on the economic situation in one economic area. The current government will therefore consistently support the development of economic cooperation with partners outside Europe and entrepreneurs operating outside our country. It is estimated that in 2016, thanks to their hard work and talents, the growth of Polish exports may reach even 10 percent.

Together with the Ministry of Development, the Ministry of Agriculture and other central offices, we will improve economic diplomacy instruments. The implemented enterprise satisfaction survey system will help us to better identify the needs and preferences of Polish business.

An important thread of the MFA's activities will be support for technological cooperation. The Polish economy needs partners to optimally engage one of the most valuable capital—intellectual capital. Building a knowledge-based economy requires the support of Polish companies and research institutes in relations with countries that have achieved spectacular successes in the commercialization of highly advanced technologies.

We will continue training to increase the participation of Polish enterprises in tenders and projects of international organizations. We are pleased to note that an increasing number of companies participate in this type of training and workshops. Our intention is to use these organizations to support the foreign expansion of our entrepreneurs.

At the same time, I declare the openness of all Polish diplomacy to initiatives of Polish economic circles, if they are oriented at strengthening the Polish economic presence abroad. In the near future I plan meetings with representatives of the most important Polish business organizations.

Several geographical directions deserve special mention here. In relations with the United States, our partnership increasingly includes the economic dimension, energy cooperation, as well as a promising area of innovation and high technology development. Polish-American economic relations are part of the European Union's economic partnership with the United States, which we intend to develop for the benefit of all parties under the Transatlantic Trade and Investment Partnership (TTIP). The current government is taking action to maintain the dynamics of expansion of Polish enterprises in the Asian direction, it will be particularly important to strengthen cooperation with countries with which we have entered into strategic partnerships—with Japan and Korea.

We are successfully developing cooperation in this partner format with the People's Republic of China, also under the 16 + 1 initiative, i.e. between the countries of Central and Eastern Europe and China. An important event for the development of relations with this country was the recent visit of President Andrzej Duda. Regional and global initiatives, such as "One Belt, One Trail," or the Asian Infrastructure Investment Bank can bring measurable benefits to Poland, resulting from handling trade in goods between Europe and Asia, and from the inflow of investments. I hope that we will continue the possibility of implementing various initiatives during my first Asian visit to China and during the visit of the Chinese President to Warsaw. ASEAN countries as well as India are important partners on the Asian continent.

We will strengthen cooperation, including economic cooperation, with the countries of Latin America and the Caribbean. This region should be favored by democratic changes, a stable economic and social situation, progressive

liberalization of trade with the EU, as well as a strong and well-established presence of the Polish diaspora in this region.

We will attach special importance to energy policy in the field of international economic cooperation. In December 2015, the LNG terminal in Świnoujście began operating—a project initiated by the government with the participation of Law and Justice in 2007—making Poland more energy-independent and opening new opportunities for cooperation with exporters of this raw material. A breakthrough in the sphere of diversification of gas supplies does not mean that the Republic of Poland should attach less importance to energy policy in Europe.

The Polish strategy envisages two-pronged activities in the field of investment projects in the country, as well as steps taken at the EU level. The Energy Union project from the conceptual phase must go into the implementation phase. Following the December conclusions of the European Council, we expect an ambitious legislative package in the area of gas supply security in the coming weeks. We are critical of the Nord Stream 2 project, an economically inefficient idea aimed at increasing the European Union's dependence on deliveries from the same direction. By reducing the transit significance of Slovakia and Ukraine, this gas pipeline would not only undermine the economic interests of our southern ally, but also weaken our eastern partner. In this sense, it is contrary to the international commitments of UN and OSCE member states not to support aggression in any form. In fact, Nord Stream 2 is not a business venture, but a political one.

Poland will take an active part in shaping European climate policy. This was already visible during the recent climate summit in Paris. The agreement adopted is not in conflict with our national interest. In particular, it does not provide—in our opinion—a basis for increasing the EU reduction target by 2030. Poland will first seek to join and ratify the agreement by the world's largest economies. In the EU dimension, after the COP21 conference, negotiations of favorable legal regulations for Poland in the area of previously agreed emission reductions by 2030 become a priority.

Economic interests, as well as efforts to obtain support for our candidacy for the UN Security Council, require an increase in the activity of Polish diplomacy in Africa and the Middle East. Depending on the development of the situation, we are considering resuming our branches in Baghdad, Damascus and Tripoli. Building on close relations with both the Israeli and Palestinian authorities, we will also support international efforts to resume dialogue as part of the Middle East peace process.

The persistent interest of Polish tourists in trips to Egypt and Tunisia puts these countries among our important partners. As an important economic

partner, Algeria consolidates its position. Stable political and influential in their environment Morocco and Jordan—countries with privileged status in relations with the EU and offering concrete benefits to Polish companies deserve greater interest on our part.

Poland will remain an important partner for the Gulf States. In 2016, we will undertake efforts to obtain serious investments for Poland from the countries of this region. The main tasks include deepening cooperation with Saudi Arabia and Qatar, countries important for diversifying energy supplies to Poland. We see great potential in the development of relations with Iran, against which the European Union has recently lifted economic sanctions. The United Arab Emirates—our most important contractor in the Arab world—will keep a special place on the map of Polish interests in the Middle East.

We intend to continue and develop the GoAfrica program. We will strive to increase the Polish economic presence on the African continent. Activities aimed at restoring the network of Polish diplomatic missions in Africa should contribute to this. First, embassies in Senegal and Tanzania should be opened. In 2016, relations with four priority countries for Polish development cooperation will be strengthened, namely Kenya, Tanzania, Ethiopia and Senegal. South Africa will remain an important partner in Africa.

High Sejm!, Today, it is estimated that as many as 20 million of our compatriots or people with Polish roots live outside Poland. Of course, we do not want another hundreds of thousands of Poles to leave Poland in search of their life opportunities, as it has been in the last few years. We want them to have decent living conditions here. I recently appealed to the Polish community in Edinburgh to return to the country. At the same time, in the presence of such a large Polish community abroad, we see opportunities for active promotion of Polish interests. We want the Poles living outside Poland to be spokespersons for the interests of the Commonwealth in the face of the challenges we face today. We expect that through close cooperation with Polish diplomatic and consular posts, our compatriots will be an important ally of the government in promoting Polish *raison d'état*, Polish culture and national memory, and Polish historical narrative. Polish institutes abroad will actively support the Polish community in these activities.

I appeal and ask our compatriots living outside Poland. Always react when the good name of Poland is defiled. When history is distorted or even distorted. When he writes about Polish extermination camps and is silent about thousands of Poles Righteous Among the Nations. Please, be ambassadors of Poland and Polishness. I especially appeal to the Polish diaspora in allied countries to support Polish efforts to improve our security.

Polonia policy will be implemented not only for the Polish diaspora, but above all with the participation of the Polish diaspora. We will develop a network of Polonia Consultative Councils operating at Polish branches abroad. We will support the Polish community organization. Above all, however, we will support Polish media and education, which are the carriers of Polish culture and national tradition. This year, we intend to support the activities of the Ministry of National Education so that a larger number of teachers are directed to Polish communities in the East.

We intend to introduce significant changes to the Polish Card. We want to significantly facilitate settling in Poland, integration with the country of ancestors and obtaining Polish citizenship by declaring belonging to the Polish nation and having Polish roots. We intend to prepare a new act on repatriation, which not on paper but in a real way will enable Poland to fulfill its obligations towards those for whom the Motherland was taken by force. Our compatriots in the East, especially in Lithuania, Belarus and Kazakhstan, will be able to count on our special support.

We will demand the rights of Poles wherever they are not properly respected, using—if necessary—also multilateral fora. We want Polonia and Poles in neighboring countries and everywhere where there are large clusters of compatriots to obtain all rights arising from bilateral agreements and European standards. This applies to, among others increasing the availability of Polish language teaching, especially for school children. Poles residing abroad must be treated like any other European Union citizen.

Mr. Marshall, Ladies and gentlemen, Members!, I have a special mission towards Poland and Poles under the consular service. For years, it quickly and efficiently carried out the evacuation of our citizens from many distant countries. The Ministry of Foreign Affairs was supported by the Ministry of National Defense and the Ministry of the Interior.

Due to warfare in eastern Ukraine, which directly threatened the life and health of the inhabitants of Donbass of Polish origin and their family members, last year the Ministry of Foreign Affairs, with the support of the Ministry of National Defense and the Ministry of the Interior, organized a group of 178 people brought to Poland. In November 2015, another 180 people from Mariupol were brought to Poland. We expect the last 7 people to arrive in the next few days. The release of kidnapped Poles in several places around the world was also a success. The above examples confirm the effectiveness of consular services and strengthen citizens' trust in the state.

A significant success of the consular service were activities in the area of visa policy. In 2015, Polish consular offices issued a record number of over 1.5 million

visas, of which 925 thousand fell to Ukraine, and 400,000 to Belarus. Answering the growing interest in visiting Poland, we will ensure the correct process of applying for Polish visas. An effective visa policy is an important tool to support the development of economic and commercial, cultural and social contacts with our closest neighbors.

Ladies and gentlemen, Members!, In 2016, Poland will host large international events with significant promotional potential. I have already mentioned the NATO Summit in Warsaw. An important task of the Ministry of Foreign Affairs will also be the promotion of Poland related to World Youth Day organized in Krakow. We will show Poland as an important, inspiring and significant country in the history of Christianity and Europe. Let the involvement of the Polish state in this event be an element of what could be described as diplomacy of values—defense and promotion of the value of Latin civilization that connects the citizens of our continent. We also remember that this year Wrocław is the European Capital of Culture. This is another opportunity to recall the Polish contribution to the development of Europe and its heritage. I will strive for Łódź, which is close to my heart, to win the right to organize the so-called a small expo exhibition in the near future.

In 2016, we will strengthen Polish historical diplomacy. We will effectively promote the history of our country, nation and state in the perspective of both this year's 1050<sup>th</sup> anniversary of the baptism of Poland and the upcoming 100<sup>th</sup> anniversary of regaining independence. Reformed Polish Institutes will play an important role in this process.

An equally important priority is to intensify the fight against negative stereotypes and defamation of Poland. An example of the MFA's activities in this field will be promotional and media support for the upcoming opening of the Museum of Poles Saving Jews named after The Ulma family in Markowa near Rzeszów.

We will be more effective in informing foreign public opinion about the most important Polish matters. We are currently dealing with attacks on the image of Poland and the Polish government. With misinformation of foreign readers and attempts to create in them the belief that democracy is at stake in Poland. Therefore, for the sake of the good name of our country, we will conduct active media diplomacy, a good example of which was the recent publication of my article "What kind of Europe does Poland want" in 26 of the most serious opinion-forming European dailies. This will also be served by, among others information portal [poland.pl](http://poland.pl).

The Ministry of Foreign Affairs intends to develop a mechanism to support the local government and civil dimension of Polish foreign policy. It improves

cooperation between the Ministry of Foreign Affairs and regions, which in turn brings foreign policy priorities closer to local communities, contributing to the development of civil society. We will continue to provide citizens with direct access to information on foreign affairs and Poland's international activity through the network of Regional Centers for International Debate.

High Sejm!, Polish foreign policy regains the subjectivity that has been missing over the past few years and from which some of our partners have become weaned. Here one should look for sources of polemical opinions about Poland, which have recently come from various European politicians. However, Poland's foreign policy will remain assertive, which does not mean, however, that it will be a conflict policy. Poland does not intend to tighten relations with any foreign partner. Her policy will be firm but also open to dialogue. The necessary correction in foreign policy that this government wants to make will take place for the benefit of Poland, our region and Europe.

Mr. Marshal!, Ladies and gentlemen, Members!, We face difficult challenges. In times of dramatic changes, uncertainty and instability in international relations, strengthening the position of the Commonwealth requires special care and effort. To this end, harmonious cooperation between the most important centers of power—the president, parliament and government—is essential. There is also room for opposition here. Sovereignty of the country is created not only through activities carried out abroad, it is also forged, and perhaps primarily in your own home.

I am asking the High Chamber to receive Government information on the tasks of Polish foreign policy.

# Security Policy of the Republic of Poland

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## Background

In 2016, Poland's security environment was primarily shaped by Russia's aggression against Ukraine, Russian military activity near NATO borders, and threats related to the destabilisation of the Middle East.

Russia continued to provide political, military and financial support to the so-called separatists in eastern Ukraine, which impeded the implementation of the Minsk agreements and reaching a political solution to the conflict. It further strengthened its military capabilities near the borders of NATO, which included plans to form three new armoured divisions in the Western Military District, announced in December 2015. Moscow also continued to develop military systems, which could seriously hamper the deployment of NATO forces to potential conflict regions (the anti-access/area-denial systems, or A2/AD). In November 2016, Iskander short-range ballistic missiles, capable of carrying nuclear weapons, were deployed to the Kaliningrad Oblast. Although the number of unannounced Russian military exercises, which could serve as cover for surprise offensive operations, decreased from 20 in 2015 to 11 in 2016, they continued to have a significant impact on how the Eastern Flank countries perceived possible threats.

Many NATO and EU members perceived terrorism (as evidenced by the attacks in Paris in November 2015 and in Brussels in March 2016) and uncontrolled large-scale migration as the main threats and challenges to their security. These problems were related to instability on the Alliance's Southern Flank, in particular to the war in Syria, the activity of the Islamic State and the inability of the authorities of Libya to control that country's territory. The situation in Syria was further complicated by the Russian military intervention launched in September 2015, which focused on the protection of Bashar al-Assad's regime, including the fight against opposition groups backed by some NATO members

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such as the U.S. and Turkey. The growing presence and activity of Russian forces in Syria were directly affecting Allied security. The downing of a Russian bomber aircraft by Turkey in November 2015 pointed to the risk of incidents between NATO forces and the Russian military, which could lead to further escalation. An attempted coup in Turkey in 2016, alongside the Turkish authorities' crackdown on the military, media, state administration and civil society, triggered tension within NATO.

All these factors influenced internal NATO debates on the adaptation to the changed security environment. The Alliance continued to implement the Readiness Action Plan (RAP) adopted at the 2014 Wales summit, and discussed possible further moves to be approved during the summit in Warsaw, planned for 6 to 7 July 2016. The RAP encompassed adjustment of NATO's forces and command structure to threats coming from the east and the south. Its main element called for strengthening rapid response forces (NATO's Response Force, NRF) and reducing the time needed for their deployment to threatened members. The number of NRF troops was increased three-fold to 40,000. Within the NRF, the Allies also created the "Spearhead" (Very High Readiness Joint Task Force—VJTF), expected to be able to deploy within 5 to 7 days from the political decision of the North Atlantic Council. Moreover, in Central and Eastern Europe the Allies maintained, on a rotational basis, small units which took part in exercises organised in bilateral and NATO formats. These measures were mainly intended to reassure members of the credibility of NATO's security guarantees.

The discussion on moving from *reassurance* of the Allies to *deterrence* of Russia, which preceded the Warsaw summit, revealed the differences among NATO members regarding the perception of threats and appropriate ways of responding to them. The majority of states stressed their desire to maintain a balance between deterrence and dialogue with Russia and the need for an enhanced role for NATO on its Southern Flank. One of the reasons behind the tension was the insufficient defence spending of NATO members, which limited Alliance's capability to respond to threats from the east and the south concurrently. Although most members started to increase spending, it was insufficient to offset the long-term cuts in Europe and Canada. In 2015, budgets collectively (U.S. excluded) increased for the first time since 2009 by 1.8%, and in 2016 by 3.3%. Nevertheless, only five countries (Greece, Estonia, Poland, the United Kingdom and the United States) met the spending target of 2% of GDP, which had been adopted by all NATO countries at the 2014 Wales summit.<sup>1</sup> Russia attempted to capitalise on the differences in NATO by trying to challenge Alliance's political cohesion and credibility, and to prevent it from strengthening its Eastern Flank. It

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<sup>1</sup> *Defence Expenditure of NATO Countries (2010 to 2017)*, NATO, 29 June 2017, [www.nato.int](http://www.nato.int).

blamed NATO for the deterioration of the security situation in Europe and strove to intimidate NATO members, for example by breaching the rules of transparency of military drills and performing dangerous aircraft manoeuvres in the vicinity of NATO vessels and aircraft in the Baltic Sea and the Black Sea regions.

The United States has been increasing its involvement in deterrence of Russia and reassurance of Allies. In February 2016, the Obama Administration proposed increasing spending on the European Reassurance Initiative (ERI) four-fold, from \$789 million in 2016 to \$3.4 billion in 2017.<sup>2</sup> Congress adopted the proposal in December 2016, which was tantamount to a significant acceleration of the efforts made since 2014 to partially reverse the previous cuts in the U.S. military presence in Europe. At the same time, the U.S. was constantly pressing Allies to increase investments in their own security and to support American-led activities in other parts of the world, especially in the Middle East. During his electoral campaign, Donald Trump, elected U.S. President in November 2016, vocally criticised NATO for insufficient activity in these two fields. As a candidate, Trump questioned the rationale of continued U.S. involvement in NATO and signalled his support for rapprochement with Russia, which raised concerns about the future administration's policy towards Europe.

In its European dimension, Poland's security policy was mainly impacted by the EU Global Strategy for foreign and security policy (EGS) published in 2016, and by the debate on its implementation that followed, including the reform of the Common Security and Defence Policy (CSDP). Unexpectedly, this process accelerated and its importance for security policy in Europe increased after the June referendum in the UK, in which the majority of British citizens voted to leave European Union. With the conclusion of Brexit, the EU was going to lose a Member State that traditionally stood against too deep European political and military integration, fearing it could undermine transatlantic links. In the second half of the year, in order to send a strong political signal regarding the continuation of the European integration project, the EU institutions and the largest Member States (Germany, France, Italy and Spain) submitted a number of ideas to strengthen the CSDP, including the creation of a "defence core" in the EU. This triggered a lively debate on the level of EU ambition in defence and

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<sup>2</sup> The initiative Obama announced in Warsaw on 3 June 2014, included actions in five fields: increased rotational presence of U.S. troops, additional training in NATO-wide format and in bilateral format, enhanced prepositioning of combat vehicles and supplies, improvement of infrastructure enabling the deployment of troops to Central Europe, and building the capacity of Allies and partners. See *Fact Sheet: The FY 2017 European Reassurance Initiative Budget Request*, The White House, 2 February 2016, <https://obamawhitehouse.archives.gov>; *Fact Sheet: U.S. Assurance and Deterrence Efforts in Support of NATO Allies, U.S. Mission to the North Atlantic Treaty Organisation*, 8 July 2016, [www.nato.usmission.gov](http://www.nato.usmission.gov).

the Union's relations with NATO. At the same time, the European Commission completed its work on the new EU defence industrial policy, and proposed to use, for the first time, funds from the EU budget to support the development of military technologies and defence capabilities. The Commission reiterated its stance that governments should not be allowed to use offsets (mechanisms of compensation for purchasing armaments) when procuring arms from foreign suppliers.<sup>3</sup>

## Goals

Following the victory of the Law and Justice party (PiS) in the 2015 parliamentary election, the new majority government in Poland declared the intention to strengthen the country's security as one of its priorities.<sup>4</sup> Ahead of the NATO summit in Warsaw, Poland's main goal was to strengthen The Alliance's deterrence and defence capabilities beyond the decisions of the 2014 Wales summit.<sup>5</sup> From the Polish perspective, NATO's adaptation to new threats coming from the east should be of lasting and long-term character. Main goals included an increased and permanent presence of NATO forces in Poland and in the region,<sup>6</sup> and the development of prepositioned equipment stocks and other infrastructure, reducing the time required for the deployment of Allied forces in the event of a conflict.<sup>7</sup> Special emphasis was placed on closer cooperation with the U.S. in various formats (bilateral, multilateral and within NATO), including in the context of the planned construction of the missile defence base in Redzikowo. In addition, Poland was in favour of NATO maintaining its open-door policy. In particular, it supported the view that Georgia's accession should happen as soon as possible.<sup>8</sup> It also supported increased NATO support for Ukraine, and closer cooperation with Sweden and Finland.<sup>9</sup> President Andrzej Duda fully agreed with the goals set by the government. He named three main tasks for Poland as the

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<sup>3</sup> For more, see M. Madej, M. Terlikowski, "Wspólna polityka bezpieczeństwa i obrony – nowa strategia początkiem końca?," *Rocznik Strategiczny*, vol. 22, 2017, pp. 55–60.

<sup>4</sup> *Policy statement by Prime Minister Beata Szydło*, 18 November 2015, [www.premier.gov.pl](http://www.premier.gov.pl).

<sup>5</sup> "Government Information on Polish Foreign Policy in 2016 (presented by Foreign Minister Witold Waszczykowski at the Sejm meeting on 29 January 2016)," see p. 11 in this volume.

<sup>6</sup> A. Michalak, "Waszczykowski: Chcemy baz NATO," *Rzeczpospolita*, 29 January 2016, [www.rp.pl](http://www.rp.pl).

<sup>7</sup> See M. Schwarzgruber, "Strategia wzmocnienia, wywiad z wiceministrem obrony narodowej T. Szatkowskim," *Polska Zbrojna*, no. 3, 2016, p. 92, [www.polska-zbrojna.pl](http://www.polska-zbrojna.pl).

<sup>8</sup> "Co na to Rosja? Waszczykowski: Polska jest za jak najszybszym przyjęciem Gruzji do NATO," *Dziennik.pl*, 8 July 2016, [www.dziennik.pl](http://www.dziennik.pl).

<sup>9</sup> See full transcription from the meeting of the Sejm's national defence committee (no. 19) of 13 April 2016, Kancelaria Sejmu, Biuro Komisji Sejmowych, <http://orka.sejm.gov.pl>.

country hosting of the summit.<sup>10</sup> First, the summit was expected to focus not only on the threat posed by Russia, but also on threats affecting all Allies on the Eastern Flank and Southern Flank. Second, it should look to the future and take prospective changes in the security environment into account. Third, it should emphasise the decision-making process and arrive at specific solutions.

As regards the Common Security and Defence Policy, in 2016 Poland pursued its usual goals, including strengthening military capabilities in Europe by supporting various initiatives carried out under CSDP and taking part in them, ensuring that the EU's defence policy activity would not compete with NATO's activity, boosting the synergy between the efforts of NATO and those of the EU, and building its political position within the EU as a country actively co-shaping European defence policy.<sup>11</sup> However, due to the importance and the context of the decisions made during NATO's Warsaw summit, Poland placed emphasis on ensuring that the development of the CSDP would not weaken NATO. In addition, the growing conflict between Poland and a group of EU Member States, including Germany and France, over methods for solving the migration crisis, reduced the chances that Poland could use its involvement in CSDP to strengthen its position within the EU.

### **Poland's Policy within NATO: The Year of the Warsaw Summit**

**An Allied debate ahead of the Warsaw summit.** Poland strove to actively influence the process of NATO's adaptation to new threats. The issue of strengthening the Eastern Flank and increasing the Allied presence in the region was raised at a high political level, especially during foreign visits by President Andrzej Duda (for example to Paris in October 2015, and to Brussels, Lisbon, Ottawa, Copenhagen and Berlin in 2016), Prime Minister Beata Szydło (to Oslo, Berlin and Paris in 2016), Foreign Minister Witold Waszczykowski, and Defence Minister Antoni Macierewicz.

Attempts to win support for Poland's proposals in countries of Central and Eastern Europe were important elements of activities carried out by Polish diplomats. The meeting of presidents of nine states of the region (Bulgaria, the Czech Republic, Estonia, Lithuania, Latvia, Poland, Romania, Slovakia and Hungary, the "Bucharest Nine"), held in Bucharest on 4 November 2015 as a joint

<sup>10</sup> *Szczyt NATO w Warszawie musi być uniwersalny i decyzyjny*, 18 January 2016, [www.prezydent.pl](http://www.prezydent.pl).

<sup>11</sup> In his policy statement delivered on 29 January 2016, Waszczykowski mentioned, among other things, the need to improve CSDP, in particular by enabling the EU to carry out civilian and military missions. He also strongly emphasised the fundamental principle of non-duplication of NATO's activity. See "Government Information on Polish Foreign Policy 2016...", *op. cit.*

initiative Duda and President Klaus Iohannis of Romania, was a success. In the Joint Declaration on Allied Solidarity and Shared Responsibility adopted at the meeting, the presidents supported strengthening NATO's deterrence and defence policy and secure "a robust, credible and sustainable Allied military presence in our region."<sup>12</sup> While the Baltic States and Romania had earlier expressed a very similar stance to the Polish view on these issues, the Czech Republic, Slovakia and Hungary supported this plan more strongly than before, even though they were not interested in a greater NATO presence on their own territories.

The demonstration of unity by the countries of the region as regards an increased NATO presence on the Eastern Flank was a form of pressure on other NATO members. Some Allies (especially the countries of Southern Europe and France) did not view the threat posed by Russia as a priority. Some (including Germany) also feared that the presence of NATO troops on the territory of new members might lead to a further escalation of tension in relations with Russia.<sup>13</sup>

The controversy surrounding the forward presence of NATO troops near the Alliance's eastern border was also associated with the issue of the NATO-Russia Founding Act (NRFA) of 1997. NATO declared that its "substantial combat forces" would not be permanently stationed on the territories of new members. Just like ahead of the 2014 Wales summit, Poland argued that these commitments had become invalid following Russia's aggression against Ukraine because they referred to "the current and foreseeable security environment" as it was in 1997.<sup>14</sup> At the same time, the Polish authorities expressed their readiness to accept solutions which would provoke less resistance from their Allies than a complete withdrawal from the declaration contained in the Act. In contrast to earlier electoral rhetoric, the government and the president were ready to accept a form of enhanced presence other than the construction of permanent bases. Some Allies were opposed to permanent bases not only for political reasons, but also because their construction would require significant investment in new garrisons and related civilian infrastructure for stationed soldiers' families. The condition Poland formulated involved ensuring a permanent (the terms "durable, enduring, lasting" were also used) Allied presence, for example by maintaining

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<sup>12</sup> *Joint Declaration on Allied Solidarity and Shared Responsibility*, Romania's Permanent Delegation to NATO, <https://nato.mae.ro>. This was a much further reaching statement compared with the support for a "visible presence" in the region, which the leaders of the same countries had declared during their meeting in Warsaw on 22 July 2014. See J. Durkalec, A. Kacprzyk, W. Lorenz, "Polish Security Policy towards the North Atlantic Treaty Organisation," *Yearbook of Polish Foreign Policy 2011–2015*, Polski Instytut Spraw Międzynarodowych, 2020.

<sup>13</sup> A. Rettman, "U.S. and Germany say No to Poland on Nato base," *EUObserver*, 16 April 2016, <https://euobserver.com>.

<sup>14</sup> "Waszczykowski: deklaracja NATO-Rosja z 1997 roku już nie obowiązuje," *TVN24*, 13 February 2016, [www.tvn24.pl](http://www.tvn24.pl).

a continuous rotation of combat forces.<sup>15</sup> For Poland, this was a matter of key importance for several reasons. First, it was intended to signal that the countries on the Eastern Flank were not NATO members with “lower security status.”<sup>16</sup> Second, the presence of Allied combat forces would guarantee that, should Russia attack countries on NATO’s Eastern Flank, it would come into conflict with the remaining NATO members, which in turn would pose the risk of an escalation that would be costly for Russia. Otherwise, Russia could hope that, due to its considerable military advantage in the region, it would be able to seize a portion of NATO’s territory and discourage the Allies from responding. Third, Poland insisted that sufficiently large combat forces should be present so that they would be able to offer a genuine strengthening of the Eastern Flank’s defence capability.<sup>17</sup> The provisions of the NRFA continued to be a limitation, even in the situation of rotational presence. Deployment of combat troops would be in line with the Act on condition that their numbers would not exceed the limit set for “substantial” forces. However, there were differences in how this term was interpreted by NATO and Russia, and by specific NATO members.

The efforts of Poland and other Eastern Flank countries brought the first results in February 2016. The initial proposal to increase ERI funding, presented by the U.S. administration on 9 February, provided for launching the rotation of an armoured brigade in Central and Eastern Europe in 2017. The sub-units of this brigade would be stationed in Poland and the Baltic States, and temporarily in Romania and Bulgaria. One day later, ministers of defence of NATO members decided to launch the Enhanced Forward Presence (EFP) on the Eastern Flank, involving multinational forces deployed on a rotating basis. Between that time and the Warsaw summit, work was ongoing on defining the details of EFP (including the number of troops and the operational solutions) alongside bilateral talks regarding the deployment of U.S. troops.

The question of strengthening deterrence was closely related to NATO’s attempts to work out a more comprehensive formula for its relations with Russia. Many NATO members (for example Germany and the Netherlands, although with the U.S. backing) insisted on resuming dialogue in the NATO-Russia Council (NRC). They argued that this was necessary to reduce the risk of further escalation of tensions. Poland was not opposed to the resumption of NRC meetings on condition that this would happen after NATO decided to strengthen its forward presence and that the meeting topics would include

<sup>15</sup> A. Michalak, *op. cit.*; *Ważne, abyśmy w ramach Sojuszu mówili jednym głosem*, 2 March 2016, [www.prezydent.pl](http://www.prezydent.pl).

<sup>16</sup> “Waszczykowski: deklaracja NATO-Rosja...”, *op. cit.*

<sup>17</sup> M. Schwarzgruber, *op. cit.*

the Russian-Ukrainian conflict.<sup>18</sup> It was, in turn, opposed to going beyond the dialogue formula and resuming practical cooperation with Russia, which NATO had suspended following the annexation of Crimea.<sup>19</sup> The first NRC meeting after a two-year break took place on 20 April under the conditions that were in line with the Polish position.

Aside from enhancing forward presence, Poland sought to improve NATO's ability to deploy reinforcements, including through full implementation of RAP. In May, during the *Brilliant Jump 2016* exercise, NATO tested its capability to deploy the very high readiness joint task force (VJTF) from Spain to Poland. In June, the Headquarters of the Multinational Corps Northeast in Szczecin (HQ MNC NE) achieved readiness to command the VJTF. Also in June, Polish *Anakonda-16* manoeuvres exercised deployments of reinforcements and defensive operations of multinational units. This was the largest military exercise in Central and Eastern Europe since the end of the Cold War. It involved 31,000 troops from 23 countries, including four NATO partner states. Although the exercise was not organised by NATO, the Allied Land Command from Izmir participated in it. *Anakonda-16* was also proof of Poland's increasingly close military cooperation with the United States. The two countries contributed 12,000 and 14,000 troops, respectively. Spain sent 1,200 troops, and the United Kingdom 1,000. Other Allies and partners deployed smaller units. The small involvement of some of the Allies resulted from concerns that such a large-scale exercise immediately ahead of the Warsaw summit might be viewed as provocative. The exercise was publicly criticised by Frank-Walter Steinmeier, Germany's Foreign Minister.<sup>20</sup>

In its attempts to strengthen NATO's Eastern Flank, Poland strove to demonstrate its readiness to share the burden of enhancing the security of other regions. In June, Duda decided to send two military contingents to support the international coalition fighting against the Islamic State.<sup>21</sup> The contingent in Kuwait included four F-16 jets tasked with reconnaissance missions, and 160 personnel. Sixty special forces soldiers were sent to Iraq to advise and train staff and sub-units of Iraqi special forces. Also in June, the Polish frigate ORP *Generał Tadeusz Kościuszko* joined NATO's naval activities against people smuggling networks in the Aegean Sea. The government also announced its readiness to support the mission involving air policing over Bulgaria and Romania. In addition, Poland's

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<sup>18</sup> "NATO nie tnie już wydatków na obronność. Polska w pierwszej trójce, jeśli chodzi o nakłady względem PKB," *TVP Info*, 28 January 2016, [www.tvp.info.pl](http://www.tvp.info.pl).

<sup>19</sup> *Min. Szczerksi o Radzie NATO-Rosja: jesteśmy przeciwko izolowaniu Rosji*, PAP, 16 April 2016, [www.pap.pl](http://www.pap.pl).

<sup>20</sup> "Szef niemieckiej dyplomacji o polityce wobec Rosji: 'Skończmy z potrząsaniem szabelką'" *Deutsche Welle*, 18 June 2016, [www.dw.com](http://www.dw.com).

<sup>21</sup> *Prezydent RP postanowił o użyciu PKW w Kuwejcie i Iraku*, 18 June 2016, [www.prezydent.pl](http://www.prezydent.pl).

involvement in strengthening common security included the *Resolute Support* training and advisory mission in Afghanistan, where, during the fifth and sixth rotations, around 200 Polish soldiers were stationed, and the KFOR mission in Kosovo, in which the Polish contingent was 300-strong. On 12 May, construction of a U.S. missile defence site in Redzikowo began, carried out under the European Phased Adaptive Approach (EPAA). The EPAA is an element of a broader NATO system aimed at protecting Europe against ballistic attacks from the Middle East.

**The outcomes of the Warsaw Summit.** The key decision of the Warsaw Summit was to strengthen deterrence and integrate it into a new dual-track policy towards Russia.<sup>22</sup> NATO also declared openness to dialogue with Russia on the conflict in Ukraine, the prevention of military incidents, and increasing military transparency. It stressed, however, that a return to partnership and practical cooperation would not be possible as long as Russia violated international law, including by the occupation of Crimea and destabilisation of eastern Ukraine.

NATO's posture on the Eastern Flank was to be enhanced primarily by the first deployment of Allied combat forces in Poland and the Baltic States in the form of four battalion-sized battlegroups (around 1,000 troops each).<sup>23</sup> In Poland, the role of the framework nation was taken by the United States. In Lithuania it was Germany, in Latvia Canada, and in Estonia by the United Kingdom. All groups were to be deployed in the first half of 2017, and their forces would rotate every six months. NATO emphasised that these deployments were in line with the NREFA. In addition to around 1,000 U.S. troops, the EFP unit in Poland was to include 150 soldiers from the United Kingdom and Romania each. NATO also accepted the Polish proposal to establish a multinational division headquarters, which would coordinate the EFP battlegroups, on the basis of Polish division headquarters in Elbląg. Poland committed to send a company (around 150 troops) to Latvia and a similar unit to the multinational brigade in Romania, under the NATO Tailored Forward Presence (TFP) in the Black Sea region, which was also agreed at the summit. As a result of bilateral talks with the United States, it was announced that Poland would host the headquarters and majority of forces of the U.S. Army armoured brigade combat team (3,300 to 4,000 troops), which would deploy in 2017 and rotate every nine months. Elements of the brigade would exercise in various parts of Central and Eastern Europe. At the time of

<sup>22</sup> See *Warsaw Summit Communiqué Issued by the Heads of State and Government participating in the meeting of the North Atlantic Council in Warsaw 8 to 9 July 2016*, 9 July 2016, [www.nato.int](http://www.nato.int).

<sup>23</sup> A. Kacprzyk, "Conventional Deterrence on NATO's Eastern Flank after the Warsaw Summit," *PISM Bulletin*, no. 48 (898), 2 August 2016, [www.pism.pl](http://www.pism.pl).

the Warsaw summit, Poland was still in talks on potential prepositioning of U.S. heavy equipment on its soil.<sup>24</sup>

As regards strengthening collective defence, NATO also committed to further improvement of its reinforcement abilities, and its members pledged to develop appropriate capabilities, including heavier forces. In response to Russian nuclear threats and demonstrations, the final communique emphasised the role of nuclear deterrence much more strongly than at the previous summits.<sup>25</sup> Moreover, NATO decided to enhance its resilience, abilities to counter hybrid threats and cyber-defence, at Alliance level and in cooperation with the EU, Allies and partners from the Euro-Atlantic area.<sup>26</sup> Further tightening of NATO's cooperation with Finland and Sweden was highlighted by the participation of these countries in a special session of the North Atlantic Council on security in the Baltic Sea region. The Alliance broadened its offer of cooperation with Georgia (for example, regarding development of resilience and air defence capabilities) and endorsed a Comprehensive Assistance Package for Ukraine. Poland and Ukraine signed an agreement on mutual supplies of armaments and military technology, and on the provision of military-technical services. Poland announced that it would deliver mostly non-offensive armaments.

NATO agreed a series of actions to enhance its ability to counter threats from the south. Increased activity in this region would take place under the concept of "projecting stability," focused on helping partners from the Middle East and North Africa to build their own security forces. Among other measures, NATO would launch training activities in Iraq. Although NATO did not formally join the fight against the Islamic State, it decided to support the international coalition with AWACS early warning aircraft. The mandate of the maritime counter-terrorism

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<sup>24</sup> This was related to the shift in the prepositioning concept made by the U.S. administration in 2016. Under the former initiative, from June 2015, the U.S. began to place heavy equipment in Central and Eastern Europe, including Poland, in order to facilitate exercises of smaller units. Under the new approach, a full armoured brigade would rotate to the region with its own equipment, while the gear already present in Europe would be modernised and moved to depots in Belgium, the Netherlands and Germany. These stocks were to provide the basis for a bigger equipment set which could be used to facilitate a contingency deployment of reinforcements from the United States.

<sup>25</sup> See J. Durkalec, "NATO Adaptation to Russia's Nuclear Challenge," *PISM Bulletin*, no. 59 (909), 16 September 2016, [www.pism.pl](http://www.pism.pl).

<sup>26</sup> "Commitment to Enhance Resilience Issued by the Heads of State and Government participating in the meeting of the North Atlantic Council in Warsaw, 8 to 9 July 2016, [www.nato.int](http://www.nato.int); Joint declaration by the President of the European Council, the President of the European Commission, and the Secretary General of the North Atlantic Treaty Organisation," 8 July 2016, [www.nato.int](http://www.nato.int); The Warsaw declaration on Transatlantic Security Issued by the Heads of State and Government participating in the meeting of the North Atlantic Council in Warsaw, 8–9 July 2016, 9 July 2016, [www.nato.int](http://www.nato.int); Cyber-defence Pledge, 8 July 2016, [www.nato.int](http://www.nato.int).

mission in the Mediterranean was extended to support EU actions targeting people smugglers.

NATO reaffirmed its open-door policy and the summit was attended by Montenegro as a future member. Poland intended to be one of the first countries to ratify Montenegro's accession protocols. The Sejm, the lower chamber of the Polish parliament, had passed a law on this matter on 6 July, just before the Warsaw summit.<sup>27</sup> The Senate (the upper house) passed this law on 21 July, and the president signed it on 30 July, thus concluding the ratification process. The rationale for the law stated that it confirms the continuation of the open-door policy and the membership prospects for Georgia, and also Finland and Sweden in the future, should these two states decide to join NATO.

The Warsaw summit also marked the tightening of ties between the European Union and NATO, which was advocated by Poland (and free from any controversy in the EU). Donald Tusk, the President of the European Council, Jean-Claude Juncker, the President of the European Commission, and Jens Stoltenberg, NATO's Secretary General, adopted a joint declaration on boosting the cooperation of NATO and the EU in cyber-security, countering hybrid threats, preventing the inflow of migrants across the Mediterranean, coordinating defence planning, civil and military exercises, and strategic communication.<sup>28</sup> An action plan was later developed to transform the joint declaration of the EU and NATO into specific initiatives. Poland used this opportunity to emphasise that the short-and medium-term goal of CSDP should be to build synergies in the EU's cooperation with NATO rather than create military capabilities competing with NATO.<sup>29</sup>

The Polish government concluded that all the goals set for the NATO summit had been achieved.<sup>30</sup> The summit was accompanied by the Warsaw Summit Experts' Forum conference, which contributed to the public debate on challenges to transatlantic security. The event was organised by the Polish Institute of International Affairs (PISM) in cooperation with Globsec, the Atlantic Council, the Center for Strategic and International Studies and the German Marshall Fund of the United States.

<sup>27</sup> "Ustawa z dnia 6 lipca 2016 r. o ratyfikacji Protokołu do Traktatu Północnoatlantyckiego w sprawie akcesji Czarnogóry, podpisanego w Brukseli dnia 19 maja 2016 r.," [Journal of Laws] 2016, item 1188.

<sup>28</sup> The text of the declaration is available at: [www.nato.int](http://www.nato.int).

<sup>29</sup> This was the main thesis of the remarks by Waszczykowski at a conference on cooperation between the EU and NATO, attended by Mogherini and Rose Gottemoeller, Deputy Secretary General of NATO. The event was held at the Permanent Representation of the Republic of Poland to the European Union, on 21 November 2016. See W. Waszczykowski: "Nie czas na europejską armię," 21 November 2016, <http://fakty.interia.pl>.

<sup>30</sup> *Premier: szczyt NATO był ogromnym sukcesem Polski*, PAP, 11 July 2016, [www.pap.pl](http://www.pap.pl).

## Poland Vis-à-vis the EU Global Strategy and Its Implementation

Poland focused on the NATO summit in Warsaw and did not engage in any excessive way in EGS consultations held in the first half of the year on the initiative of the EU's High Representative for Foreign Affairs and Security Policy, Federica Mogherini.<sup>31</sup> However, it concentrated on one element of EGS, which at the same time was important in the context of the agenda of the Warsaw summit, this being cooperation between the EU and NATO. Poland argued that the July NATO summit should bring a breakthrough in this cooperation, especially in the field of combating hybrid threats. It insisted on ensuring that EU actions under the CSDP should not overlap NATO's efforts, and argued that the EU's priority should not be to build new military capabilities of its own, but to significantly improve its cooperation with NATO.<sup>32</sup> In addition, it stressed the need for EU governments to increase defence spending in order to boost both the credibility of the CSDP and NATO's deterrence and defence policy. Occasionally, to amplify its voice on CSDP, Poland emphasised the fact that, in the first half of 2016, an EU battle group composed of contingents from the Visegrad Group countries remained on standby. Performing the role of framework nation, Poland provided more than half of this unit's forces and resources and carried out command tasks (with OHQ based on the command centre in Kraków).<sup>33</sup>

Britain's decision to leave the EU, made in the referendum held on 23 June, overshadowed other problems the EU had to face. The announcement by Federica Mogherini of the European Global Strategy (EGS) on 28 June did not spark any controversy in Poland. However, the prospect of Brexit triggered an immediate reaction from France and Germany, which, as it later turned out, defined the framework for the debate on the future of the CSDP to be held in the second half of the year, and forced Poland to become more involved in discussions on the EU dimension of European security. A document signed by the foreign ministers of France and Germany one day after the referendum included plans to accelerate, deepen and diversify the pace of European integration, including

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<sup>31</sup> These mainly included working-level consultations; in Poland, the Department of Foreign Policy Strategy at the Ministry of Foreign Affairs was responsible for their organisation. Experts' seminars were also held to discuss selected points of the strategy being prepared, in an informal manner. One such seminar, devoted to cooperation between the EU and NATO, was organised on 8 April by the Polish Institute of International Affairs.

<sup>32</sup> Minister W. Waszczykowski emphasised precisely these issues following his consultations with Mogherini, who visited Poland on 2 June and also met Duda and Szydło. See *Minister Waszczykowski i Federica Mogherini o relacjach UE-NATO i przyszłości Partnerstwa Wschodniego*, Ministerstwo Spraw Zagranicznych, 2 June 2016, [www.msz.gov.pl](http://www.msz.gov.pl).

<sup>33</sup> "Wyszehradzka Grupa Bojowa UE zakończyła dyżur," *defence24.pl*, 10 July 2016, [www.defence24.pl](http://www.defence24.pl).

in the field of defence.<sup>34</sup> Fearing that these proposals might negatively impact NATO's internal solidarity, in particular ahead of the Warsaw summit, Poland expressed its criticism of these plans. Following the European Council meeting of 29 June, Szydło warned that multi-speed integration would mean "the end of the EU."<sup>35</sup> In the months that followed, Poland consistently maintained its stance and was against the proposals submitted by Germany, France, Italy and Spain regarding quick and deep reform of the CSDP which would be expected to result in the creation of a defence core in the EU.<sup>36</sup>

At an informal meeting of EU defence ministers in Bratislava in September, devoted to setting the limits of consensus regarding the implementation of EGS, Poland was sceptical not only about the proposed creation of a defence core, but also about plans to form EU operational headquarters (EU OHQ), a new military unit to be tasked with planning and commanding all of the EU's military missions.<sup>37</sup> Due to the fact that a similar stance was expressed by the three Baltic States, along with Sweden and Romania, the EU finally decided to adopt an evolutionary, rather than revolutionary, concept for CSDP reform.

As a consequence, at its November meeting, the EU Council adopted less ambitious proposals to reform of the CSDP compared with what had initially been proposed by EU institutions, France and Italy. It decided to set up an EU military command post, albeit a small one tasked only with commanding training operations (MPCC) rather than combat operations. Furthermore, the Council agreed that a defence review (CARD) would be carried out annually to help EU Member States to launch cooperation in acquiring armaments and developing military capability. It is noteworthy that participation in this review was to be voluntary and non-binding. Most importantly, however, the EU agreed for the first time to start work on launching permanent structured cooperation (PESCO), a mechanism defined in the Treaty of Lisbon as a method for creating a European defence core. The decision was accompanied by the reservation that

<sup>34</sup> This document was made available to the public on 27 June by Polish State Television. See [www.tvp.info](http://www.tvp.info).

<sup>35</sup> *Premier Beata Szydło w Brukseli: Unia Europejska musi utrzymać jedność 27 państw*, press release published by the Chancellery of the Prime Minister on 29 June 2016, [www.premier.gov.pl](http://www.premier.gov.pl).

<sup>36</sup> The submitted proposals included an Italian one which involved the plan to negotiate a new defence agreement which, just like the Schengen agreement, would initially remain outside the EU's framework of treaties. Germany promoted the concept of a European Defence and Security Union. For more, see M. Madej, M. Terlikowski, *op. cit.*, pp. 57–58.

<sup>37</sup> *Spotkanie ministrów obrony państw UE*, Ministerstwo Obrony Narodowej, 27 September 2016, [www.mon.gov.pl](http://www.mon.gov.pl).

PESCO must be inclusive and module-based, which means that all interested EU Member States should be allowed to participate.<sup>38</sup>

In autumn 2016, the second most important issue in the debate over the CSDP was European defence industrial policy. In connection with the European Commission's preparation of new instruments and support mechanisms for the European armaments sector, the EU's largest armaments producers (France, Germany, Spain and Italy) called for ambitious solutions to build Europe's "strategic autonomy" (the term introduced in the EGS), understood as eliminating the EU's dependence on the U.S. as regards key military capabilities. Financial support for European defence companies, in particular in the area of research and development of new military technologies, was mentioned as an essential condition for achieving this objective. However, the European Commission stressed that the new EU defence industrial policy also included strict enforcement of Directive 2009/81, which, among other things, bans offsets. Due to the fact that Poland's defence industry focus has traditionally been on the transfer of technology and know-how from foreign suppliers, which is easiest to obtain through offsets, the Polish voice in the European debate on this subject was weak. Poland mainly intended to make sure that the EU Council meeting conclusions contained provisions regarding a "balanced" approach to the defence industry in Europe which would be "in line with the EU law," i.e., Article 346 of the TFEU. The Article allows Member States to refrain from applying EU law when they intend to acquire armaments (Poland regularly invokes this Article when launching its new armaments programmes). Poland presented only minor comments to the Communication of the European Commission presenting the European Defence Action Plan (EDAP) published on 30 November, stressing the need to ensure equal access of companies from all over the EU, not only small and medium-sized enterprises, to the funds earmarked for R&D projects and the development of military capabilities.

### **Defence Cooperation in the Region**

In 2016, defence cooperation in regional formats was subordinated to the implementation of Poland's main objective which involved achieving positive decisions of the NATO summit as regards a forward military presence on the Eastern Flank.

Security issues contained in the programme of Poland's presidency of the Visegrad Group (July 2016 to June 2017) were focused on NATO. V4 was

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<sup>38</sup> See Council conclusions on implementing the EU global strategy in the area of security and defence, 14 November 2016, [www.consilium.europa.eu](http://www.consilium.europa.eu).

expected to support NATO's continued adaptation, and to contribute practically to initiatives implementing the decisions of the Warsaw summit (including, in particular, NATO's forward presence on the Eastern Flank). The importance of the V4 EU Battlegroup was also stressed as a starting point for a future joint military unit (V4 modular force) to carry out both EU- and NATO-led operations.

Ahead of the Warsaw summit, Poland received political support for its proposals from the Visegrad Group countries which, before the Wales summit, had expressed a different view as regards the need to adapt NATO to the threats posed by Russia. Although they had been sceptical about NATO's increased military presence in Central and Eastern Europe in response to Russia's policy, the Czech Republic, Slovakia and Hungary were ready to support Polish efforts to boost NATO's military presence in other Eastern Flank countries as well. On 25 May, in Libice, defence ministers of Visegrad Group countries signed a declaration on this issue, and on 6 June 2016, the prime ministers adopted a joint declaration in Prague. Poland's V4 partners announced that they would become involved practically in increasing their military presence in the Baltic States by deploying on these territories a company-size unit (around 150 soldiers) rotating every three months. However, this presence had no combat role and was for training purposes only, with a framework determined by the mechanisms agreed at the Wales summit. The Czech Republic, Slovakia and Hungary did not participate in NATO's battalion Battlegroups on the Eastern Flank, established at the Warsaw summit. This can be viewed as a meaningful symbol of the differences in how Poland and its Visegrad partners perceived the threats. Aside from facilitating NATO's adaptation to threats from the east, V4 was ready to support closer cooperation between the EU and NATO, and to assist actively in efforts to stabilise the situation in the Western Balkans, the Middle East, Afghanistan and Africa.

Following the meeting of the presidents of the "Bucharest Nine" in 2015, this cooperation format was used in 2016 to emphasise the need for rapid implementation of the provisions of the NATO summit held in July. The meeting of the group's foreign ministers, in Bucharest on 8 November, resulted in the adoption of a joint communiqué concerning, among other things, the need to continue NATO's open-door policy, boost NATO's cooperation with Ukraine and Georgia, and ensure the cohesion of NATO's deterrence policy on the Eastern Flank and in the Black Sea region.<sup>39</sup>

Due to the difficulty in devising a common position on NATO's response to the threat Russia posed to the Eastern Flank (France and Germany intended to limit the scale and the nature of any forward presence), Poland did not use the

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<sup>39</sup> See the press release of the Ministry of Foreign Affairs of Romania, [www.mae.ro/en/node/39161](http://www.mae.ro/en/node/39161).

Weimar Triangle as a forum to promote its proposals. Regardless of this, a meeting of the ministers of foreign affairs of the Weimar Triangle was held on 29 August to mark the 25<sup>th</sup> anniversary of the Triangle's establishment. A joint declaration was adopted, in which little attention was paid to the area of security. It mainly covered issues such as the debate over CSDP reform and proposed, among other things, to boost the EU's capability to command operations, to have annual European Council meeting focused on security, and to strengthen cooperation between the EU and NATO in accordance with the declaration of 8 July.<sup>40</sup>

### Assessment

Poland managed to achieve most of its goals related to larger and lasting U.S. and NATO military presence on its territory. The decision to deploy Allied combat forces in the region was of historic importance, and boosted the credibility of NATO's deterrence posture towards Russia. The main purpose of these units' presence was to increase the automation of the Allied response to potential aggression, and to limit Russia's ability to exert military pressure on NATO Eastern Flank countries. It also strengthened defence capabilities in the region, although the agreed U.S. and NATO presence was insufficient to halt larger aggression through forward defence. Such a posture would have been optimal for Poland, but it remained unattainable due to the political and financial constraints within NATO at that time. The flexibility of Polish position was one of the factors that enabled the adoption of the consensus. The run-up to the Warsaw summit also demonstrated the importance of involvement in enhancing joint security, including in other regions. Such engagement makes it easier for Poland to win support for its proposals. The key role of the U.S. as NATO's leader actively influencing Allied debates was also evident.

At the same time, the implementation of the Warsaw decisions faced numerous challenges. In the short term, they included the deployment of agreed forces and the development of related operational solutions. Longer-term challenges stemmed from the need for reform of NATO forces and command structures, so that the Alliance could simultaneously conduct crisis management and collective defence operations, including with major military formations. Security of the Eastern Flank continued to rely heavily on the ability of the Allies to deploy more reinforcements in a conflict, and thus necessitated adequate investments in such capabilities. NATO also had to invest in countering hybrid and cyber-threats,

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<sup>40</sup> Joint declaration by the Foreign Ministers of the Weimar Triangle, Frank Walter Steinmeier, Jean Marc Ayrault and Witold Waszczykowski, on the future of Europe date of issue, 28 August 2016, [www.diplomatie.gouv.fr](http://www.diplomatie.gouv.fr).

as well as instability on the Southern Flank. This required a further increase in defence spending, crucial also for the preservation of strong transatlantic ties. Balancing deterrence with dialogue in NATO policy towards Russia remained challenging too. Although the Allies managed to reach a difficult consensus in Warsaw, considerable differences in national approaches to Russia still existed. There was a substantial political risk related to elections in the U.S. and France, which were held shortly after the Warsaw summit, and in Germany, held in 2017.

Poland managed to restrain attempts by Germany and France in 2016 to quickly reformulate the CSDP reform agenda in order to build a defence core in the EU, and emphasised the need to link European integration with NATO's long-term adaptation to new threats. Even if closer technical cooperation between the EU and the Alliance cannot be viewed as a breakthrough because it does not solve the Turkish-Cypriot problem and the double veto issue which prevents comprehensive formal cooperation between political bodies, especially the EU Council and the North Atlantic Council, making the principle of non-duplication and pragmatic cooperation with NATO a permanent element of the debate on EU defence policy is a success from Poland's perspective. Moreover, in 2016, a new manner of thinking about the EU's defence efforts emerged in this debate. These efforts began to be perceived as a method for increasing the credibility of European military capabilities in NATO, which was definitely a positive development considering Poland's stance that the EU should not weaken NATO.

However, at the end of 2016 it was still uncertain whether France, Germany, Italy and Spain, backed by Benelux countries, would strive to launch PESCO as the EU's defence core. Although the reservations presented by Poland and other countries, which argued that PESCO should be inclusive, made their way into the Council meeting conclusions, no debate was held on specific proposals, which included the introduction of strict participation criteria, rules for the implementation of projects focused on capability development under PESCO, and their relation to the EU's defence industrial policy. In this particular field, Poland's activity in 2016 was insignificant, especially against the backdrop of intensive activities carried out by the EU's militarily strongest Member States (aside from the United Kingdom). Regardless of the legitimacy of goals related to boosting the state's defence industrial potential through offsets, Poland's voice in the debate on the future of the defence industry in Europe was weak. This generated the risk of marginalisation of Polish defence companies and other businesses in their attempts to gain access to EU funds earmarked for the development of new technologies and military capabilities.

# Poland in the European Union

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The final months of 2015 marked a turning point in Poland's European politics. After the coalition led by the Law and Justice party (PiS) came to power, this policy became more confrontational. Poland's main alliances in the European Union also changed. In 2016, the tension between specific EU Member States was also growing, generated by the refugee crisis and the debate on the future shape of the EU, which intensified after the Brexit referendum.

## Background

In 2016, Poland's European policy was being pursued in circumstances which can be viewed as exceptional in the history of the EU. First, although the EU had weathered the economic crisis, difficult conditions on the labour markets continued to prevail in many Member States. Second, the unprecedented inflow of refugees and migrants to Europe in 2015 exposed the weaknesses of the EU's asylum and border protection system, and the increased terrorist threat on the continent further aggravated the security crisis caused by conflicts in Europe's neighbourhood. Third, in a referendum held in June 2016, voters in the UK decided that their country should leave the EU, which triggered a comprehensive redefinition of the EU's balance of power and of the rules governing the EU's functioning.

In many EU Member States, 2016 saw an increase in Euroscepticism and decentralist tendencies. The result of the British referendum was proof of this. In France, for example, Marine Le Pen, the head of the extreme-right National Front, topped the polls ahead of the presidential election planned for 2017. Elsewhere, the migration crisis helped Eurosceptic and anti-immigrant Alternative for Germany, whose approval rating on the domestic political scene was third highest, grow in strength. Italy saw the Eurosceptic Five Star Movement come to power in Rome and Turin and beat the ruling Democratic Party in some national polls. In the Netherlands, the polls ahead of the parliamentary elections planned for 2017 were topped by the anti-immigrant and anti-EU Party for Freedom. And

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Norbert Hofer, of the right-wing populist Freedom Party of Austria, won the first round of the presidential election in April 2016. He was defeated by a narrow margin in the second round of voting in December, by independent candidate Alexander Van der Bellen.

Due to the increased activity of Eurosceptic parties, the use of referendums as an instrument of policy-making became very popular in European countries. Inspired by the Brexit referendum, suggestions re-emerged that similar plebiscites should be organised in France, Italy, the Czech Republic, Denmark, Austria and the Netherlands. Although no further such referendums were held in 2016, this instrument of direct democracy was widely used to resolve specific issues related to European policies. In April, a referendum was held in the Netherlands regarding the ratification of the EU-Ukraine Association Agreement. In October, voters in Hungary were asked whether the EU should be authorised to decide on “obligatory settlement of individuals other than Hungarian citizens in the territory of Hungary.” Moreover, European issues emerged in the campaign ahead of a constitutional referendum in Italy in December 2016. Regardless of the subject matter and the final outcome, each of the above-mentioned plebiscites was viewed as a show of Euroscepticism.

Divisions between the individual EU Member States were also apparent in 2016. One important influence on the increase in tension was the attitude of societies and governments towards migration, both in its external dimension (migration of citizens of third countries to the EU) and in the EU’s internal dimension. As regards the refugee crisis, the biggest disputes between the countries of Southern and Western Europe and those of Central Europe (mainly the Visegrad Group) were caused by decisions made in September 2015 concerning the relocation of asylum seekers from Greece and Italy to other Member States, and the prospect of a reform of the Dublin system (the Dublin III Regulation). Due to their strong opposition to the concept of allocating refugee quotas to specific Member States, the V4 countries came under heavy criticism from the states of Southern and Western Europe. The political discourse focused on the concept of European solidarity, which Central European partners were accused of lacking. The tension between Eastern and Western Europe was further aggravated by the outcome of the Brexit referendum. This was because the free movement of people in the EU had been the most important element of the pro-Brexit campaign ahead of the referendum. Combined with the referendum outcome, the stance adopted by V4 states regarding the migration crisis deepened the negative attitude towards intra-EU migrants, mainly those coming from Central and Eastern Europe, and opened a new chapter in the debate on “social dumping” on the EU’s internal

market.<sup>1</sup> Eurosceptics from a number of EU countries challenged the concept of European integration. The perception of the EU's eastward enlargement deteriorated, and in Western Europe opinions that the enlargement decision had been premature or even wrong began to resurface.

Following the referendum in the UK, debates conducted by European politicians and experts focused on reforming the EU in its broadest sense. Although Brexit prompted numerous pessimists to predict that the end of the integration project was near, many politicians began to perceive this moment as an opportunity for reform. In autumn 2016, the EU-27 summit launched the Bratislava Process, intended to break the EU's political deadlock by implementing specific reforms. However, it was clear at the summit that the Member States differed not only in terms of individual policies but also in their overall vision of European integration. Some politicians interpreted Brexit as nation-states trying to assert their place in the European structure and proposed strengthening intergovernmental institutions (especially the European Council) at the expense of supranational institutions (primarily the European Commission). Others suggested that the exit of the UK, a country traditionally reluctant to transfer competences to the supranational level, should be viewed as an impetus to boost the effectiveness of the EU's decision-making process and increase output legitimacy.<sup>2</sup> This involved striving for greater diversity of integration (differentiated integration), yet the very debate on the method of reforming the EU triggered controversy and doubts. Some politicians and experts were in favour of using Brexit as an opportunity to implement more comprehensive treaty reform. Others warned that such a solution would have negative effects.

The domestic context of the Polish government's European policy was also important. When the Law and Justice party came to power in the autumn of 2015, a number of reforms were quickly launched to "restructure the state." The first legislative initiatives included the law on the Constitutional Court and the law on state media. On 22 December, the Sejm amended the law on the Constitutional Court, which, according to critics, weakened that institution's effectiveness as the

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<sup>1</sup> The term "social dumping" has not been clearly defined in EU law. The European Economic and Social Committee indicates that this is a "situation where low-cost workers from a different Member State take the jobs of nationals." See *The workings of the Services Directive in the construction sector*, EESC Report, 2014; The European Parliament has defined dumping as "a wide range of intentionally abusive practices and the circumvention of existing European and national legislation which enable the development of unfair competition by unlawfully minimising labour and operation costs and lead to violations of workers' rights and exploitation of workers." See *EP Resolution 2015/2255(INI)*.

<sup>2</sup> In other words, "output legitimacy" is legitimacy via the effect. The term refers to the system effectiveness to attain the assumed goals and solve political and social problems. See F. Scharpf, *Problem-Solving Effectiveness and Democratic Accountability in the EU*, MPIfG Working Paper 03/1, 2003.

guardian of the Constitution. The small media law was also passed, focusing on the work of the board of directors and the supervisory board of Polish state television (TVP) and Polish Radio (PR). According to EU institutions, the new method of appointing members of the boards of directors and supervisory boards of state-controlled broadcasting institutions raised concerns about media freedom and pluralism in Poland.

In November 2015, the streets of many Polish cities witnessed large-scale rallies held by opponents of the changes to the Constitutional Court, and protests continued throughout 2016 with varying intensity. These events caused a stir in Europe. There were numerous suggestions in European media to the effect that democracy in Poland was being dismantled. Representatives of the Council of Europe and the EU institutions repeatedly expressed their concern about the changes to both the Constitutional Court and state media. As a consequence, when the European Commission launched infringement proceedings against Poland in January 2016, domestic reform became an element of the Polish government's European policy.

Another factor impacting European policy was Polish society's perception of European integration. On the one hand, the vast majority of citizens (81%) supported EU membership (only one in ten was opposed to it).<sup>3</sup> On the other hand, support for specific actions or policies at EU level was limited. In their analysis of the results of research into how society perceives specific European policies, for example the procedure for examining the rule of law in Poland, the authors of the report "Poles and the EU: The end of the consensus" argued that, compared with other nations in the EU, Poles in 2016 tended to or actually did present a "closed" attitude. Therefore, according to the authors, the government could count on winning approval for many aspects of its European policy from a large portion of society.<sup>4</sup>

## Goals and Assumptions

In his first policy statement, Witold Waszczykowski, foreign minister in the new Law and Justice cabinet, devoted much attention to three major crises which affected Europe as a whole and Poland individually. These were the security crisis, the neighbourhood crisis and the crisis of the European project.<sup>5</sup>

<sup>3</sup> B. Roguska (ed.), "Polska w Unii Europejskiej," *Komunikat CBOS*, February 2016.

<sup>4</sup> A. Balcer et al., *Polacy wobec UE: koniec konsensusu*, The Stefan Batory Foundation, December 2016, [www.batory.org.pl](http://www.batory.org.pl).

<sup>5</sup> "Government Information on Polish Foreign Policy in 2016 (presented by Foreign Minister Witold Waszczykowski at the Sejm meeting on 29 January 2016)," see p. 11 in this volume.

As regards the first two, special emphasis was placed on the threats related to Russia's attempts to revise the post-Cold War European order. Waszczykowski paid much less attention to conflicts, terrorism and the decline of state structures in the EU's southern neighbourhood. As regards security matters, he pointed to the EU's cooperation with NATO as a priority, and stressed that NATO remained the foundation of security for Poland, Europe and the trans-Atlantic area.

According to the government, the crisis of the European project resulted from the fact that the EU and the European political class had lost their credibility. Restoring nation-states' control of the integration process was suggested as one method of resolving the crisis.<sup>6</sup> The preferred option was "intergovernmental democracy" based on the "principle of democratic unanimity."<sup>7</sup> In practice, this was tantamount to criticism of the decision-making process in the EU Council by a qualified majority, and a preference for unanimity as a method for making decisions in the EU forum.

As regards the scope of integration, the EU was to return to the four basic freedoms: the freedom of movement of people, services, capital and goods. The concept of a political union and ever closer union were strongly rejected. A restrained approach towards the Eurozone was maintained. It was emphasised that, regarding the scope of European integration, the EU should focus on initiatives which had the potential to unite the Member States and avoid projects which might trigger divisions and conflicts.

The Polish government's criticism of the progress of the integration process, and of Germany's domination in the European Union, caused it to reorient its alliances in the EU. Unlike the PO-PSL government, which focused on cooperation with the largest countries, mainly Germany and France (for example in the Weimar Triangle format), the PiS government chose to strengthen its alliances in Central Europe and continue Poland's cooperation with the United Kingdom.

In his 2016 policy statement, Waszczykowski mentioned the United Kingdom as Poland's most important partner. The Polish-British tandem was expected to be a driving force of the non-Eurozone countries in the context of the planned tightening of the economic and monetary union based on the Five Presidents' Report.<sup>8</sup> Apart from Poland and the United Kingdom being non-Eurozone

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<sup>6</sup> K. Szymański, "Jakiej Europy potrzebuje Polska?," *Polski Przegląd Dyplomatyczny*, no. 1 (67), 2016.

<sup>7</sup> K. Szczerki, *Utopia europejska. Kryzys integracji i polska inicjatywa naprawy*, Wydawnictwo Biały Kruk, 2017, pp. 154–156.

<sup>8</sup> *Communication on steps towards Completing Economic and Monetary Union*. A report compiled by Jean-Claude Juncker in close cooperation with Donald Tusk, Jeroen Dijsselbloem, Mario Draghi and Martin Schulz, European Commission, June 2015, <https://ec.europa.eu>.

countries, the alliance between them was to be based on their convergent views on the overall direction of European integration. Like the British government, PiS questioned the need to deepen political integration, and favoured enlarging the EU to welcome new Member States. Both governments emphasised that the needs of sovereign nation-states should continue to be at the heart of European cooperation, and argued that the legitimacy of decisions made at the EU level should be increased by empowering parliaments and governments of EU Member States.

Within the EU, Poland intended to seek opportunities for cooperation in the region of Central and Eastern Europe, especially in the Visegrad Group (V4). Poland's year-long presidency of V4 in the second half of 2016 provided an opportunity to increase the effectiveness of cooperation between V4 members in matters such as the European agenda, defence, energy security, cohesion policy and infrastructure.<sup>9</sup> Migration policy was identified as an important area of cooperation, with V4 countries being united in their strong opposition to any concepts calling for "centralised management of refugees in the EU"<sup>10</sup> and emphasising the external dimension of migration policy.

As regards economic issues, the goals of Polish diplomacy focused on solidifying and developing the internal market, including debunking the arguments raised by Western Europe against social dumping and preventing the adoption of legislation supporting these arguments.

Energy and climate issues were considered a strategic aspect of European economic policy, and security of raw material supplies was identified as one of the priorities in the work on establishing the Energy Union. The Nord Stream 2 project was criticised as "an economically ineffective venture, the aim of which is to make the European Union more dependent on supplies from one direction."<sup>11</sup> At the same time, the Polish government was against accelerating the decarbonisation of the economy and adopting more ambitious goals regarding the reduction of CO<sub>2</sub> emissions. In a policy statement delivered on 18 November 2015, Prime Minister Beata Szydło stated that "energy security is tantamount to preserving Polish coal as an energy source."<sup>12</sup>

<sup>9</sup> "Government Information on Polish Foreign Policy in 2016..." *op. cit.*

<sup>10</sup> K. Szymański, *op. cit.*

<sup>11</sup> "Government Information on Polish Foreign Policy in 2016..." *op. cit.*

<sup>12</sup> *Policy statement by Prime Minister Beata Szydło*, 18 November 2015, [www.premier.gov.pl](http://www.premier.gov.pl).

## Political Relations

In the light of the above-mentioned political goals, the emphasis was placed on Poland's cooperation with the United Kingdom and with the other states of Central and Eastern Europe.

The Brexit referendum of June 2016 was a major challenge to cooperation with the United Kingdom. In negotiations on a deal which had been intended to help Prime Minister David Cameron win the campaign in favour of the UK remaining in the EU, Poland supported most of the arguments raised by the British government. These included a pledge to respect mutual interests of the Eurozone countries and those states outside the process of expanding the Economic and Monetary Union, as well as the need to boost the competitiveness on the common market and empower national parliaments to block EU legislation (the "red card" option). UK proposals to limit the inflow of foreigners to Britain and cut the benefits paid out to immigrants were a problem for the Polish government. In 2016, Poles were the largest national minority in the United Kingdom, and the government's priority was to protect their rights. Therefore, the government had to balance the desire for Britain to remain in the EU and the need to protect Poles living in the UK. As a consequence, it supported the agreement on the special status of the UK in the EU, concluded in February 2016.<sup>13</sup> Although the agreement provided for the possibility of limiting access to certain employee benefits for newly-arrived immigrants and indexing the benefits paid out to children living in another country, Cameron failed to convince Britons to remain in the EU.

The outcome of the British referendum and the UK's decision to leave the EU came as a major challenge for the Polish government. This was due to the prospect of losing an important partner in the EU. Moreover, the referendum triggered a debate on multi-speed integration and raised fears that Poland might be excluded from some integration circles.

In their comments after the referendum, PiS politicians argued that Brexit could become an impetus to comprehensive reform of the EU, which would include changes to the treaties. As regards the preferred type of reform, the "more EU" approach was ruled out and the introduction of a strict division of powers of EU institutions and those of the Member States, while maintaining the subsidiarity principle, was endorsed. An EU reformed in this way would be an attractive offer for Britain should it want to re-apply for EU membership in the future.<sup>14</sup>

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<sup>13</sup> "A new settlement for the United Kingdom within the European Union," *Official Journal of the EU*, C1 69/1, 23 February 2016, <http://eur-lex.europa.eu>.

<sup>14</sup> See, for example: "Kaczyński: potrzebny jest nowy traktat europejski," *PAP*, 24 June 2016, [www.pap.pl](http://www.pap.pl).

Following the referendum, bilateral cooperation between Poland and the United Kingdom intensified. In the prospect of negotiations on the conditions of Brexit, the Polish government stressed the need to maintain close economic and political ties with London and was opposed to the view that Britain should be “punished” for its decision. At the same time, it stressed that any future agreements regarding the UK’s access to the common market should contain a provision that the UK should respect all four freedoms. Poland’s key goals in bilateral negotiations involved securing the protection of the rights of Poles living in the UK, maintaining the liberalisation of trade between Poland and the UK, and making sure that Britain meets all its financial obligations under the current financial perspective.

In 2016, migration policy was the main area of cooperation in the Visegrad Group. The V4 states criticised both the temporary relocation programmes the EU had been implementing since September 2015 and the European Commission’s proposals to reform the Dublin system. They presented a project of “effective solidarity” (“flexible solidarity”) as an alternative to the Dublin+ project, which assumes automatic relocation of asylum seekers in situations of increased migration pressure. The V4 states proposed that the EU’s response to the migration crisis should take into account the situation of specific Member States, including their capabilities, problems, and potential to take action in specific areas. The V4 suggested that the Member States could replace programmes focused on taking in refugees with another type of assistance granted to those states most affected by migration. EU-wide relocation programmes should be used only at the peak of a crisis and with the consent of EU leaders, expressed during an EU Council meeting. Measures applied under such programmes should be voluntary.<sup>15</sup>

The V4’s ideas for reform of the Dublin system did not gain recognition in the EU. Opposition came mainly from the states of Southern Europe, which were directly affected by the inflow of refugees. 2016 saw repeated attempts to find a solution to this problem, but none were successful. In the absence of compromise over reform of the Dublin system, the debate on this issue was postponed until the following year. The reform of the Common European Asylum System (CEAS) was included in the list of priorities of the Maltese presidency in the first half of 2017.

The V4’s priority focused on the external dimension of migration policy. Alongside its V4 partners, Poland expressed support for the plan to strengthen the EU’s external borders, for the EU–Turkey agreement concluded in March 2016

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<sup>15</sup> See “Effective Solidarity: a way forward on Dublin revision,” *Statewatch*, [www.statewatch.org](http://www.statewatch.org).

to curb irregular migration to the Greek islands, and for cooperation with other transit states and migrants' home countries.

As regards the external dimension of the EU's migration policy, the emphasis was also placed on expressing opposition to using the crisis as a pretext for transferring new competences to the EU level. This was manifested by criticism of the concept of extending Frontex's powers to include the right to intervene at the EU's external border against the will of the country in which such intervention would take place. This position gained wider support within the EU and was reflected in the final text of the European Border and Coast Guard Regulation adopted in September 2016.<sup>16</sup> Support for the EU–Turkey agreement was problematic because of the 1:1 mechanism it contained, which provided for resettling one Syrian from Turkey to the EU in exchange for each Syrian diverted to Turkey from Greek islands. Regardless of their declared support for the agreement with Turkey, in 2016 none of the V4 states decided to take in a single refugee under the agreement.<sup>17</sup>

During Poland's V4 presidency, the authorities strove to expand the scope of cooperation in the V4 format to include other European policy issues as well. The V4's declaration adopted ahead of the summit in Bratislava, which was intended to launch reform of the EU, was one manifestation of these efforts. However, the document reflected the differences in the interests of the V4 states on many issues concerning European policies, focusing on security and migration issues, and only briefly mentioning other issues including institutional reform in the EU.<sup>18</sup> The declaration lacked the Polish authorities' proposal regarding treaty reform. The remaining V4 states distanced themselves from this idea and argued, just like Germany and France, that it would be better to avoid such a scenario due to differences between specific EU Member States as to the direction of the EU's further development, and to the lengthiness of the process of negotiation and ratification of any treaty.

In the context of limitations of cooperation in the V4 format, which resulted both from political differences between the V4 states over many European issues and from formal difficulties connected with pushing through the V4's joint projects in the majority voting system in the EU Council, the Polish authorities sought

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<sup>16</sup> *Regulation (EU) 2016/1624 of the European Parliament and of the Council of 14 September 2016 on the European Border and Coast Guard and amending Regulation (EU) 2016/399 of the European Parliament and of the Council and repealing Regulation (EC) no. 863/2007 of the European Parliament and of the Council, Council Regulation (EC) no. 2007/2004 and Council Decision 2005/267/EC*, <https://eur-lex.europa.eu>.

<sup>17</sup> *See Relocation and Resettlement*, European Commission, 6 December 2016, <https://ec.europa.eu>.

<sup>18</sup> *Joint Statement of the Heads of Governments of the V4 Countries Bratislava*, Vláda České republiky, 16 September 2016, [www.vlada.cz](http://www.vlada.cz).

a more comprehensive platform for cooperation in Central and Eastern Europe. The Three Seas Initiative was a new element of this collaboration. It involved the cooperation of 12 states located between the Adriatic, the Baltic and the Black Seas (Austria, Bulgaria, Croatia, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia and Slovenia). Cooperation in this format was launched in August 2016 at a summit in Dubrovnik organised on the initiative of Poland and Croatia. According to the declaration signed at the summit, the Three Seas Initiative was conceived “as an informal platform for securing political support and decisive action on specific cross-border and macro-regional projects of strategic importance to the States involved in energy, transportation, digital communication and economic sectors in Central and Eastern Europe.”<sup>19</sup> In the context of numerous doubts regarding the relationship between the Three Seas Initiative and the European Union, Polish politicians assured the public that these two cooperation formats are of a complementary rather than competing nature. Despite this, many signatory states of the Dubrovnik declaration distanced themselves from this project.

The Polish government’s dialogue with EU institutions, launched in connection with a series of legislative initiatives related to the reform of the Polish judiciary and state-controlled media, was an important element of political relations in 2016. It also covered other subsequent legislative acts, including those focused on boosting security in the context of the rising terrorist threat.

In January 2016, the European Commission recognised a systemic threat to the rule of law in Poland. Invoking Article 2 of the Treaty on European Union, the Commission decided to initiate the procedure under the Rule of Law Framework. The three-step procedure provided for in Article 7 of the Treaty on European Union continued throughout 2016.<sup>20</sup>

The European Commission, represented by Vice-President Frans Timmermans, engaged in dialogue with the Polish authorities and published subsequent recommendations for them. In connection with the procedure to protect the rule of law, a series of debates on Poland’s domestic situation was held in the European Parliament. In April and in September, the European Parliament passed resolutions which were critical of the Polish government. The first referred only to the crisis over the Constitutional Court, and the second included other legislative initiatives including the law on state-controlled media, the law on the police, the code of criminal procedure, the law on the public prosecutor’s office,

<sup>19</sup> *Wspólna deklaracja w sprawie Inicjatywy Trójmorza*, 25 August 2016, [www.prezydent.pl](http://www.prezydent.pl).

<sup>20</sup> The preliminary procedure introduced pursuant to the Communication from the Commission of 11 March 2014, A new EU Framework to strengthen the Rule of Law, COM(2014)0158, <https://eur-lex.europa.eu>.

the law on civil service, the law on counter-terrorism measures, women's rights, and planned logging in the Białowieża Forest.

Despite pressure from EU institutions, the reforms of the Constitutional Court continued. Responding to subsequent reservations, the government argued that the reforms were focused on issues which lay within the competence of nations, and therefore the EU should not be interfering in them.

### Economic Relations

The year 2016 saw a further economic boom in the EU, which translated into a boost in Poland's economic relations with other EU Member States. The value of Poland's exports to the EU rose to €147.5 billion, which accounted for 79.8% of Poland's total exports. The value of imports from the EU rose to €110.8 billion, or 61.3% of Poland's total imports. This means that, in its trade exchange with the EU, Poland recorded a positive balance of €36.7 billion, which indicated a slight increase compared with the figures for 2015 (€36.1 billion). At the same time, the net transfer of funds from the EU budget gradually decreased, and in 2016 amounted to a mere €5.5 billion. For the first time, the biggest portion of payments (over a third) were direct payments to farmers,<sup>21</sup> followed by payments from the Cohesion Fund and Structural Funds.<sup>22</sup>

EU Member States were Poland's main investment partners. In 2016, the value of foreign direct investments (FDI) in Poland, originating from EU countries, stood at €162.3 billion, or over 90% of total FDI (€176 billion). The value of FDI carried out by Poland in EU countries in 2016 amounted to €20.2 billion, or over 70% of Poland's total FDI (the total value of which stood at €27.7 billion).

Table 1

#### Poland's Trade Relations with the EU in 2016

Value of Poland's exports to the EU (in € billion)	Value of Poland's imports from the EU (in € billion)	Balance of trade with the EU (in € billion)	EU share in Poland's total exports (in %)	EU share in Poland's total imports (in %)
147.5	110.8	36.7	79.8	61.3

Source: The Ministry of Development, based on data compiled by the Ministry of Finance and Statistics Poland (GUS).

<sup>21</sup> In previous years, structural funds were the main source of transfers received by Poland. See: *Transfery finansowe Polska – Unia Europejska*, Ministerstwo Finansów, www.mf.gov.pl.

<sup>22</sup> *Skumulowane transfery finansowe między RP a UE w 2016 r.*, Ministerstwo Finansów, www.mf.gov.pl.

Poland's approach to Eurozone membership was more restrained than in previous years, although the public's attitude towards the single currency remained relatively constant. In 2016, 65% of Poles were opposed to replacing the złoty with the euro and 13% supported it. By comparison, 68% of Poles were against the adoption of the euro in the autumn of 2014, and 24% were in favour of it.<sup>23</sup> In November 2015, the government dissolved the office of the Government Plenipotentiary for the Introduction of the Euro by the Republic of Poland, which indicated the intention to postpone this decision. Waszczykowski described the common currency as a "not always realistic integration project," and expressed his reluctance towards deeper integration within the Eurozone.<sup>24</sup> Just like the previous government, the new government did not interfere in the Eurozone's internal matters. For example, it did not ratify the inter-institutional agreement on a uniform restructuring mechanism and orderly liquidation, which had been ratified mainly by the Eurozone states (and also by Hungary) at the end of 2015.

In a situation of growing protectionist tendencies in the single market, the Polish parliament, together with the parliaments of 10 other Member States, attempted to counteract the amendments to the directive on posted workers, which were unfavourable to the countries of Central and Eastern Europe, using the "yellow card" procedure (a mechanism for controlling the principle of subsidiarity).<sup>25</sup> In their rationale submitted to the European Commission, the parliaments argued that the proposed amendment violated the principle of competitiveness in the common market and accused the Commission of insufficient accuracy in analysing the effects of the amendment.<sup>26</sup> The intervention of the parliaments proved ineffective, and on 20 June 2016, following a review of the arguments contained in the opinions submitted by national parliaments, the European Commission stated that the planned amendment would not result in a breach of the subsidiarity principle (which is a premise for launching the yellow

<sup>23</sup> See B. Roguska (ed.), "Elektoraty partyjne – charakterystyka poglądów," *Komunikat CBOS*, no. 95, June 2016; B. Roguska (ed.), "Narastanie obaw związanych z wprowadzaniem euro," *Komunikat CBOS*, no. 151, November 2014.

<sup>24</sup> "Government Information on Polish Foreign Policy in 2016..." *op. cit.*

<sup>25</sup> *Proposal for a Directive of the European Parliament and of the Council amending Directive 96/71/EC of the European Parliament and of the Council of 16 December 1996 concerning the posting of workers in the framework of the provision of services, COM/2016/0128 final – 2016/070 (COD)*, <http://eur-lex.europa.eu>. Justified opinions on the issue of violation of the principle of subsidiarity were submitted to the European Commission by parliaments of Bulgaria, Croatia, Denmark, Estonia, Lithuania, Latvia, Poland, the Czech Republic, Romania, Slovakia and Hungary.

<sup>26</sup> *Posting of Workers: Commission discusses concerns of national Parliaments*, European Commission, 20 July 2016, <http://europa.eu>.

card procedure), and therefore there were no grounds for rejecting the package of changes or amending it further.<sup>27</sup>

In 2016, the Polish government was actively involved in the development of the digital single market. Although Poland was not among the leaders in the EU's digital sector,<sup>28</sup> it supported the elimination of barriers to this sector's development on the internal market. Ahead of the Transportation, Telecommunications and Energy Council and the Competitiveness Council on 26 May 2016, alongside ministers from 13 other states, Polish PMs Mateusz Morawiecki and Anna Streżyńska wrote a letter to the minister of economic affairs of the Netherlands (which held EU Council presidency at that time) in which they called for ensuring the openness of the digital market and creating a single digital portal. In December 2016, the Polish government supervised the work of 14 states on the non-paper regarding the elimination of barriers on the European digital market.<sup>29</sup> The signatories proposed facilitating the free flow of digital data in the EU. Opposite views were mainly presented by France and Germany, which justified the need for strict control of digital data flows for security reasons.

Poland viewed the energy sector as an important element of the internal market. In 2016, work was ongoing on the winter package related to the Energy Union, which was intended to support Member States shifting to the production of "clean energy" and increasing their energy efficiency. At the end of November 2016, the European Commission presented a project that dealt a blow to Polish interests by reducing the significance of biofuels and introducing barriers to building new coal-fired power plants in order to boost the importance of renewable energy sources. As its economy is coal-based, Poland was opposed to the provisions contained in this package.<sup>30</sup>

The Polish authorities devoted much attention to the planned construction of the Nord Stream 2 (NS2) pipeline, and another two pipelines for transporting natural gas along the bottom of the Baltic Sea to be built in addition to the two existing ones. On 22 July 2016, the Polish Office of Competition and Consumer Protection (UOKiK) raised objections to the consortium building NS2 and

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<sup>27</sup> *Revision of the Directive on the Posting of Workers—Labour Mobility Package*, European Parliament, March 2016, [www.europarl.europa.eu](http://www.europarl.europa.eu).

<sup>28</sup> "Poland country profile," *Europe's Digital Progress Report 2017(EDPR)*, European Commission, <https://ec.europa.eu>.

<sup>29</sup> *Non-paper on the Free Flow of Data initiative, Joint support from: Belgium, Bulgaria, Czech Republic, Denmark, Estonia, Ireland, Latvia, Lithuania, Luxembourg, Netherlands, Poland, Slovenia, Sweden, United Kingdom*, Permanent Representation of the Republic of Poland to the European Union in Brussels, 2 December 2016, [www.brukselaeu.msz.gov.pl](http://www.brukselaeu.msz.gov.pl).

<sup>30</sup> Due to the fact that the project was announced at the end of the year, Poland presented its comprehensive response in 2017.

pointed to the threat of excessive concentration and restriction of competition rules on the gas market.<sup>31</sup> The Polish government also formulated expectations and presented these to the European Commission, requesting an assurance that the construction and operation of NS2 were fully regulated by EU law. Poland's demands were supported by Sweden, Denmark and Finland, which requested the European Commission to present an assessment of whether the construction of the gas pipeline was compatible with the third energy package.<sup>32</sup> In December 2016, Poland filed a complaint to the EU Court of Justice against the lifting of Gazprom's capacity restrictions on the Opal pipeline, a branch of the existing two Nord Stream pipelines, which connects northern Germany with the southern Czech Republic. Making this pipeline available to Gazprom would enable the volume of gas from the planned NS2 to be increased. PGNiG Supply & Trading GmbH had lodged a similar complaint several weeks earlier.<sup>33</sup>

As regards its involvement in the EU's economic management, Poland did not raise major objections and participated in EU mechanisms established in previous years. It performed well in the European Semester<sup>34</sup> and had no pending excessive deficit procedure or excessive imbalance procedure at that time. According to comprehensive data for 2015, Poland failed to meet only one out of 14 criteria (negative assessment of net international investment position) taken into account when launching the excessive imbalance procedure, whereas other countries were in breach of four criteria on average.<sup>35</sup>

In 2016, the EU carried out a review of its Multiannual Financial Framework, which determines the shape of the common budget. Due to the high positive balance of transfers with the European Union, Poland views the functioning of the EU budget as one of the key elements of its EU membership. Due to the fact that the debates on the EU budget were more difficult compared with the negotiations on the 2014–2020 financial framework (because of the refugee crisis and the announced departure of the United Kingdom from the EU), Poland strove to make sure that the review of the framework was separate from the post-2020 budget negotiations. The Polish position on the separation of these

<sup>31</sup> UOKiK *issues objections to a concentration – Nord Stream 2*, Office of Competition and Consumer Protection, Urząd Ochrony Konkurencji i Konsumentów, 22 July 2016, [www.uokik.gov.pl](http://www.uokik.gov.pl).

<sup>32</sup> J. Gotkowska, P. Szymański, "The Nordic countries on Nord Stream 2: between scepticism and neutrality," *OSW Commentary*, 12 October 2016, [www.osw.waw.pl](http://www.osw.waw.pl).

<sup>33</sup> S. Zaręba, "Current Legal Situation of the OPAL Pipeline," *PISM Bulletin*, no. 9 (949), 27 January 2017, [www.pism.pl](http://www.pism.pl).

<sup>34</sup> This is a procedure intended to coordinate the EU Member States' economic and budgetary policy. See European Semester, European Council, Council of the European Union, [www.consilium.europa.eu](http://www.consilium.europa.eu).

<sup>35</sup> Own calculations based on data compiled by Eurostat.

two issues was consistent with the positions of other countries (Italy was the only country to have called for profound changes in the financing of migration and refugee policies, but in March 2017 it decided to accept the content of the review). At the end of 2016, most issues discussed during the review had already been closed: minor changes were introduced regarding minor shifts of funds from unused reserves to actions focused on fighting the refugee crisis and supporting the EU's labour market and investments. The changes were also intended to make the system of spending EU funds more flexible.<sup>36</sup> Alongside the European Commission and European Parliament, the Member States agreed that the negotiations of the post-2020 financial framework should start at the end of 2017. As regards the common agricultural policy, following a meeting of ministers of agriculture of the Visegrad Group states, Bulgaria, Slovenia and Romania, held in Warsaw on 26 October 2016, Poland presented a joint non-paper in which these states supported the view that this policy should be financed from EU funds and the procedures for spending funds under this policy should be simplified.<sup>37</sup>

### Assessment

Poland made important changes to its European policy in 2016. Although its key interests were defined in a similar way as in previous years, the style in which European policy was pursued and Poland's alliances within the EU changed. The government's uncompromising stance in specific areas of Poland's European policy, combined with criticism by EU institutions and other Member States of domestic reform in Poland, negatively impacted Poland's bargaining position in the European arena.

In the context of changes in the EU as a whole in 2016, the strategy adopted by the government, involving the fight for national interests, failed in many cases to bring the expected results. This can be concluded from the absence of solutions the Polish government would consider satisfactory regarding the NS2 question, the winter package and the review of the directive on posted workers. The government's short-term success involved sector-specific cooperation (the digital market), positive economic performance in the European Semester, and the relatively favourable (from Poland's perspective) result of the review of the multi-annual financial framework. As regards migration policy, one temporary success for the Polish authorities (and their V4 partners) was the shift in the attention

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<sup>36</sup> P. Toporowski, "Multiannual Financial Framework Review: Implications for Poland," *PISM Bulletin*, no. 24 (964), 8 March 2017, [www.pism.pl](http://www.pism.pl).

<sup>37</sup> *Polish V4 presidency's non-paper on the CAP in the context of the MFF 2014-20 mid-term review/revision and simplification proposals in the omnibus draft regulation*, Ministry of Agriculture and Rural Development, 26 October 2016, <http://data.consilium.europa.eu>.

of European institutions to actions intended to curb the inflow of migrants to Europe. However, systemic reforms of the migration policy were postponed. The protracted deadlock in the negotiations regarding asylum-system reform triggered conflicts between the EU Member States.

In the long-term perspective, the Polish government's approach to migration policy, and to the examination of the rule of law and other issues, may bring Poland major political and financial losses. There may be a negative impact on the shape of the post-2020 budget, and an increased tendency among EU institutions to resort to sanction procedures which generate specific costs for the national budget. The government's rigid stance on specific European issues also increases the risk of a power play in the EU forum (for example, qualified majority voting in the EU Council) and of Poland being excluded from particular circles of EU integration. In this context, building alliances in the European arena and strengthening its own powerbase in Brussels continue to be the key challenges for the Polish government. These goals will be all the more difficult to attain because the Brexit referendum has called the existence of the European Conservatives and Reformists parliamentary group into question. The ruling party is a component of this group in the European Parliament.



**II.**

**POLAND'S POLICY**

**TOWARDS SELECTED STATES AND REGIONS**



# Poland's Policy towards the United States

ANDRZEJ DĄBROWSKI\*

## Background

In 2016, the United States—the key NATO state and partner to Central and Eastern European (CEE) states—remained Poland's most important non-European ally. Due to increased interest in security matters, economic cooperation and social relations were pushed into the background. Poland and the U.S. paid more attention to Russia's actions targeting Ukraine, i.e., the annexation of Crimea and the aggression in the Donbas.

The most important elements of this background for Poland's policy towards the U.S. included the government change in Warsaw and the campaign ahead of the American presidential election and elections to both chambers of Congress, which were ongoing in the United States. The victory in Poland of the Law and Justice party (PiS) in the elections of 25 October 2015 and the forming of the coalition government headed by Beata Szydło on 16 November 2015 marked a continuation of actions to strengthen Poland's military cooperation with the U.S. Furthermore, the Polish authorities announced their willingness to intensify the political and economic relations. The relationship between the two countries needed a "revitalisation," and Poland's cooperation with the U.S. was to serve as a necessary instrument for boosting security and solidifying the democratic order.<sup>1</sup>

The end of Barack Obama's presidency proved crucial for the countries of Central and Eastern Europe, including Poland, due to the decision to increase U.S. involvement in guaranteeing security in the region. The decision by the U.S. president to deploy additional forces in the form of an Armoured Brigade Combat Team (ABCT), announced at the NATO summit in Warsaw, was meant as a clear signal to the countries located on NATO's Eastern Flank that American Allied guarantees are genuine. With his decisions in his second term, President Obama, who had begun his presidency with a series of unfortunate moves that undermined the position of the United States in the region, proved that the U.S.

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<sup>1</sup> The 2014 political platform of the Law and Justice party (PiS), <http://pis.org.pl/dokumenty>.

was on the path to strengthening its presence in Central and Eastern Europe. In the context of Russia's aggressive policy, this presence is highly important for military security in the region.

Another development that shaped the relations between the two countries was the U.S. election campaigns that began in 2015. These preceded the 2016 elections in which all 435 House seats and 34 Senate seats, the presidency, and a large portion of state governments were elected. In July 2016, at the Democratic National Convention and the Republican National Convention, Hillary Clinton and Donald Trump, respectively, were nominated as the parties' candidates for the presidency. The Republican nominee in particular, due to his eclectic views on international affairs and status as an outsider—an individual not belonging to the relatively well-known and more approachable circles of the Washington elite—doubts were raised as to the possible future direction of U.S. policy, all the more so because he campaigned on the idea of "America First," part of which aims to limit U.S. involvement abroad.<sup>2</sup> In the context of Clinton's potential victory, most experts expected a continuation of the policy pursued at the end of the Obama presidency, including a strengthening of the system of U.S. alliances, which was of key importance from the point of view of Polish interests, and a tough stance on the neo-imperialist policy of the Russian Federation.<sup>3</sup>

The issue of visa requirements for Polish citizens travelling to the U.S. remained an unresolved problem in bilateral relations. Although previous U.S. administrations assured Poland that they were willing to find a way to eliminate this formal manifestation of asymmetry in Polish-American relations, the visa issue continued to impact both political relations and the perception of the U.S. by the Polish public.

### Goals and assumptions

Poland's foreign policy towards the U.S. focused on goals defined by Foreign Minister Witold Waszczykowski in his "Information on the Polish Government's foreign policy" presented to the Sejm on 29 January. The most important goal involved increasing the U.S. presence on NATO's Eastern Flank. The Polish authorities were interested in the deployment of American military units in Poland. In his policy statement, when referring to these units' presence, Minister Waszczykowski said that Poland will "seek to more permanently anchor" them on

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<sup>2</sup> M. Wąsiński, "Donald Trump's Foreign Policy Stances in the Election Campaign: Unpredictability and Neo-isolationism," *PISM Bulletin*, no 37 (887), 16 June 2016, [www.pism.pl](http://www.pism.pl).

<sup>3</sup> A. Dąbrowski, "Hillary Clinton's Foreign Policy Stances in the Election Campaign," *PISM Bulletin*, no 46 (896), 29 July 2016, [www.pism.pl](http://www.pism.pl).

its territory. This redeployment of forces was expected to take place both under bilateral cooperation and through multilateral NATO-wide cooperation, and to serve to protect the Allies against possible Russian aggression.<sup>4</sup> The need to build a permanent and visible presence of U.S. troops in Poland and in countries of the region was discussed by Minister Waszczykowski in his article published in *The New York Times*.<sup>5</sup> He pointed to the deep relationship between the two countries that goes well beyond the institution of collective and mutual security. According to the minister, promoting democratic values and free-market standards should be combined with strong U.S. political leadership, in particular in the context of the deepening crises in many places across the world, which might destroy the achievements gained so far.<sup>6</sup>

Another important goal of Poland's policy towards the U.S. involved the development of economic relations, including trade relations, both bilateral and between the U.S. and the EU. This is why the government repeatedly, including in the foreign minister's policy statement, declared its support for the plan to reach an agreement regarding the Transatlantic Trade and Investment Partnership (TTIP).<sup>7</sup> This would result in the creation of the world's largest free-trade area and would bring benefits to all economies involved.

Following Trump's victory, it became necessary to establish working contacts with the president-elect's closest collaborators and potential members of his administration starting from January 2017.

Due to the fact that military and political cooperation was the given priority, other issues that had been present in the bilateral dialogue for years, for example, the sensitive issue of lifting the visa regime, receded into the background. Obviously, this was not tantamount to withdrawing from this demand. It was rather a manifestation of the belief that in the situation of a favourable mood for the pursuit of Polish interests in the field of security, or the U.S. readiness to strengthen NATO's Eastern Flank, the energy of Polish diplomacy should focus on achieving the best possible decisions.

## Political Relations

In 2016, the political relations between Poland and the U.S. were particularly intensive. This was due to the U.S. turn to Central and Eastern Europe. Russia's

<sup>4</sup> "Government Information on Polish Foreign Policy in 2016 (presented by Foreign Minister Witold Waszczykowski at the Sejm meeting on 29 January 2016)," see p. 11 in this volume.

<sup>5</sup> W. Waszczykowski, "Why Poland Needs American Support," *New York Times*, 16 February 2016.

<sup>6</sup> *Ibidem*.

<sup>7</sup> "Government Information on Polish Foreign Policy in 2016..." *op. cit.*

aggression against Ukraine meant the region did not have to compete with the Middle East and Asia-Pacific for the attention of the American authorities.<sup>8</sup> President Obama's decision announced at the NATO summit in Warsaw to complement the four multinational battalions deployed in the Baltic states and in Poland with a heavy armoured brigade was proof of the fact that Poland and the CEE were considered areas of key importance for the pursuit of U.S. security interests.<sup>9</sup>

The intensity of political relations is manifested by the number and level of bilateral meetings and meetings in multilateral formats. President Andrzej Duda took part in the Nuclear Security Summit held in Washington<sup>10</sup> and President Obama, accompanied by U.S. Secretary of State John Kerry, attended the NATO summit in Warsaw.<sup>11</sup> Minister Waszczykowski paid three visits to Washington<sup>12</sup> and Assistant Secretary of State Victoria Nuland travelled to Warsaw to hold talks on bilateral cooperation.<sup>13</sup>

The American administration made a reference to the reform of the Constitutional Court, which had been ongoing in Poland since the end of 2015. During the NATO summit in Warsaw, President Obama expressed his hope for finding a solution to certain controversial aspects of this reform: "And as your friend and ally, we've urged all parties to work together to sustain Poland's democratic institutions. That's what makes us democracies—not just by the words written in constitutions."<sup>14</sup> A message similar in tone was offered by the spokesperson for the State Department in a statement regarding the changes in the Polish judiciary.<sup>15</sup> The fact that this issue was discussed in the U.S. State Department's annual report on the observance of human rights in Poland in 2016 was a manifestation of the

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<sup>8</sup> Ł. Smalec, "Relacje transatlantyckie w sferze bezpieczeństwa podczas prezydentury Baracka Obamy," in: S. Dębski, G. Kozłowski (eds.), *Dziedzictwo Baracka Obamy. Polityka zagraniczna USA w latach 2009–2016*, Ministerstwo Spraw Zagranicznych, 2017, p. 61.

<sup>9</sup> A. Kacprzyk, "Conventional Deterrence on NATO's Eastern Flank after the Warsaw Summit," *PISM Bulletin*, no 48 (898), 2 August 2016, [www.pism.pl](http://www.pism.pl).

<sup>10</sup> See "Prezydent Andrzej Duda rozmawiał z prezydentem USA," 1 April 2016, [www.prezydent.pl](http://www.prezydent.pl).

<sup>11</sup> See "Fact Sheet: NATO Warsaw Summit," The White House, 8 July 2016, <https://obamawhitehouse.archives.gov>.

<sup>12</sup> G. Kozłowski, "Bilans relacji polsko-amerykańskich za prezydentury Baracka Obamy (2009–2016)," in: S. Dębski, G. Kozłowski (eds.), *op. cit.*, p. 15.

<sup>13</sup> See "Assistant Secretary Nuland Travels to Warsaw, Munich, and Tirana," U.S. Department of State, 10 February 2016, <https://2009-2017.state.gov>.

<sup>14</sup> "Statement by President Barack Obama delivered during a joint press conference with President Andrzej Duda on 8 July 2016 in Warsaw," <https://obamawhitehouse.archives.gov/the-press-office/2016/07/08/remarks-president-obama-and-president-duda-poland-after-bilateral>.

<sup>15</sup> "Statement by the spokesperson of the U.S. Department of State regarding the Constitutional Court," <https://2009-2017.state.gov/r/pa/prs/dpb/2016/07/260394.htm>.

Obama administration's interest in and concern with the direction of changes to the functioning of the Constitutional Court.<sup>16</sup>

### Military Cooperation

The decisions announced during the NATO summit in Warsaw were of key importance for this cooperation. At the summit, the U.S. declared a "persistent rotational" deployment of a heavy armoured brigade<sup>17</sup> and the transfer of the unit's operational control to Poland. The U.S. also announced that equipment intended for another brigade to be redeployed to Europe in the event of a further deterioration of the situation would be deployed to Germany, Belgium, and the Netherlands.

Under NATO forces' Enhanced Forward Presence, troops comprising a multinational division were to be redeployed to Poland. The American contingent was to be 900-strong. It became a component of the Multinational Division North East, stationed in Elbląg (redployed from Germany). The U.S. declared its participation as the division's framework nation (with Germany serving as the framework nation in Lithuania, Canada in Latvia, and the UK in Estonia). The launch of the Multinational Division's mission was planned for July 2017.

Under *Operation Atlantic Resolve*, the 10<sup>th</sup> Combat Aviation Brigade was sent for 10-month rotations, and one of the brigade's teams was stationed in Poland. The brigade, composed of 1,800 troops, was equipped with more than 80 helicopters intended for combat, transportation, and support tasks. Its command centre was located in Germany. The first rotation of the 10<sup>th</sup> Brigade was to start its service in Poland in mid-2017, or after the shift in the American administration.

Moreover, 13 May 2016 saw the launch of the construction of the interceptor missile base under the U.S. missile-defence system, a component of the European Phased Adaptive Approach defence system.<sup>18</sup> The construction work was planned

<sup>16</sup> "Report on observance of human rights in Poland in 2016," U.S. Embassy and Consulate in Poland, <https://pl.usembassy.gov>.

<sup>17</sup> The 3<sup>rd</sup> Armoured Brigade Combat Team from the 4<sup>th</sup> Infantry Division was to include 4,000 troops, more than 80 tanks, 140 Bradley armoured fighting vehicles, and more than 400 HMMWV military trucks in different variants. The plan included the redeployment of the ABCT to Świętoszów, Skwierzyna, and Bolesławiec, with the headquarters in Żagań, [www.defense.gov/News/Article/Article/987827/carter-announces-deterrence-defense-buildup-in-europe](http://www.defense.gov/News/Article/Article/987827/carter-announces-deterrence-defense-buildup-in-europe).

<sup>18</sup> The system was conceived as an onshore modification of the offshore AEGIS Ballistic Missile Defense system, known as AEGIS Ashore. The investment is limited to building an SPY-1 radar base in Redzikowo, Poland, equipped with 24 SM-3 missiles capable of intercepting medium-range ballistic missiles and having a limited potential to respond to intercontinental ballistic missiles (ICBM).

to end in December 2018, which was when the installation was expected to gain combat readiness. In June 2016, nearly 14,000 U.S. troops and more than 31,000 Allied troops took part in the *Anakonda-16* manoeuvres. This was the largest exercise of this type conducted in Poland since 1989.<sup>19</sup> An important element of this exercise involved a test of the U.S. Army's readiness to redeploy its forces by air, i.e., in an emergency situation, should there arise a need to support the allies in Central and Eastern Europe.

### Economic Cooperation

According to Statistics Poland (GUS), 2016 saw an increase in trade exchange between Poland and the U.S. compared to 2015. In 2012-2014, the export of Polish goods to the U.S. continued to grow, but over the next two years, it declined. A similar decline was recorded in 2015 as regards Poland's imports from the U.S. In 2016, the value of Poland's imports stood at \$5.64 billion and the value of its exports was \$4.8 billion, which indicated a drop of \$336 million versus 2015. In 2016, the total value of trade exchange was \$10.44 billion, which was \$724 million more than in 2015. In 2016, the U.S. was ranked 12<sup>th</sup> on the list of Poland's trade partners with a 2.4% share of Poland's exports, and 8<sup>th</sup> as regards Poland's imports, in which the U.S. accounted for 2.8% of the total value. Poland was ranked 44<sup>th</sup> on the list of U.S. trade partners and its share of the U.S. total foreign trade exchange was 0.26%. Poland was ranked 47<sup>th</sup> in U.S. exports (0.25%) and 39<sup>th</sup> in imports (0.27%).

The U.S. is Poland's largest non-European investor. The investments are carried out by both U.S.-based companies and their subsidiary companies registered mainly in the EU. Until 2014, the total value of indirect and direct investments stood at more than \$90 billion.<sup>20</sup> In 2016, in Poland, U.S. direct investments were worth \$4.69 billion, or \$664 million more than in 2015. Polish direct investments, for their part, amounted to \$883 million, which meant a rise of \$169 million compared to 2015. There is an evident disproportion between the investments carried out by U.S. investors and those carried out by Polish entities. Despite a favourable investment mood and growing GDP figures in both states, Poland's economic relations with the U.S. remained under pressure from the asymmetry in the potentials of the two economies, including in the field of investments.

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<sup>19</sup> For more, see M. Lewczuk, W. Sikora, „Podsumowanie ćwiczenia Anakonda-16,” Ministerstwo Obrony Narodowej, 16 June 2016, <http://anakonda.do.wp.mil.pl>.

<sup>20</sup> “Wspólny sukces! 25 lat polsko-amerykańskich relacji gospodarczych, Raport Amerykańskiej Izby Handlowej w Polsce i KPMG w Polsce,” 2014, <https://biznes.newseria.pl>.

In Poland, American companies invested mainly in the service sector, the pharmaceutical, automotive and aviation sectors, as well as in the banking sector, the production of consumer goods, computers and electronic sub-assemblies. In 2016, the most important items in both states' exports were jet engines and gas turbines, which was directly related to joint ventures of Polish and American companies in the "Polish Aviation Valley."<sup>21</sup> United Technologies Corporation and Goodrich Corporation were among the major investors in this industrial sector in Subcarpathia Province (Podkarpackie Voivodeship).

Figure 1

**Balance of Trade Exchange between Poland and the U.S. in 2012–2016  
(in \$ millions)**



Source: Statistics Poland (GUS) and Internet System of Economic Information.

Since 2011, negotiations had been underway between the government of the U.S. and the European Commission regarding the conclusion of the TTIP, which would lead to the creation of the world's largest free-trade zone. The negotiations were secret, however, and they became an important element of the presidential campaign in the United States. Neither Clinton nor Trump expressed a negative opinion on the project; however, the protectionist tendencies prevailing in American society and Trump's election as president have caused the negotiations to become frozen.<sup>22</sup>

<sup>21</sup> "Wymiana handlowa między Polską a Stanami Zjednoczonymi w 2016 roku, Raport Wydziału Promocji Handlu i Inwestycji Ambasad i Konsulatów RP," <https://usa.trade.gov.pl>.

<sup>22</sup> *Ibidem*.

The Polish government supported the efforts to conclude this agreement to enable Polish products and services to have a greater chance on the American market. The key negotiation areas for the Polish government included the elimination of restrictions on the import of natural gas from the U.S., its objection to provisions regarding intellectual property not directly related to trade issues covered by the document and not intended to liberalise trade, the lifting of non-tariff barriers resulting from different technical regulations in the U.S. and in the EU, and the introduction of visa-free movement of employees providing ordered services. The Polish government paid particular attention to the possible entrance of genetically modified products and processed agricultural products in Europe, and opposed their unrestricted import.

### Social Relations

The issue of visa requirements for Polish citizens travelling to the U.S. remains an unsolved problem. In 2012–2016, the visa refusal rate continued to decline compared with the highly negative figures recorded for 2007–2008 (25% and 13.8%). Despite this, Poland continues to be among the countries that exceed the 3% threshold (in 2016, the refusal rate was 5.3% on 97,599 issued visas<sup>23</sup>) of the visa applications rejected by the U.S. consular service.<sup>24</sup> Poland is also among the EU Member States (alongside Bulgaria, Croatia, Cyprus, and Romania) whose citizens need to apply for entry to the U.S. and the only country in the Schengen area is not covered by the U.S. Visa Waiver Program.

In 2016, the number of American tourists who visited Poland increased again (to 141,000 individuals, or 2.7% of the total number of incoming tourists). Visitors from the U.S. were ranked second (after Germans) in the category of the amount of money spent while visiting Poland (PLN 2.7 billion, or 8.4% of all the money spent by tourists who visited Poland).<sup>25</sup> In 2016, the U.S. was the most visited non-European country for Polish citizens—the total number of Poles who travelled to the U.S. was 132,000.<sup>26</sup>

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<sup>23</sup> “Report of the Visa Office 2016,” U.S. Department of State–Bureau of Consular Affairs, <https://travel.state.gov>.

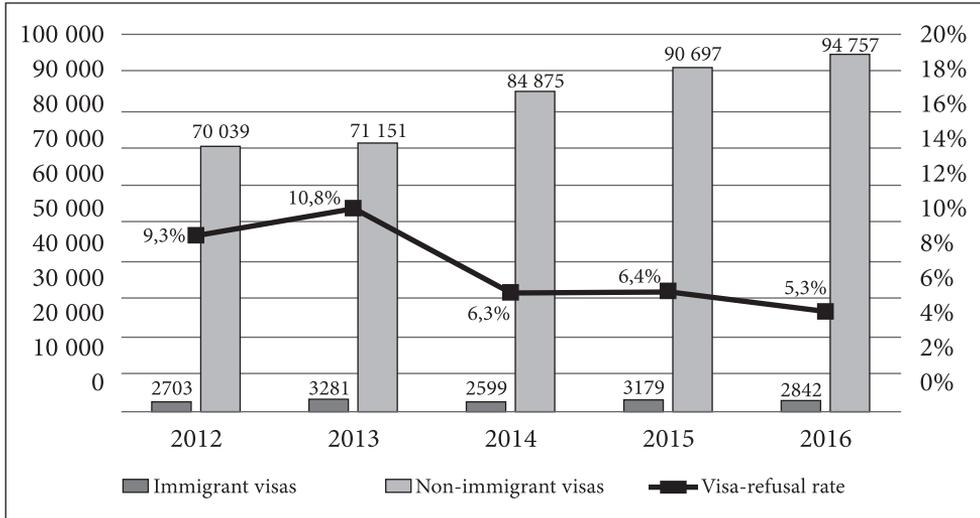
<sup>24</sup> Pursuant to U.S. legislation, countries for which the visa-refusal rate is below the 3% threshold can be included in the Visa Waiver Program. Citizens of these states are then allowed to stay in the U.S. for up to 90 days without the need to apply for a visa.

<sup>25</sup> “Turystyka w 2016 r. Informacje i Opracowania Statystyczne,” Główny Urząd Statystyczny, 2017, pp. 107, 103, [www.stat.gov.pl](http://www.stat.gov.pl).

<sup>26</sup> *Ibidem*, p. 97.

Figure 2

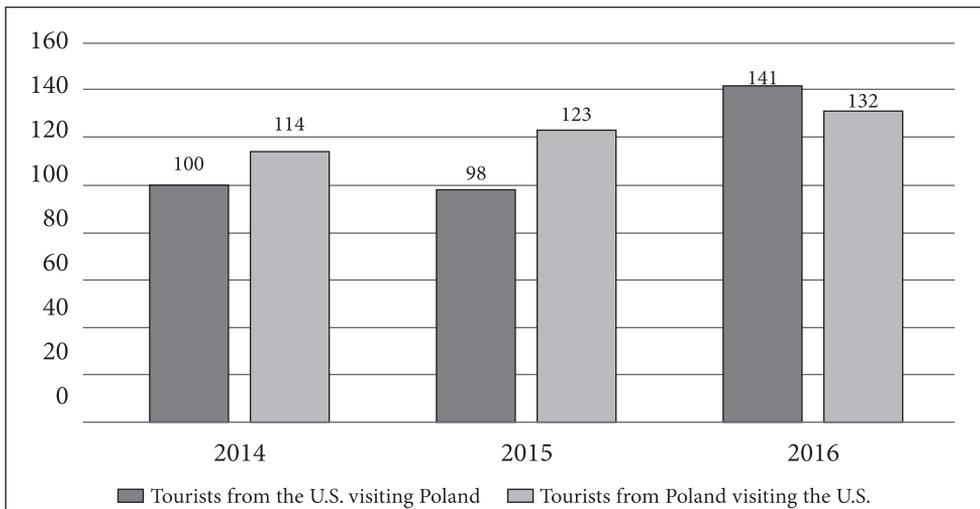
**Visas Issued by U.S. Consular Posts in Poland in 2012–2016**



Source: U.S. Department of State.

Figure 3

**Tourist Traffic between Poland and the U.S. by Traveller's Citizenship in 2014–2016 (in thousands)**



Source: Reports compiled by Statistics Poland (GUS) regarding tourism in 2014–2016.

## Assessment

In 2016, the goal of Poland's policy towards the U.S. was to reverse the drift present in the relations between the two countries at the beginning of the Obama administration.<sup>27</sup> Paradoxically, the pursuit of this goal was largely facilitated by the changes in the security situation in Europe. Russia's policy triggered a response from NATO involving actions intended to boost security guarantees and manifest deterrence capability through the U.S. activity on the Alliance's Eastern Flank. It should be noted that the U.S. leadership and the size of its involvement were indispensable elements of the actions carried out by NATO as a whole.

In October 2016, the American Centre Warsaw was opened on the initiative of the embassy of the United States in Poland. The centre's task is to collect and make available books and audio-visual materials. It is also involved in promotion and information activities and serves as a forum for discussions on topics related to the U.S. It performs the role of a leading centre and its activities are intended to strengthen Polish-American relations.<sup>28</sup> The American Centre Warsaw is the 23<sup>rd</sup> of this type established in Poland under the "American Spaces" programme involving the creation of centres for the promotion of American culture. The Warsaw centre was opened as a result of cooperation between the U.S. embassy in Poland and the local government of Mazovia Province (Masovian Voivodship) and Warsaw City Hall, which made rooms located in the public library building on Koszykowa Street in Warsaw available for this purpose.

The results of Poland's cooperation with the U.S. in the field of political and military security, which is considered a priority, can be viewed as satisfactory. The American administration's decisions to deploy additional U.S. troops to Poland (the ABCT and the 10<sup>th</sup> Combat Aviation Brigade) will additionally boost both states' so-far successful military cooperation, thereby improving Poland's security. The decisions made at the NATO summit were in line with Poland's expectations. It cannot be ruled out that President Obama's decisions were motivated by his fears regarding the consequences of Donald Trump's potential election victory. Trump had announced that his policy towards Russia would be more conciliatory, which might eventually trigger an escalation of Russia's revisionist policy towards its neighbours.<sup>29</sup>

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<sup>27</sup> B. Wiśniewski, "Stosunki polsko-amerykańskie w erze Obamy," in: S. Dębski, G. Kozłowski (eds.), *op. cit.*, p. 42.

<sup>28</sup> See "Otwarcie American Center Warsaw," Ambasada i Konsulat USA w Polsce, 20 October 2016, <https://pl.usembassy.gov>.

<sup>29</sup> M. Wąsiński, *op. cit.*

It seems that these positive developments might have had an impact on how the Polish public perceives the U.S. A poll conducted by CBOS Public Opinion Research Centre in October 2016 showed that 43% of the respondents assessed Polish-American relations as good, 42% said they were neither good nor bad, and a mere 5% assessed them as bad.<sup>30</sup> This indicated a major shift in Poles' attitudes compared with a poll conducted in 2012 in which as many as 51% of the respondents considered the relations neither good nor bad, and a mere 32% assessed them as good.<sup>31</sup> At the same time, in 2016, as many as 74% of the surveyed individuals argued that the issue of who will be the next U.S. president was very important or quite important for Poland. These social attitudes indicate that the Polish public has positive feelings towards the U.S. and its role as Poland's political and military ally.

The issue of the visa requirement for Polish citizens travelling to the U.S. continues to impact the relations between the two countries. In the long term, it may threaten the Polish public's positive perception of these relations. It may also translate into a deterioration of the relationship between the European Union and the United States, should EU institutions decide to toughen their stance on the fact that the U.S. is failing to observe the principle of mutuality in this field.

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<sup>30</sup> "Polacy o wyborach w USA i stosunkach polsko-amerykańskich," Komunikat z Badań no. 149/2016, Centrum Badania Opinii Społecznej, [www.cbos.pl](http://www.cbos.pl).

<sup>31</sup> *Ibidem*.

# Poland's Policy towards the United Kingdom

BARTŁOMIEJ ZNOJEK\*

## Background

The most important factors determining Poland's policy towards the United Kingdom are both countries' membership of the EU and NATO, as well as the presence of a large Polish community in the UK, in 2016 estimated at around one million. The United Kingdom continues to be an attractive partner for Poland due to its position in international relations resulting, for example, from its military potential, status of one of the world's largest economies, and permanent membership of the UN Security Council. At the same time, these circumstances generate a major asymmetry in bilateral relations. The victory of the Law and Justice party (PiS) in the Polish parliamentary election held in October 2015 triggered a boost in the significance of the United Kingdom as Poland's partner, especially within the EU and NATO.

As regards cooperation within the EU, one important aspect was the conviction of the new Polish government headed by Beata Szydło that its views on European integration are convergent with the views expressed by the British Tory government headed at that time by David Cameron. The fact that both ruling parties were members of the European Conservatives and Reformists political group in the European Parliament, formed in 2009, was one manifestation of this. However, the issue that most severely influenced the new government's policy towards the United Kingdom in 2016 was the processes surrounding the referendum on the future of Britain's EU membership.

The referendum held on 23 June 2016 had been preceded by negotiations between the Cameron government and Britain's EU partners, on new conditions of the UK's membership of the EU. The prime minister presented his proposals to the remaining EU Member States in November 2015,<sup>1</sup> which was after the new Polish government was sworn in. In February 2016, the parties concluded an

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<sup>1</sup> *PM letter to President of the European Council Donald Tusk "A New Settlement for the United Kingdom in a Reformed European Union,"* 10 November 2015, [www.gov.uk](http://www.gov.uk); see also: A. Gostyńska-Jakubowska, "Cameron's EU reforms: Will Europe buy them?," *Policy Brief*, Centre for European Reform, 14 December 2015, [www.cer.org.uk](http://www.cer.org.uk).

agreement<sup>2</sup> intended to support Cameron in his nation-wide campaign in favour of Britain remaining in the EU. However, the document's coming into effect depended on the outcome of the referendum. Finally, almost 52% of voters voted against Britain's continued EU membership. In this situation, on 13 July, Cameron announced his resignation and Theresa May became the new prime minister, having been elected by the Conservative Party members. The May government announced that it would launch an exit procedure from the EU under Article 50 of the EU Treaty by the end of March 2017. The remaining months of 2016 were therefore marked by uncertainty about the agenda and the course of the talks, as well as possible scenarios related to the UK's withdrawal from the EU.<sup>3</sup>

From Poland's perspective, the referendum outcome primarily raised fears about the future of Polish citizens residing in the UK. This issue gained in importance in connection with the growing number of xenophobic incidents targeting Poles following the referendum. The status of Polish economic migrants became the main point of contention with the United Kingdom, as one of the main objectives of the Cameron and May governments was to limit access to the British labour market and the system of social benefits for citizens of other EU countries.

The Polish-British dialogue was much smoother in the field of security and defence. This was due to the two countries' convergent stances and the importance of trans-Atlantic cooperation (including the alliance with the U.S.). Both partners shared the view that the threat posed by Russia was growing. It was caused by Russia's annexation of Crimea in March 2014 and its aggression against eastern Ukraine. The NATO summit held in Warsaw from 8 to 9 July 2016 served as an opportunity to confirm this view.

The United Kingdom continued to be an attractive economy and one of Poland's major trade and investment partners, and the presence of a large Polish immigrant community in the UK was an important factor facilitating this cooperation. This was manifested by the increasingly intensive activity of organisations grouping Polish entrepreneurs and the growing number of related networking events.

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<sup>2</sup> The document included provisions regarding the change in the rules for granting benefits to EU citizens residing in the UK as well as guarantees that the UK will be excluded from matters related to the deepening of EU integration. See *Negotiations ahead of the UK's EU referendum*, European Council/Council of the European Union, [www.consilium.europa.eu](http://www.consilium.europa.eu).

<sup>3</sup> See K. Borońska-Hryniewiecka, S. Płóciennik (eds.), "Relacje Unia Europejska–Wielka Brytania po ewentualnym Brexicie. Stanowiska Niemiec, Francji, Włoch, Hiszpanii i Polski," *Raport PISM*, 2016, [www.pism.pl](http://www.pism.pl).

## Goals and Premises

Szydło's government departed from treating Germany as a priority as was the case of the coalition governments of the Civic Platform (PO) and Polish People's Party (PSL) (2007–2015). This meant it echoed the hierarchy of Poland's major partners which had been present in the policy pursued by PiS-led governments in 2005–2007.<sup>4</sup>

Security in the region appeared to be the most important issue connecting Poland and the United Kingdom. The Polish government mainly intended to emphasise the convergence of stances on the policy pursued by Russia. According to Foreign Minister Witold Waszczykowski, the United Kingdom was a closer partner than Germany in matters such as the attitude towards the Russian-Ukrainian conflict and Russia's military activity (for example the flights violating NATO's air space and testing its defence systems). The minister argued that the German authorities did not respond to these threats in a clear manner. However, he emphasised that the shift in Poland's attention to the United Kingdom was not intended to compromise Poland's cooperation with Germany, which is Poland's most important trade partner. It was meant to reflect the priority of the security issue in the government's foreign policy. The main goals in this field included winning the UK's support for the policy towards Russia and Ukraine, and striving to strengthen NATO's Eastern Flank as an element of deterrence of Russia, while maintaining readiness to engage in dialogue with that country.<sup>5</sup>

Another important issue connecting Poland and the United Kingdom was their similar views on integration within the EU, in particular their criticism of further political integration, migration policy and the common currency. The partners had similar views on efforts to create a single market (including the digital single market), support for further EU enlargement, the EU's activity in its immediate neighbourhood (including under the Eastern Partnership), and energy policy. However, the two states had divergent views as regards the size and structure of the EU budget, the pace of reduction of CO<sub>2</sub> emissions, the pursuit of common foreign and security policy, and the development of the European External Action Service.<sup>6</sup> Special emphasis was placed on the attitude towards free

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<sup>4</sup> Cf. B. Znojek, "Polityka Polski wobec Wielkiej Brytanii," *Rocznik Polskiej Polityki Zagranicznej* 2009, Polski Instytut Spraw Międzynarodowych, 2010.

<sup>5</sup> See *Sprawozdanie stenograficzne z 10. posiedzenia Sejmu Rzeczypospolitej Polskiej w dniu 29 stycznia 2016 r. (drugi dzień obrad)*, [www.sejm.gov.pl](http://www.sejm.gov.pl); *Pełny zapis przebiegu posiedzenia Komisji Spraw Zagranicznych (nr 10) z dnia 28 stycznia 2016 r.*, [www.sejm.gov.pl](http://www.sejm.gov.pl). Cf. A. Kacprzyk, "Conventional Deterrence on NATO's Eastern Flank after the Warsaw Summit," *PISM Bulletin*, no. 48 (898), 2 August 2016, [www.pism.pl](http://www.pism.pl).

<sup>6</sup> *Współpraca polityczna*, Ambasada Rzeczypospolitej Polskiej w Londynie, [www.londyn.msz.gov.pl](http://www.londyn.msz.gov.pl).

movement of people, which the Polish government viewed as the most sensitive issue in its cooperation with the United Kingdom.

In the pre-referendum period, the Polish government pointed to its two main goals of securing the status of Poles permanently residing and working in the UK, and supporting actions in favour of Britain remaining in the EU. Discussions on the EU's agreement with the UK concluded in February 2016, and Szydło stated that these goals had been achieved.<sup>7</sup> The importance of Britain remaining in the EU was also mentioned by President Andrzej Duda. He emphasised his understanding of British demands and the need to arrive at an agreement that would offer solutions satisfactory for both sides and persuade Britons to vote "remain."<sup>8</sup>

Following the June referendum, the Polish government did not abandon its policy of treating the United Kingdom as a priority. It announced its plan to strive to preserve Poland's status as a prominent partner of the UK after Britain's exit from the EU. Convergent views on security issues and the presence of a large Polish community in the UK were to serve as a durability factor of these privileged relations. Moreover, the government called on the international community to respect the decision of the British people and interpret it as a warning to mobilise EU Member States to seek solutions which would respond to society's disappointment at the results and directions of European integration.<sup>9</sup>

The fundamental goal of the Polish government following the referendum was to influence the shape and the content of the negotiations with the UK over its exit from the EU. Referring to the process, the government pointed to a large set of topics significant for Polish-British relations. One priority involved securing the rights of Polish citizens living, working or studying in the United Kingdom. The government was opposed to discriminatory and disproportionate solutions. Aside from the issue of free movement of people, Poland emphasised the mutual recognition of professional qualifications, trade cooperation, the UK's contribution to the EU budget, scientific cooperation, the situation of Polish students at British universities, and the future of the common agricultural

<sup>7</sup> "Premier Beata Szydło w Brukseli: Mamy porozumienie satysfakcjonujące dla Polski i Unii Europejskiej," 20 February 2016, [www.premier.gov.pl](http://www.premier.gov.pl).

<sup>8</sup> "Tusk i Duda: Wielka Brytania powinna pozostać w Unii Europejskiej," *Dziennik.pl*, 18 January 2016, <http://wiadomosci.dziennik.pl>.

<sup>9</sup> *Oświadczenie MSZ po ogłoszeniu wyników referendum dotyczącego członkostwa Wielkiej Brytanii w Unii Europejskiej*, 24 June 2016, [www.msz.gov.pl](http://www.msz.gov.pl); "Informacja prezesa Rady Ministrów na temat wyniku zakończonego w Wielkiej Brytanii referendum w sprawie dalszego członkostwa Wielkiej Brytanii w Unii Europejskiej," in: *Sprawozdanie Stenograficzne z 23. posiedzenia Sejmu Rzeczypospolitej Polskiej*, 21 July 2016, [www.sejm.gov.pl](http://www.sejm.gov.pl). Duda's comments on this matter were similar: "Będziemy chcieli utrzymać ściśle związki z Wielką Brytanią," 24 June 2016, [www.prezydent.pl](http://www.prezydent.pl).

policy. Proportionality and the balance of rights and obligations were to be the future basis for the relations between the EU and the UK.<sup>10</sup> Moreover, the Polish government stressed its full support for the view that the UK's status and its obligations would not change until the UK formally leaves the EU.<sup>11</sup>

### Political Relations

High intensity contacts at the top level between Poland and the UK characterised the period from the formation of the PiS government in November 2015 onwards. From 9 to 10 December 2015, Cameron visited Poland as part of a series of talks with EU partners regarding the British proposal to change the UK's membership conditions. He revisited Poland on 5 February 2016, just before the decision regarding the agreement on this matter.<sup>12</sup> Using the opportunity offered by the NATO summit in Warsaw in July, he met Duda. His successor May visited Poland as one of her first foreign visits. During her meeting with Szydło on 28 July, May reiterated Britain's willingness to continue its close cooperation with Poland.<sup>13</sup> A similar view was expressed by foreign secretary Boris Johnson during his visit to Poland on 3 September.<sup>14</sup>

The Polish government attached particular importance to the first intergovernmental consultations chaired by May and Szydło, held in Britain on 28 November. The prominence of these talks was confirmed, for example, by the fact that until then the British government had only held such consultations with France. The main topic of the consultations involved the situation of Poles living and working in the UK. Other topics included Poland using Britain's experience in supporting small and medium-sized enterprises. Both states argued that it was worth encouraging many companies established by Polish citizens in the UK to expand their operations towards Poland. As regards cooperation within the EU and NATO, Poland and the UK agreed that sanctions imposed on Russia should

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<sup>10</sup> B. Szydło, "Europa potrzebuje Polski i Wielkiej Brytanii," *Rzeczpospolita* of 27 November 2016, [www.rp.pl](http://www.rp.pl).

<sup>11</sup> As part of the preparations for the launch of the negotiations between the EU and the United Kingdom, Szydło announced her plan to form an inter-ministry task force to monitor the negotiations. A similar task force was to be established at the European Affairs Committee of the Council of Ministers. See "Informacja prezesa Rady Ministrów..." *op. cit.*

<sup>12</sup> *Stosunki z państwami Europy-Wielka Brytania*, Ministerstwo Spraw Zagranicznych, [www.msz.gov.pl](http://www.msz.gov.pl).

<sup>13</sup> "Premier Beata Szydło: Wielka Brytania jest naszym partnerem strategicznym," 28 July 2016, [www.premier.gov.pl](http://www.premier.gov.pl). See also: *Konferencja prasowa premier Beaty Szydło i premier Theresy May* (video material), 29 July 2016, [www.premier.gov.pl](http://www.premier.gov.pl).

<sup>14</sup> *Szefowie MSZ Polski i Wielkiej Brytanii: nie ma zgody na ksenofobię*, Ministerstwo Spraw Zagranicznych, 3 September 2016, [www.msz.gov.pl](http://www.msz.gov.pl).

be maintained until the provisions of the Minsk deal were met. They also pointed to the fact that the EU's unity and support for Ukraine were necessary to put pressure on the Russian authorities.<sup>15</sup>

During the consultations, the ministers of foreign affairs held a separate meeting and committed themselves to cooperation on countering disinformation spread by Russia in Eastern Europe. In the context of Donald Trump's victory in the U.S. presidential election, the ministers confirmed the importance of trans-Atlantic cooperation and of NATO, and stressed NATO members' commitment to allocate 2% of their GDP to defence expenditure. Moreover, the ministers supported the initiative to create a British-Polish Civil Society Forum to discuss issues of importance to both states.

In 2016, the issue of security and defence occupied an important place in cooperation between Poland and the United Kingdom. Since 2010, consultations regarding this matter had been held in the Quadriga format involving foreign and defence ministers of both states. One meeting in this format was held on 20 January 2016 in Edinburgh, attended by Waszczykowski and Defence Minister Macierewicz, and their British counterparts Philip Hammond and Michael Fallon. The key topics covered during the talks included the NATO summit in Warsaw and the plan to strengthen NATO's Eastern Flank. Fallon announced that a Polish-British group supervised by the ministers of defence would be formed to prepare the meeting. Moreover, the ministers discussed issues such as instability next to the EU's eastern border caused by the Russian-Ukrainian conflict, and the situation in the Middle East, including the fight against the Islamic State.<sup>16</sup>

The NATO summit in Warsaw resulted in several commitments formulated by the allies regarding the Eastern Flank, which were expected by the Polish government. The British government declared its readiness to deploy 500 troops in Estonia in 2017 (at the end of 2016, it announced that this number would be increased to 800) and to assume the role of framework nation alongside Canada, Germany and the United States. Moreover, it committed itself to send 150 troops to Poland in 2017, to join a battalion commanded by the United States. The UK was also to send four Typhoon fighter jets to Romania to boost air policing in the south in summer.<sup>17</sup> Moreover, British units took part in NATO forces' exercises, including in *Anakonda-16*, the biggest one, organised in Poland in June 2016, and

<sup>15</sup> *Pierwsze polsko-brytyjskie konsultacje międzyrządowe*, Ambasada Rzeczypospolitej Polskiej w Londynie, 28 November 2016, [www.londyn.msz.gov.pl](http://www.londyn.msz.gov.pl).

<sup>16</sup> *Konsultacje polsko-brytyjskie w formacie tzw. Kwadrygi*, Ministerstwo Spraw Zagranicznych, 21 January 2016, [www.msz.gov.pl](http://www.msz.gov.pl). See also: *Poland Quadriga 2016 Communiqué*, *ibidem*.

<sup>17</sup> "UK steps up measures to reassure European allies," *Gov.uk*, 26 October 2016, [www.gov.uk](http://www.gov.uk); see also: *Russia: Implications for UK defence and security. Government Response to the Committee's First Report of Session 2016-17*, UK Parliament, 15 September 2016, [www.publications.parliament.uk](http://www.publications.parliament.uk);

in Swift Response, organised in Germany and in Poland in July, which saw the biggest landing of paratroopers since the end of the Cold War.<sup>18</sup>

Another important problem present in bilateral relations involved the escalation in xenophobic acts in the UK targeting Poles and other nationalities following the June referendum.<sup>19</sup> In response to incidents, on 5 September 2016, a delegation headed by Waszczykowski and Interior Minister Mariusz Błaszczak visited the United Kingdom. They held talks on the safety of Polish citizens in the UK and the British approach to this issue.<sup>20</sup> Duda wrote on 6 September to the British archbishops of the Church of England (Justin Welby) and the Roman Catholic Church (Vincent Nichols) asking them for support for respecting the rights of Poles living in the UK.<sup>21</sup> The clergymen replied in a joint letter, in which they confirmed their similar views on the issue and reiterated their readiness to become involved in combating xenophobia.<sup>22</sup> At the end of September, Deputy Foreign Minister Jan Dziędziczak met Paul Giannasi, the British coordinator of a government programme for combating hate crime, to agree on joint actions.<sup>23</sup>

For Poland, the Visegrad Group was an important forum for discussing relations with the United Kingdom. On 1 July 2016, Poland assumed presidency of this group. From the Polish government's perspective, the group made a significant contribution by cooperating with the United Kingdom and the Netherlands on the creation of independent media in several regions, including the post-Soviet area. Moreover, the government argued that, despite certain differences, the Visegrad Group contributed to achieving an agreement according to which the EU as a whole, rather than individual EU Member States, would be a party to future negotiations with the UK. Its members also agreed their common expectations as regards the rights and freedoms of their citizens residing in the UK.<sup>24</sup>

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cf. information published ahead of the NATO summit in Warsaw: "Brytyjskie lotnictwo i marynarka na wschodniej flance NATO," *Defence24*, 4 April 2016, [www.defence24.pl](http://www.defence24.pl).

<sup>18</sup> See *Military Alliances: Eastern Europe: Written question 24198*, UK Parliament, 1 February 2016, [www.parliament.uk](http://www.parliament.uk).

<sup>19</sup> *Pełny zapis przebiegu posiedzenia Komisji Łączności z Polakami za Granicą (nr. 28) z dnia 5 lipca 2016 r.*, [www.sejm.gov.pl](http://www.sejm.gov.pl).

<sup>20</sup> "Rozpoczęła się wizyta szefów MSZ i MSWiA w Wielkiej Brytanii," PAP dispatch of 5 September 2016, [www.msz.gov.pl](http://www.msz.gov.pl).

<sup>21</sup> See "List Prezydenta do Arcybiskupa Canterbury oraz List Prezydenta do Arcybiskupa Westminster," 6 September 2016, [www.prezydent.pl](http://www.prezydent.pl).

<sup>22</sup> *Odpowiedź brytyjskich hierarchów na list prezydenta Andrzeja Dudy*, 24 September 2016, [www.prezydent.pl](http://www.prezydent.pl).

<sup>23</sup> *Polsko-brytyjskie rozmowy w sprawie przeciwdziałania incydentom i aktom nietolerancji*, Ambasada Rzeczypospolitej Polskiej w Londynie, 28 September 2016, [www.londyn.msz.gov.pl](http://www.londyn.msz.gov.pl).

<sup>24</sup> "Informacja ministra spraw zagranicznych na temat polskiej prezydencji w Grupie Wyszehradzkiej," in: *Pełny zapis przebiegu posiedzenia Komisji Spraw Zagranicznych (nr 58) z dnia 22 lutego 2017 r.*, [www.sejm.gov.pl](http://www.sejm.gov.pl).

## Economic Relations

According to data of the Polish Central Statistical Office (GUS), in 2016 the United Kingdom was ranked sixth in the category of Poland's trade partners. The total value of Polish-British trade exchange was nearly PLN 73.8 billion, which indicated a minor increase compared with 2015. A trade surplus on the Polish side, which has been present for many years, is a notable characteristic. In the group of importers of Polish goods, the United Kingdom ranked second, after Germany and above the Czech Republic. In 2016, the value of Poland's exports to the British market stood at PLN 53.4 billion. In that year, Poland bought goods worth PLN 20.4 billion and the UK was ranked 10<sup>th</sup> on the list of Poland's import markets.<sup>25</sup>

In 2016, goods imported from Poland and sold on the British market mainly included machines, electronic devices and electric equipment (in particular audio-visual and computing devices as well as household appliances), transport equipment (passenger cars as the most important single item, and spare parts), foodstuffs (mainly processed meat, chocolate products, baked goods and confectionery products), furniture, cosmetics and plastics. Goods imported by Poland mainly included passenger cars and spare parts (the most important category of goods), pharmaceutical products, plastics, cosmetics, machines and devices (including magnetic data storage devices, engines and computing devices), chemical products (paints and pigments), and alcoholic beverages.<sup>26</sup>

In 2016, the total value of trade in service stood at PLN 25.8 billion. The United Kingdom ranked third (after Germany and Switzerland) in terms of the value of services provided by Poland (PLN 14 billion) and second (after Germany) as regards services bought by Poland (PLN 11.8 billion).

The British foreign direct investments stock in Poland in 2016 stood at PLN 39.6 billion, which means that Britain was Poland's sixth largest investor. As regards the inflow of these investments, it was ranked seventh (with over PLN 2.1 billion).<sup>27</sup> According to a report compiled by the Polish Investment and Trade Agency for 2016, Poland's largest investors included more than 100 companies registered in the United Kingdom.<sup>28</sup> Large British companies entered the Polish market in the 1990s, and between 2005 and 2015 mainly British medium-sized businesses were present in Poland, for example in the aviation and automotive sectors. The biggest British

<sup>25</sup> Based on data compiled by Główny Urząd Statystyczny, [www.stat.gov.pl](http://www.stat.gov.pl).

<sup>26</sup> *Handel zagraniczny*, SWAiD, [www.swaid.stat.gov.pl](http://www.swaid.stat.gov.pl).

<sup>27</sup> *Cykliczne materiały analityczne NBP: Inwestycje bezpośrednie zagraniczne i polskie*, [www.nbp.pl](http://www.nbp.pl).

<sup>28</sup> *List of major foreign investors in Poland-December 2015*, Polska Agencja Inwestycji i Handlu, 8 June 2016, [www.paih.gov.pl](http://www.paih.gov.pl).

investors in Poland include Tesco (supermarkets), Imperial Tobacco, GlaxoSmithKline (pharmaceutical products), AVIVA (financial services), Bates (transport and warehousing), Shell (petroleum products), Rolls-Royce (the shipbuilding sector, the aviation sector, research and development, and the shared service sector), GKN Driveline (cars), Johnson Matthey Battery Systems (car batteries), Associated British Foods (tea and spices), Provident (consumer loans), Prudential (the insurance sector), Bodycote International (industrial services) and BP (the sale of fuels).<sup>29</sup>

According to a GUS report of April 2017, Polish companies had a total of 128 foreign subsidiaries in the United Kingdom (including 88 wholly-owned subsidiaries).<sup>30</sup> The British-Polish Chamber of Commerce (BPCC) estimated that, in 2015, around 20,000 companies incorporated on the British market had been registered by Poles, and their operation contributed to an increase in the import of goods from Poland. Around 800 Polish stores operated in Britain, but the increased dynamic of Poland's exports to the UK was mainly due to Tesco's activity in Poland.<sup>31</sup> According to analysis by the Civil Development Forum (FOR), there were different motives for these investments. Some companies had Polish citizens living in the UK in mind and wanted them to be their clients. Others wanted to benefit from the more efficient British judiciary and, in the case of natural persons establishing their businesses, from differences in the tax-free income and the health and pensions systems.<sup>32</sup>

The promotion of economic cooperation was facilitated by business organisations from both countries. One of the most active was the British-Polish Chamber of Commerce, which in 2016 was involved for example in the organisation of the II Export Forum in Kraków (on 19 May) for Polish producers interested in expanding into the British market. Other events included the Third Congress of Polish Entrepreneurs, held in London in October and attended by more than 150 companies.<sup>33</sup> At the end of September, a Polish-British Business Forum<sup>34</sup> was held in Kraków, followed by a Polish-Scottish Business Forum<sup>35</sup> in Edinburgh on 25 November.

<sup>29</sup> "British investment in Poland," *Contact Online* 2016, no. 24 (119), British-Polish Chamber of Commerce, pp. 3–5, <http://bpcc.org.pl>.

<sup>30</sup> *Działalność podmiotów posiadających jednostki zagraniczne w 2015 r.*, Główny Urząd Statystyczny, 28 April 2017, [www.stat.gov.pl](http://www.stat.gov.pl).

<sup>31</sup> *II Forum Eksportowe w Krakowie*, British-Polish Chamber of Commerce, <http://bpcc.org.pl>.

<sup>32</sup> *Komunikat FOR: Wielka Brytania—odpowiedzi na często zadawane pytania*, 5 February 2016, [www.for.org.pl](http://www.for.org.pl).

<sup>33</sup> See *II Forum...*, *op. cit.*; *III Kongres Polskich Przedsiębiorców—razem na podbój zagranicznych rynków*, Ambasada Rzeczypospolitej Polskiej w Londynie, 19 October 2016, [www.londyn.msz.gov.pl](http://www.londyn.msz.gov.pl).

<sup>34</sup> *Polsko-Brytyjskie Forum Biznesu*, British-Polish Chamber of Commerce, <http://bpcc.org.pl>.

<sup>35</sup> *The 2016 Polish-Scottish Business Forum*, PBLink, [www.pblink.co.uk](http://www.pblink.co.uk).

## Social and Cultural Relations

Poles are the largest foreign national group in Britain. According to GUS data for 2016, the number of Polish citizens living in the UK approached 800,000 (an increase of around 90,000 compared with 2015),<sup>36</sup> whereas according to the British Office for National Statistics it was as high as 1 million (including 911,000 individuals born in Poland). This accounted for a third of all residents of the United Kingdom who were born in a different EU Member State.

Due to its size, the Polish community has left its mark on British social and cultural life. More than 400 Polish organisations and institutions were registered in the UK, including 140 educational institutions (mainly Saturday schools). Various associations were established in the first half of the 20<sup>th</sup> century. The activity of more than 40 media outlets and publishing houses addressed to Poles living in the UK is also worth noting.<sup>37</sup>

The Polish Cultural Institute in London was the leading institution as regards the promotion of cultural cooperation with the United Kingdom. Its initiatives included the coordination of the #BetterThanThat campaign, launched on 1 December 2016 and carried out by 20 organisations run by major national, ethnic and religious minorities living in the UK. The Polish community was represented by the Polish Social and Cultural Association based in London. The campaign was a response to an increase in hate crimes following the June 2016 referendum (according to the UK's Home Office, in July 2016 the number of such incidents was 41% higher than in July 2015). As part of the campaign, short videos were screened showing incidents that happened to victims of hate crimes. A Polish man was featured in one such video. The launch of the campaign was accompanied by a series of articles in Britain's major daily newspapers including "The Guardian," "The Daily Mirror" and "The Times."<sup>38</sup>

The year 2016 saw many events commemorating The Silent and Unseen (*Cichociemni*), an elite unit of the Polish Armed Forces trained in the United Kingdom during the Second World War. This was due to a special resolution passed by the Sejm (the lower house of the Polish parliament) regarding this matter. Among the events held in the UK, the conference on the merits of The

<sup>36</sup> Data based on: [www.stat.gov.pl](http://www.stat.gov.pl) and *Population of the UK by country of birth and nationality: 2016*, Office for National Statistics, [www.ons.gov.uk](http://www.ons.gov.uk); see also: "Informacja o rozmiarach i kierunkach czasowej emigracji z Polski w latach 2004-2015," *Notatka Informacyjna* (GUS), 5 September 2016, [www.stat.gov.pl](http://www.stat.gov.pl).

<sup>37</sup> *Baza organizacji i instytucji polskich i polonijnych za granicą*, Główny Urząd Statystyczny, 5 April 2017, [www.stat.gov.pl](http://www.stat.gov.pl).

<sup>38</sup> "Wielka Brytania – ruszyła kampania przeciwko przestępstwom z nienawiści," PAP dispatch of 1 December 2016, [www.msz.gov.pl](http://www.msz.gov.pl).

Silent and Unseen organised in June by the Polish Embassy in London and the Polish Heritage Society<sup>39</sup> is worth noting. August 2016 saw Britain's first ever screening of a short film entitled "The Forge of Heroes," documenting the process of recruiting and training the members of the elite unit. Between 27 September and 14 October, the Polish Social and Cultural Association held an exhibition about Elżbieta Zawacka, the only one of 15 female candidates, to join the ranks of The Silent and Unseen. The exhibition was accompanied by a theatre performance based on the story of her life.<sup>40</sup>

For over a decade, the Polish-British Round Table has been an important element of the intellectual debate on bilateral and multilateral relations. The ninth edition was held in May 2016.<sup>41</sup> A Polish Community consultation board, composed of representatives of various organisations and individuals involved in helping Poles living in the UK, operates at the Polish embassy in London.<sup>42</sup> On the occasion of the intergovernmental consultations held in November, representatives of the Polish community were invited to a reception organised in the office of Prime Minister May.

The United Kingdom was an important destination for Polish students. In the 2015/2016 academic year, nearly 5,700 Poles studied at British universities, including 2,500 in their first year. This means that Poles ranked 50<sup>th</sup> on the list of foreign nationals studying in the UK, and 10<sup>th</sup> on the list of EU nationals.<sup>43</sup> In 2016, the two governments were considering opening a Polish chair at Cambridge University and introducing Polish language classes to school curricula.

Moreover, Poles residing in the UK stood out from other nationalities as regards the social aspect. Those who advocated closing the British labour market for foreigners argued that foreign employees receive British social benefits. According to figures for March 2015, nearly 20,000 families received child benefit for children living in other countries of the European Economic Area. Polish families accounted for two-thirds of this number, and ranked first on the list of

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<sup>39</sup> *Konferencja poświęcona zasługom Cichociemnych w czasie II wojny światowej*, Ambasada Rzeczypospolitej Polskiej w Londynie, 11 June 2016, [www.londyn.msz.gov.pl](http://www.londyn.msz.gov.pl).

<sup>40</sup> *Elżbieta Zawacka – Cichociemna*, Ambasada Rzeczypospolitej Polskiej w Londynie, 5 October 2016, [www.londyn.msz.gov.pl](http://www.londyn.msz.gov.pl).

<sup>41</sup> *IX edycja Polsko-Brytyjskiego Okrągłego Stołu*, Ministerstwo Spraw Zagranicznych, 13 May 2016, [www.msz.gov.pl](http://www.msz.gov.pl).

<sup>42</sup> *Spotkanie Polonijnej Rady Konsultacyjnej przy Ambasadorze RP w Londynie*, Ambasada Rzeczypospolitej Polskiej w Londynie, 24 November 2016, [www.londyn.msz.gov.pl](http://www.londyn.msz.gov.pl).

<sup>43</sup> See *Higher education student enrolments and qualifications obtained at higher education providers in the United Kingdom 2015/16*, HESA, 12 January 2017, [www.hesa.ac.uk](http://www.hesa.ac.uk).

benefits recipients, just as in previous years.<sup>44</sup> Since 2010, Polish women have been at the top of the list in terms of the number of children born in England and Wales to foreign mothers living in the UK (22,000 births in 2016).<sup>45</sup> The report on the activity of the Polish Children's Ombudsman in 2016 is also worth noting. The highest number of complaints the received from parents about foreign welfare institutions were letters from the United Kingdom. The subjects of the complaints included the dissatisfaction with the degree to which social services interfered in people's lives. Upon receiving such complaints, the Ombudsman contacted Polish consular services and his foreign counterparts to look into the reported problems.<sup>46</sup>

### Assessment

In 2016, Polish-British relations were dynamic, which might in part be explained as a consequence of efforts by Szydło's government to prioritise these relations. The intensity of cooperation was primarily boosted by the process connected with the future of the UK's EU membership and by trans-Atlantic cooperation in the context of the growing threat posed by Russia.

Contrary to what the Polish and other governments expected, the February settlement regarding the new conditions of Britain's EU membership proved insufficient to convince the majority of British people to vote "remain" in the 23 June referendum. However, the negotiations on the deal, and the decisions regarding the future negotiations between the EU and the UK following the referendum, indicate that Szydło's government met the goal of having an impact on the talks.

Due to the size of the Polish community in the UK, Poland occupied a special place in the debates in the EU forum regarding the attempts of the British authorities to limit the rights of EU citizens residing in the UK. Szydło's government declared that it was not willing to make any concessions on this issue. It seems that the increased intensity of contacts with Poland could have resulted from the British government's intention to reduce this resistance. The future status of Polish citizens in the UK will surely continue to be one of the most important points of contention in bilateral relations. However, there may be more equally important areas of dispute (the size of the budget, the British

<sup>44</sup> R. Kenn, V. Apostolova, "Statistics on migrants and benefits," *Commons Briefing Papers*, 28 March 2017, <http://researchbriefings.parliament.uk>.

<sup>45</sup> "Births by parents' country of birth, England and Wales: 2016," *Statistical Bulletin*, 24 August 2017, [www.ons.gov.uk](http://www.ons.gov.uk).

<sup>46</sup> *Informacja o działalności Rzecznika Praw Dziecka za rok 2016*, [www.brpd.gov.pl](http://www.brpd.gov.pl), p. 323.

contribution after the UK leaves the EU, and the future of common agricultural policy).

The Polish government has met its aspirations to tighten cooperation with the UK in the field of security, in particular in response to Russia's policy and the situation in Ukraine. The British government's involvement was of key importance for Szydło's government, not only due to the decision to deploy troops in Poland, but also in the context of support for strengthening NATO's Eastern Flank. This resulted from the fact that Poland and Britain perceived the need to help Ukraine in a similar manner, and agreed that it was necessary to solve the Russian-Ukrainian conflict triggered by the annexation of Crimea and the presence of Russian soldiers in eastern Ukraine. Therefore, close Polish-British cooperation comes as no surprise in the context of countering Russian propaganda and as regards support for the decisions made at the Warsaw NATO summit to combine deterrence with NATO's openness to dialogue with the Russian authorities.

In 2016, the outcome of the June Brexit referendum and the long-term prospects of future negotiations triggered the need to analyse the possible consequences of these developments for Poland, including in the context of further cooperation with the UK once it leaves the EU. One could wonder to what extent the Cameron and May governments' real interest in dialogue with Poland resulted from sharing the Szydło government's aspirations regarding the priority status of bilateral relations. It may be that May and Cameron both wanted to use closer cooperation to neutralise Poland's position in contentious issues in future negotiations over Britain's exit from the EU. In the longer term, it will be worth observing whether it is possible for the UK and Poland to build a genuine partnership when Britain leaves the EU, given the asymmetry of the potentials of these two countries.

# Poland's Policy towards Germany

SEBASTIAN PŁÓCIENNIK\*

## Background

Among the international determinants of Poland's policy towards Germany in 2016, the decision of the United Kingdom to leave the European Union should be viewed as a matter of key importance. Not only did it change the balance of power within the EU but it also forced the Member States, including Poland and Germany, to reflect on the future cooperation between the remaining 27 states. Second, there was a decline in the immediate importance of previous crises, including the mass-migration and refugee crisis that peaked in 2015, and the eurozone crisis (the economic situation had improved significantly by 2016). This facilitated the emergence of new concepts of how to deepen integration. However, these concepts began to aggravate the EU's division into states interested in closer cooperation and those sceptical of the idea of "more Europe." Security challenges were the third important determinant. The war in eastern Ukraine and the occupation of Crimea by Russia had been ongoing since 2014, and there was an escalation in the war in Syria. Fourth, Poland and Germany had divergent views on the future of their energy sectors. The Polish government focused on coal as the main source of energy and limited its involvement in the development of renewable energy sources. Germany, for its part, had for several years been pursuing an expensive policy of switching its economy to renewable energy sources and abandoning nuclear energy.

Poland's policy towards Germany was also impacted by the political situation in both states. The most important development was the victory of Andrzej Duda, associated with the Law and Justice (PiS) party, in the presidential election, followed by this party's victory in parliamentary elections and the forming of the new right-wing coalition government in autumn 2015. Representatives of the new ruling camp made no attempt to conceal their negative assessment of a number of decisions made by Angela Merkel's government, especially in the context of the migration and refugee crisis, and of the role Germany played in Europe. The German ruling elites, for their part, which had been closely associated

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in terms of ideology with the previous Civic Platform (PO)—Polish People's Party (PSL) government, were distrustful of the change of power in Poland. The first decisions of the new Polish government, especially those regarding the Constitutional Court, were heavily criticised in Germany. Despite the significant potential for conflicts, evident as early as autumn 2015, the two sides were aware of the strategic importance of neighbourly relations, continued development of economic ties and agreed on the need to cooperate in the situation of the European integration crisis. Another important determinant was composed of the upcoming celebrations of the 25<sup>th</sup> anniversary of the signing of the Treaty on Good Neighbourhood and Friendly Cooperation between the Republic of Poland and the Federal Republic of Germany, and of the creation of the Weimar Triangle. The celebrations were expected to offer an additional opportunity for politicians from the two states to hold official meetings.

### Goals and Assumptions

The goals of Poland's policy towards Germany were presented in the most comprehensive manner by Foreign Minister Witold Waszczykowski in his address to the Sejm delivered at the end of January 2016.<sup>1</sup> He announced, for example, that the government of the Republic of Poland would continue its friendly relations with Germany, "our most important neighbour and economic partner," however, he emphasised that Poland intended to boost its cooperation in the Baltic Sea region and in Central Europe, and also its cooperation with the UK due to convergent stances on European agenda issues and security policy. This was tantamount to a decline in the importance of Germany in Polish politics compared with previous years. Moreover, the minister announced his intention "to take stock of issues between neighbours," which indicated that several new issues in bilateral relations would be opened, and his readiness to avoid the "superficial attitude of conciliation" in bilateral talks. He also mentioned his priority "to counter negative stereotypes and defaming Poland," which was a reference to critical articles in the German press.

As regards European policy, which is of key importance in the context of Poland's relations with Germany, the government intended to "build a Union of free nations and equal states." The minister emphasised that "the path to that goal should not lead through a two-speed Union, i.e., ever-closer economic and political ties among the Eurozone states." The EU should return to its roots and to the four fundamental freedoms of the common market, whereas the attempts to create

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<sup>1</sup> "Government Information on Polish Foreign Policy in 2016 (presented by Foreign Minister Witold Waszczykowski at the Sejm meeting on 29 January 2016)," see p. 11 in this volume.

a political union were leading us astray due to the absence of genuine legitimacy. In this policy, Poland's main ally would be the UK and the Visegrad Group states rather than Germany, which was in favour of deepening the eurozone. Poland expected its western neighbour to make concessions to solve the migration crisis. Poland intended to support the protection of external borders and cooperation with third countries, Turkey in particular, and was strongly opposed to the proposal regarding the relocation of refugees supported by Merkel's government at that time.

Another goal of Poland's policy towards Germany involved international security, in particular, the actions of NATO, the plan to strengthen the Alliance's Eastern Flank and develop cooperation with the U.S. The minister announced Poland's involvement in boosting the EU's common security and defence policy, on condition that this would not compromise NATO's activity. The role of Germany in this field was of some importance, although not of key importance, due to Berlin's limited military potential. Instead, Germany was expected to support the plan to maintain sanctions against Russia and help Poland's eastern neighbours (for example, under the Eastern Partnership).

In his speech, the minister also emphasised the need to intensify energy cooperation in Europe including the completion of the energy union. However, in the context of Poland's relations with Germany, a critical assessment of the planned construction of the Nord Stream 2 (NS2) pipeline was mentioned. The Polish government was hoping that Germany would block the construction of the second branch of this pipeline.

Finally, Poland emphasised its willingness to continue to develop economic cooperation. The minister announced his intention to devote more attention to non-European partners as well, which could have indicated his willingness to decrease Poland's dependence on the German market. The importance of the relations with Poland's western neighbour was also evident in the government's announced strong involvement in supporting the Polish community abroad, including support for minority organisations, Polish schools abroad, and Polish language classes offered abroad. All these continue to be controversial issues in Polish-German relations. The minister also emphasised the efforts "to obtain all the rights arising from bilateral agreements and European standards," especially when it comes to access to language classes.

### **Political Relations**

The beginning of the year saw a deterioration in mutual relations. On 9 January, the Ministry of Foreign Affairs of the Republic of Poland summoned

Rolf Nickel, Germany's ambassador to Poland, to clarify certain "anti-Polish statements expressed by German politicians." These included critical remarks regarding the actions of the Polish government offered by Martin Schulz, the president of the European Parliament, Günther Oettinger, an EU commissioner, and Volker Kauder, the head of the CDU/CSU parliamentary group,<sup>2</sup> as well as negative comments in the German press. The dispute arose following the publication of highly critical articles in Polish right-wing media and statements by Polish politicians on the matter, for example, a highly emotional letter from Justice Minister Zbigniew Ziobro to Commissioner Oettinger.

The meeting stopped the escalation of the dispute. Both sides emphasised the importance of mutual relations and the need to step up the political dialogue. Ambassador Nickel said that "Polish-German relations are a treasure that needs to be guarded"<sup>3</sup> and Minister Waszczykowski encouraged representatives of the German government to visit Warsaw. Indeed, soon after this, on 21 January, Germany's Foreign Minister Frank-Walter Steinmeier paid a visit to Poland with the evident intention to improve relations.<sup>4</sup> The stabilisation phase was crowned by an official visit of Prime Minister Beata Szydło to Berlin on 12 February and her meeting with Chancellor Merkel.<sup>5</sup>

Using the opportunity of the 18<sup>th</sup> Polish-German Forum held in April, German Foreign Minister Frank-Walter Steinmeier paid another visit to Warsaw. In his speech, he referred to the long history of relations between the two states and emphasised their current importance.<sup>6</sup> During the visit, a very intensive programme of meetings was launched. First, two meetings were held between presidents Andrzej Duda and Joachim Gauck, the first on 16 June in Berlin<sup>7</sup> and the second a day later in Warsaw.<sup>8</sup> The presidents opened the meeting of the Polish-German reflection group, whose creation was announced by President Duda in 2015. The group was composed of 20 experts, researchers, and journalists.<sup>9</sup> Shortly afterwards, on 22 June, the 14<sup>th</sup> intergovernmental consultations were held

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<sup>2</sup> A. Kazimierczak, A. Gajcy, "Ambasador Niemiec wezwany do MSZ," *Rzeczpospolita*, 10 January 2016, [www.rp.pl](http://www.rp.pl).

<sup>3</sup> "Ambasador Niemiec: Stosunki z Polską to skarb," *Rzeczpospolita*, 11 January 2016, [www.rp.pl](http://www.rp.pl).

<sup>4</sup> "Steinmeier: Wspólnie stawić czoła kryzysom," *Rzeczpospolita*, 21 January 2016, [www.rp.pl](http://www.rp.pl).

<sup>5</sup> *Premier Beata Szydło w Berlinie: Chcemy podtrzymywać i rozwijać współpracę*, Ambasada Rzeczypospolitej Polskiej w Berlinie, 15 February 2016, [www.berlin.msz.gov.pl](http://www.berlin.msz.gov.pl).

<sup>6</sup> *Rede von Außenminister Frank-Walter Steinmeier zur Eröffnung des Deutsch-Polnischen Forums in Warschau*, *Auswärtiges Amt*, 19 April 2016, [www.auswaertiges-amt.de](http://www.auswaertiges-amt.de).

<sup>7</sup> "Para Prezydencka z dwudniową wizytą w Niemczech," 16 June 2016, [www.prezydent.pl](http://www.prezydent.pl).

<sup>8</sup> "Trzeba znaleźć obszary wspólnego działania Polski i Niemiec," 17 June 2016, [www.prezydent.pl](http://www.prezydent.pl).

<sup>9</sup> "Prezydenci Polski i Niemiec zainaugurowali działalność grupy refleksyjnej," *Polskie Radio*, 17 June 2016, [www.polskieradio.pl](http://www.polskieradio.pl).

in Berlin. Discussion topics included the referendum in the United Kingdom, security issues and the situation of Poles in Germany. The meeting participants emphasised that the atmosphere during the talks was good, although certain differences were still present. According to Prime Minister Szydło, “there are many topics that divide us and even more topics that connect us.” In July, at Meseberg castle in Brandenburg, Angela Merkel and PiS leader Jarosław Kaczyński held an informal meeting. This was further proof of the intensification of the political dialogue.<sup>10</sup>

Another meeting between Prime Minister Szydło and Chancellor Merkel was held on 26 August in Warsaw. It was organised under a more comprehensive formula of talks between Germany and the Visegrad Group aiming at preparations to the informal EU summit in Bratislava in September dedicated to the situation after Brexit, and on seeking compromise in resolving the refugee crisis.<sup>11</sup>

A mere three days later, on 29 August, the ministers of foreign affairs of the Weimar Triangle states met in Weimar, Germany, to mark the 25<sup>th</sup> anniversary of the Triangle's creation. In an interview for DPA, Minister Waszczykowski suggested that cooperation under this format should be bolstered and the partners should mutually consult their positions ahead of important events such as meetings of the European Council and NATO.<sup>12</sup> At the end of the year, two meetings were held between presidents Duda and Gauck: on 28 November, they visited the NATO Corps in Szczecin<sup>13</sup> and on 11 December in Berlin, they attended a concert closing the “Anniversary Year” (25<sup>th</sup> anniversary of the signing of treaties and of the creation of the Foundation for Polish-German Cooperation and the Polish-German Youth Cooperation).<sup>14</sup>

As regards political cooperation, an important role was played by numerous visits at the lower level, for example, visits paid by deputy ministers and members of parliament, and by the activity of the Polish-German parliamentary group formed in March 2016 and composed of 48 members of parliament (headed by Szymon Szykowski vel Sęk and Thomas Nord). In 2016, this group held seven meetings. Another good opportunity for meetings and debate were the

<sup>10</sup> “Geheimbesuch in Meseberg: Angela Merkels ungewöhnlicher Gast in Meseberg,” *Die Welt*, 24 April 2017, [www.welt.de](http://www.welt.de).

<sup>11</sup> “Beata Szydło: Silna UE gwarancją bezpieczeństwa dla Polski,” 26 August 2016, [www.premier.gov.pl](http://www.premier.gov.pl).

<sup>12</sup> “Waszczykowski: Nastąpi ożywienie współpracy z Francją i Niemcami,” *Interia. Fakty*, 26 August 2016, <http://fakty.interia.pl>.

<sup>13</sup> “Prezydent: Korpus NATO w Szczecinie działa bardzo dynamicznie,” *WNP.pl*, 28 November 2016, [www.wnp.pl](http://www.wnp.pl).

<sup>14</sup> “Szczerki: 11 grudnia uroczyste zakończenie obchodów 25-lecia polsko-niemieckiego traktatu,” *WNP.pl*, 28 November 2016, [www.wnp.pl](http://www.wnp.pl).

celebrations of the “Anniversary Year.” It was launched in mid-January 2016 by Joachim Bleicker, the spokesperson for the German MFA, and Cezary Król, coordinator of the celebrations of the 25<sup>th</sup> anniversary of the signing of the treaties at the Polish MFA.<sup>15</sup>

### European Policy

The dispute between the European Commission and Poland over the latter’s observance of the rule of law was not the source of tension in Polish-German relations. Members of the German government refrained from expressing explicit criticism of the stance adopted by the Polish government, arguing that representatives of EU institutions should comment on it. As a consequence, this issue was not subject to bilateral talks.

Divisions between Poland and Germany became evident as regards other issues, primarily those involving political integration and methods for resolving the refugee crisis. They were manifested in Poland’s selection of its allies within the EU—the United Kingdom and the Visegrad Group states. Poland was in favour of strengthening the position of nation-states within the EU and focusing integration activities on the common market. It was opposed to increasing the powers of supranational bodies, which was convergent with Britain’s position on this issue. In his statements to German media, Poland’s foreign minister argued that centralist tendencies in the EU had resulted in an increase in Euroscepticism and warned that further steps in this direction could only aggravate the integration crisis.<sup>16</sup> Although Germany preferred to take cautious steps towards a political union, it clearly communicated that this was the fundamental goal of its *Europapolitik*.

Following the June referendum in the United Kingdom, divergent views on the future of the EU were manifested in yet another aspect. Many states of the “old” EU argued that a deepening of integration should be the response to Brexit. This was evident in the debate over adopting varied integration speeds. For Poland, which was opposed to deepened integration, Brexit was tantamount to the risk of Poland remaining on the periphery should federalist tendencies emerge in the EU. This is why the Polish authorities devoted much energy to warning Germany against the concept of a multi-speed Europe and against “taking decisions

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<sup>15</sup> Anniversary calendar and logo of the 25<sup>th</sup> anniversary of the Treaty, Fundacja Współpracy Polsko-Niemieckiej, 14 January 2016, <http://fwpn.org.pl>.

<sup>16</sup> G. Gnauck, “Polens Außenminister: ‘Die EU soll nicht versuchen, ein Superstaat zu werden,’” *Die Welt*, 28 May 2016, [www.welt.de](http://www.welt.de).

in a small circle and imposing them on other countries.”<sup>17</sup> The reaction of the government in Berlin could hardly be viewed as unambiguous. Assurances as to maintaining the unity of the EU-27 were accompanied by declarations regarding the consolidation of integration institutions.

The fact that Poland had rejected the prospect of quickly joining the eurozone despite the obligations arising from accession treaties, was of major importance in this context. At a meeting of the finance ministers of Poland, France, and Germany held on 19 January 2016 in the Weimar Triangle format, Minister Paweł Szałamacha said that joining the zone was not a “priority issue” for Poland.<sup>18</sup> Wolfgang Schäuble merely offered a general comment on the issue, arguing that in the process of strengthening the EU, it was necessary to find a solution for the eurozone and for those countries not in the zone. By the end of 2016, Poland had not changed its stance on this issue.

The policy towards the refugee crisis held greater potential for conflict. Germany demanded that Poland meet its obligations regarding the relocation of asylum-seekers agreed during the Ewa Kopacz government. The new government headed by Szydło rejected these demands, citing security reasons, limited funds, and Poles’ reluctance to take in refugees. It also questioned the sense of relocation, claiming that once transported to Poland, the refugees would immediately try to move to Germany.

Both sides tried to emphasise certain common elements in their respective stances. No controversy was raised by the plan to strengthen the EU’s western borders and conclude an agreement with Turkey on sending back refugees. Moreover, during intergovernmental consultations, Prime Minister Szydło and Chancellor Merkel announced a joint humanitarian project (involving the reconstruction of schools in Lebanon).<sup>19</sup> Similarly, during their meeting held on 26 August in Warsaw, the leaders of the Visegrad Group states and Chancellor Merkel stressed the consensus as regards humanitarian aid, the protection of EU borders, and cooperation with North African states on conditions resembling those contained in the agreement the EU had signed with Turkey.<sup>20</sup>

<sup>17</sup> J. Winterbauer, “Brexit: Polens Außenminister Witold Waszczykowski kritisiert Berlin,” *Die Welt*, 1 January 2016, [www.welt.de](http://www.welt.de).

<sup>18</sup> *Spotkanie ministrów finansów Trójkąta Weimarskiego w Berlinie*, Ministerstwo Finansów, 21 January 2016, [www.mf.gov.pl](http://www.mf.gov.pl); “Szałamacha na spotkaniu ministrów finansów Trójkąta Weimarskiego: euro nie jest dla rządu priorytetem,” *Polskie Radio*, 19 January 2016, [www.polskieradio.pl](http://www.polskieradio.pl).

<sup>19</sup> “Polsko-niemieckie konsultacje międzyrządowe,” 22 June 2016, [www.premier.gov.pl](http://www.premier.gov.pl).

<sup>20</sup> “Beata Szydło: Silna UE gwarancją...,” *op. cit.*

## Security Policy

In 2016, the stances of Poland and Germany on security issues, especially the war in Ukraine, on maintaining sanctions imposed on Russia, and on the need to strengthen NATO in the east, remained convergent. This was evidenced, for example, by Germany's decision to send Bundeswehr soldiers to Lithuania,<sup>21</sup> which was much appreciated by Poland. And, during intergovernmental consultations held in June, Prime Minister Szydło thanked Germany for its active involvement in strengthening NATO's Eastern Flank and maintaining the sanctions against Russia.<sup>22</sup>

However, from time to time the two states presented divergent stances on certain issues. For example, as regards security policy, Poland emphasised the development of trans-Atlantic ties. This resulted in Poland adopting a cautious approach towards plans to form a "European army" if it might compromise the role of NATO and the U.S. in Europe. Germany, on the other hand, raised this issue increasingly frequently. Furthermore, Germany's approach towards defence spending was different from Poland's hard-line approach. Poland was one of the few countries to have met the NATO-wide commitment to spend 2% of its GDP on defence. Germany, for its part, was among the states that had a more relaxed approach to meeting this spending target.

Other differences were evident in both states' approach to Russia. Germany emphasised not only "NATO's capability to deter but also to engage in dialogue with Russia."<sup>23</sup> This was the reason behind Germany's reluctance to send strong political signals to Moscow. This reluctance was evident during the *Anakonda* military manoeuvres organised in Poland in the first half of June, attended by 31,000 troops from 24 countries. German media criticised the drills and viewed them as an unnecessary exacerbation of the relations with Russia ahead of the NATO summit in Warsaw and a disruption of the dialogue in the NATO-Russia Council format which had been resumed after a two-year pause. That troops from Georgia and Ukraine were invited to participate was also heavily criticised.<sup>24</sup> The problem became political following a statement by Minister Steinmeier, who said that "at present, we should not be exacerbating the situation by sabre-rattling and

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<sup>21</sup> "Bundeswehr bereitet Truppenverlegung nach Litauen vor," *Süddeutsche Zeitung*, 29 September 2016, [www.sueddeutsche.de](http://www.sueddeutsche.de).

<sup>22</sup> "Polsko-niemieckie konsultacje międzyrządowe..." *op. cit.*

<sup>23</sup> "Konsultacje międzyrządowe w Berlinie. 'Dobry dzień dla polsko-niemieckich relacji,'" *Deutsche Welle*, 22 June 2016, [www.dw.com](http://www.dw.com).

<sup>24</sup> "Prasa niemiecka: Manewry w Polsce – igranie z ogniem?," *Deutsche Welle*, 9 June 2016, [www.dw.com](http://www.dw.com).

lamenting over the war. Whoever believes that symbolic tank parades on NATO's eastern border will boost security, is wrong.”<sup>25</sup>

These words sparked negative reactions from Poland and provoked questions regarding Germany's readiness to become genuinely involved in the possible military conflict on NATO's eastern border. These questions were all the more justified because German public opinion welcomed Steinmeier's words—according to a YouGov survey, 64% of the respondents supported his view and a mere 16% were opposed to it.<sup>26</sup>

### Energy Policy

The divergent interests in energy policy were particularly evident in the context of the construction of the second line of the Nord Stream pipeline. From Germany's perspective, this is a business undertaking intended to secure its energy transition by replacing nuclear energy and coal with gas, which is a relatively cleaner fuel with more flexible applications. For Poland, the pipeline is a political undertaking aimed at weakening the position of Ukraine and achieving domination of the European gas market by a Russian-German energy hub. The initiative was repeatedly criticised by Minister Waszczykowski.<sup>27</sup>

The year 2016 saw two important developments in the political dispute over the construction of the NS2. First, in August 2016, Poland's Office of Competition and Consumer Protection blocked the companies involved in the project from establishing a joint venture. It argued that this would lead to an excessive boost in Gazprom's competitive advantage in the European market. Second, in autumn, the European Commission enabled increased use of the Opal pipeline, which, from Poland's perspective, could boost Gazprom's chance of improving its position on the EU's energy market.<sup>28</sup>

Aside from the primary dispute over the NS2, there were other issues in Polish-German relations. In 2016, Poland and Germany managed to resolve one of them regarding unplanned surges of power given the increased use of renewable energy sources in Germany. The temporary surpluses of generated electricity were transferred to the Polish transmission system in an unplanned

<sup>25</sup> J. Pawłowski, “Podziały w Niemczech skłonią Rosję do agresji?,” *Defence24*, 21 June 2016, [www.defence24.pl](http://www.defence24.pl).

<sup>26</sup> “Sondaż: Niemcy przeciwni wysłaniu żołnierzy na wschodnią flankę NATO,” *Deutsche Welle*, 1 July 2016, [www.dw.com](http://www.dw.com).

<sup>27</sup> See, for example, the foreign minister's extensive interview for *Onet.pl*: A. Stankiewicz, “Witold Waszczykowski: nie będzie Nord Stream II,” *Onet*, 21 November 2016, [wiadomosci.onet.pl](http://wiadomosci.onet.pl).

<sup>28</sup> A. Łoskot-Strachota, “The European Commission enables increased use of the OPAL pipeline by Gazprom,” *OSW Commentary*, 9 November 2016, [www.osw.waw.pl](http://www.osw.waw.pl).

manner. In May, the first so-called Phase Shifting Transformer was built between the Hagenwerder and Mikułowa stations. It is intended to handle such unexpected flows of electricity from Germany. Another such transformer is to be built farther north, between Vierraden and Krajnik.<sup>29</sup>

### Economic Cooperation

In the relations between the two states, economic cooperation was the least controversial. Minister Waszczykowski even spoke about a “symbiosis in mutual relations” in this area.<sup>30</sup> In 2016, Poland’s exports to Germany stood at €50.6 billion, which was an increase of 4% compared to 2015, and Germany’s share in Poland’s exports rose from 27.1% to 27.4%. The importance of these exports is confirmed by the fact that Poland’s second-largest trade partner, the UK, purchased from Polish producers goods worth a mere €12.3 billion. Germany’s importance is also evident in import statistics—in 2016, Poland’s imports from Germany stood at €42.2 billion, an increase of 3.9% over 2015. This means that Germany’s share in Poland’s imports rose from 22.9% to 23.3%. It is worth noting that Poland recorded a major trade surplus of €8.4 billion (a minor increase compared with 2015).<sup>31</sup> Poland’s exports to Germany mainly are half-finished products and are dependent on the economic situation on global markets. Moreover, Polish companies as of 2016 were not capable of creating brands that would be recognisable in Germany.<sup>32</sup>

Positive figures were recorded in the investment sector as well. Poland remains an attractive investment destination, which was confirmed by Daimler’s announcement that it plans to build a car engine production plant in Jawor in Lower Silesia. The plant is expected to offer 1,000 jobs. The Polish market continued to be ranked high on the list of attractive investment locations, which was confirmed in regular surveys conducted by the Polish-German Chamber of Industry and Commerce (AHK Polska) and 12 other bilateral chambers. However, although Poland was ranked first for the fourth time, this time German investors expressed concern at the political situation and the stability of the legal system.<sup>33</sup>

<sup>29</sup> E. Derewienko, “PSE: Przesuwniki fazowe w stacji Mikułowa uruchomione,” *Rynek Infrastruktury*, 23 June 2017, [www.rynekinfrastruktury.pl](http://www.rynekinfrastruktury.pl).

<sup>30</sup> “Waszczykowski w DW: potrzebujemy dobrosąsiedzkiej współpracy w bezpieczeństwie,” *Deutsche Welle*, 15 June 2016, [www.dw.com](http://www.dw.com).

<sup>31</sup> *Obroty towarowe handlu zagranicznego ogółem i według krajów w 2016 r.*, Główny Urząd Statystyczny, [www.stat.gov.pl](http://www.stat.gov.pl).

<sup>32</sup> H. Kozieł, A. Woźniak, “Niemcy najważniejszym partnerem Polski w biznesie,” *Rzeczpospolita*, 6 February 2017, [www.rp.pl](http://www.rp.pl).

<sup>33</sup> “Niemieccy inwestorzy o Polsce: Polityka minusem,” *Deutsche Welle*, 26 May 2016, [www.dw.com](http://www.dw.com).

Poland's direct investments in Germany are incomparably smaller. Their total value is nearly €1.24 billion (according to the National Bank of Poland). It increased by a mere €100–200 million annually. In 2016, a certain improvement was recorded—the investments rose by €240 million.<sup>34</sup> There were also signals suggesting that they might increase further. In April 2016, NRW Invest (North Rhine-Westphalia), an agency for supporting investments formed by Germany's largest federal state, opened a representative office in Warsaw, clearly intending to attract Polish investors.<sup>35</sup> Moreover, Polish companies are increasingly more visible in Germany. In December 2016, the company Qualityminds received the Phönix Preis business award, funded by the city of Munich, in the “Parent Company” category. The award has been granted annually since 2010 to companies operating in Bavaria's capital and established by entrepreneurs with a migrant background.<sup>36</sup>

### Social Affairs, Education and Culture

When it was still an opposition party, Law and Justice presented a hard-line stance on the issue of Poles living in Germany. When it came to power in 2015, it made this issue one of the major topics in its policy towards Germany. Two demands were presented: that Poles should be recognised as a national minority and that they should have easier access to Polish language classes. As regards the former issue, there had been a deadlock for many years and the situation did not change in 2016. Germany was not willing to make concessions and argued that this would trigger similar demands from other nationalities, especially Turks. The issue was raised by Poland during bilateral meetings in particular in the first months of the year. This was facilitated by a debate in media ongoing at that time—for example, at the beginning of March 2016 when the film “W mniejszości siła” directed by Andrzej Dziedzic was screened in Oberhausen. The film shows the story of the Union of Poles in Germany who use the Rodło as their symbol.<sup>37</sup> However, in the second half of the year the issue of Poles residing in Germany lost its impetus. As regards the issue of Polish language classes, it was much easier to make some progress. During intergovernmental consultations, Chancellor Merkel assured her Polish partners that talks will be launched with individual federal states because it is at the federal state level that decisions regarding education are made (Bavaria announced its readiness to engage in such talks).

<sup>34</sup> *Polskie inwestycje bezpośrednie za granicą w 2016 r.*, Narodowy Bank Polski, [www.nbp.pl](http://www.nbp.pl).

<sup>35</sup> “Nadrenia szuka inwestorów w Polsce,” *Puls Biznesu*, 28 April 2016, [www.pb.pl](http://www.pb.pl).

<sup>36</sup> “Niemcy. Wielki sukces polskiej firmy,” *Deutsche Welle*, 27 December 2016, [www.dw.com](http://www.dw.com).

<sup>37</sup> “Polska mniejszość narodowa w Niemczech. ‘Wisienka na torcie,’” *Deutsche Welle*, 8 March 2016, [www.dw.com](http://www.dw.com).

The year 2016 also saw a number of important cultural and educational events. The presentation of the first volume of a joint history textbook for students of lower secondary schools and of the first year of upper secondary schools, entitled “Europa. Nasza historia,” spanning the period till the end of the Middle Ages, received much publicity. The ministers of foreign affairs of both states took part in the presentation. Publication of further volumes spanning the period till 1990 is planned by the end of 2018. The initiative has been carried out since 2008 by the Polish-German Textbook Committee headed by Robert Traba.<sup>38</sup> As part of anniversary celebrations, numerous exhibitions were organised, including “Polacy i Niemcy, 25 lat partnerstwa” in Stuttgart and “Jak Feniks a popiołów. Zniszczenie i odbudowa Warszawy” in Berlin. In December, in the Red City Hall in Berlin, a concert was organised of Poznan Philharmonic Orchestra musicians and Veriko Tchumburidze, the winner of the recent International Henryk Wieniawski Violin Competition. There were also some failed initiatives, including attempts to screen the film “Smolensk” in Berlin. The cinemas refused, citing security reasons, however, many commentators suggested that this decision might have been politically motivated.<sup>39</sup>

The year 2016 saw an increase in funds available for joint projects, in particular in the fields of culture and education. In November, Germany decided to increase its contribution to the budget of the Polish-German Youth Cooperation from €5 million to €6 million. As a consequence, including the Polish contribution, the organisation’s budget was €10 million. The background for the decision was the suggestions formulated by Dietmar Woidke, the German government’s coordinator for Polish-German social and cross-border cooperation.<sup>40</sup> Moreover, the subsidy for the Polish-German Film Fund was increased by €200,000. Since 2017, the fund has had a €500,000 budget at its disposal. Members of the Fund include the Polish Film Institute (PISF), the Film and New Media Fund (MBB), Mitteldeutsche Medienförderung (MDM), and the German Federal Film Board (FFA). So far, it has co-funded 30 films, including most recently “Marie Curie: The Courage of Knowledge,” directed by Marie Noël, which received the German Film Award in three categories, “Wintertochter” by Johannes Schmid, and “Spoor” by Agnieszka Holland.<sup>41</sup>

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<sup>38</sup> “Powstał polsko-niemiecki podręcznik historii. Prezentacja w Berlinie,” *TVP Info*, 22 June 2016, [www.tvp.info](http://www.tvp.info).

<sup>39</sup> “W Berlinie odwołano pokaz filmu ‘Smoleńsk’,” *Rzeczpospolita*, 4 November 2016, [www.rp.pl](http://www.rp.pl).

<sup>40</sup> “Dodatkowy milion euro na polsko-niemiecką wymianę młodzieży,” *Deutsche Welle*, 12 November 2016, [www.dw.com](http://www.dw.com).

<sup>41</sup> “Polsko-Niemiecki Fundusz Filmowy. Więcej pieniędzy na koprodukcje,” *Deutsche Welle*, 10 December 2016, [www.dw.com](http://www.dw.com).

The year 2016 also saw the revival of the issue of the return of plundered works of art. The reasons for this were, on the one hand, the stock-taking carried out in German museums and, on the other, the bilingual publication “Zagrabione–odzyskane” written by Monika Kuhnke and Wojciech Kowalski from the team for the restitution of works of art at the Polish MFA. The publication sums up the attempts to find works of art looted during the Second World War and have them returned.<sup>42</sup> The book's presentation in Cologne was a joint initiative of the Consulate General of the Republic of Poland and the NS Documentation Centre (NS-Doku) in Cologne. The Polish consulate donated the publication to selected university, federal state, and city libraries located in its consular area, i.e., in Hesse, North Rhine-Westphalia, and Saarland.<sup>43</sup>

### Assessment

In 2016, the Polish government's policy towards Germany was based on the assumption that although good relations between the two countries are very important, attention should also be paid to differences in their interests. These differences should be emphasised and the partner should be encouraged to take account of them, be it in European and energy policy or in bilateral issues. This approach was evident in political cooperation, which was characterised by friction and Poland's complaints regarding comments about the country published in the German press, on the one hand, and by the major intensity of bilateral meetings, also at the top level, which was facilitated by the “Anniversary Year” celebrations, on the other. However, the two major goals of Polish diplomacy were not achieved because, in its view, “the negative opinions regarding Poland in German media have not been eliminated and there has been no improvement in the image of the PiS government in Germany.”<sup>44</sup> The failure of the concept to build, alongside the UK and the Visegrad Group states, an alliance of states that are sceptical of deepening integration, which was at the same time intended to serve as an alternative to close ties with Germany, was of greater importance. Brexit has changed the situation: Germany's importance rose again, which was evident in increasingly intensive talks with Berlin and in attempts to draw the German partner's attention to threats resulting from a multi-speed Europe. Undoubtedly, in the debate on the future of the EU, the position of the Polish government has been weakened.

<sup>42</sup> See *Publikacja MSZ o odzyskiwaniu zrabowanych dóbr kultury*, 12 August 2011, [www.msz.gov.pl](http://www.msz.gov.pl).

<sup>43</sup> “Niemcy inwentaryzują muzea. Polska liczy na odzyskanie dóbr kultury,” *Deutsche Welle*, 13 November 2016, [www.dw.com](http://www.dw.com).

<sup>44</sup> “Ambasador RP w Niemczech: ‘Moje doświadczenia są dobre i złe,’” *Deutsche Welle*, 28 December 2016, [www.dw.com](http://www.dw.com).

The de-escalation of the dispute over refugee quotas and the shift in the talks intended to include other issues as well, for example, border protection, should be viewed as a success. In the field of security, Poland's interests were secured: Germany supported both the sanctions imposed on Russia and the plan to boost NATO's presence on the Eastern Flank—at the NATO summit in Warsaw, Germany committed itself to serve as one of the so-called framework nations.

The developments in the energy policy were less optimistic: Poland failed to persuade Germany to withdraw its support for the construction of the second branch of the Nord Stream pipeline. Economic cooperation continued to be a positive aspect of Polish-German relations. There was an increase in mutual trade exchange and investment activity, although no major joint projects of strategic importance were carried out. As regards other issues Poland considers important in its bilateral relations with Germany, certain progress was recorded in the availability of Polish language classes. However, the German side was not willing to make concessions regarding the request to grant minority rights to Poles living in Germany.

# Poland's Policy towards France

ŁUKASZ JURCZYSZYN\*

## Background

Poland's membership of the EU and NATO, combined with its cooperation in the informal Weimar Triangle group, are basic determinants impacting its policy towards France. Due to its military and economic potential, France is an important partner for Poland in Europe. When the UK leaves the EU, it will be the only EU Member State to have nuclear weapons and the status of a permanent member of the UN Security Council. Moreover, the French armed forces are capable of carrying out expeditionary activities (the external operation forces are around 20,000-strong). France is a member of the G7, an organisation grouping the world's richest countries, and the sixth global economic power, holding a 3.3% share in global GDP (according to figures for 2016).

Preparations for the NATO summit in Warsaw, held on 8 and 9 July 2016, were among the most important determinants of Poland's policy towards France. Traditionally, France was mainly interested in strengthening NATO's Southern Flank and, more recently, combating terrorism. It did not share Poland's fears regarding the threats present on the Eastern Flank. However, Russia's aggressive actions in Ukraine triggered a shift in NATO's policy, which began to be more focused on deterring Russia.<sup>1</sup> Political negotiations between Member States' leaders were conducted in the first half of 2016, ahead of the NATO summit in Warsaw. Due to its political and military potential, France was a key player in working out the decisions taken at the summit. It finally supported the plan to strengthen NATO's Eastern Flank. The historical dimension of this decision is worth noting, regardless of President François Hollande's statement delivered at the summit that France views Russia as a partner rather than as a threat, which contrasted with the sense of the Warsaw summit declaration.<sup>2</sup>

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<sup>1</sup> A. Kacprzyk, "Conventional Deterrence on NATO's Eastern Flank after the Warsaw Summit" *PISM Bulletin*, no. 48 (898), 2 August 2016, [www.pism.pl](http://www.pism.pl).

<sup>2</sup> J. Gotkowska, "NATO's Eastern Flank—a new paradigm," *OSW Analyses*, 13 July 2016, [www.osw.waw.pl](http://www.osw.waw.pl).

An important role in Polish-French relations was played by intergovernmental negotiations regarding Poland's purchase of 50 Caracal multi-role helicopters manufactured by Airbus Helicopters, a French, German and Spanish armaments company. In April 2015, Airbus had been recognised as a party to the negotiations regarding the delivery of the helicopters. In the campaign ahead of parliamentary elections, the Law and Justice party (PiS) repeatedly criticised this fact. As a consequence, in the first year of its activity, the new government formed after the election in October 2015 focused on finalising the contract. Due to this, the Caracal negotiations were among the main determinants of Polish-French relations up to mid-October 2016, and Poland's decision to withdraw from the contract resulted in a major decline in bilateral contacts at the highest political level for the rest of the year.

On 7 October 2016, the Polish government ratified the global climate agreement known as the Paris Agreement, adopted at the COP21 climate summit (the 21<sup>st</sup> Conference of Partners) held in Paris in December 2015. This was another important determinant impacting Polish-French relations. The goal of the global compromise is to prevent irreversible climate change.<sup>3</sup> Poland played an active part in working out this compromise. For France, reaching the agreement was important for two reasons: it showed the country's influence in the field of combating climate change and facilitated the consolidation of its image as a state that promotes sustainable development. Poland's clear support for the results of COP21 had a positive impact on Polish-French cooperation.

### Goals and Assumptions

Foreign Minister Witold Waszczykowski declared that "Paris will continue to be our important reference point with regard to European and political and military issues."<sup>4</sup> From the point of view of defence policy, in 2016 the Polish government's priority involved winning France's support for strengthening NATO's Eastern Flank and eliminating the temptation of putting NATO cohesion to the test, which would be tantamount to reducing the risk of conflict in the region.<sup>5</sup> Polish diplomats sought to win France's support for this concept. Similar attempts were made by President Andrzej Duda. Ahead of the NATO summit in

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<sup>3</sup> *Porozumienie paryskie ratyfikowane przez Polskę*, Ministerstwo Ochrony Środowiska, 10 October 2016, [www.mos.gov.pl](http://www.mos.gov.pl).

<sup>4</sup> "Government Information on Polish Foreign Policy in 2016 (presented by Foreign Minister Witold Waszczykowski at the Sejm meeting on 29 January 2016)," p. 11 in this volume.

<sup>5</sup> *Ibidem*.

Warsaw, he held more than 50 meetings and bilateral talks. He talked twice with his French counterpart François Hollande.<sup>6</sup>

Moreover, the Polish foreign minister announced that Poland would take an active part in shaping European climate policy, thereby reiterating the Polish stance presented during the climate summit in December 2015.<sup>7</sup> As a consequence, the government's goal was to have the Paris Agreement ratified as quickly as possible.

### Political Relations

Political changes in Poland were proof of the usefulness of intergovernmental consultations chaired by the Polish prime minister and French president (the first meeting in this format was held in 2004). Responding to an invitation extended by Hollande, Duda visited Paris on 28 October 2015.<sup>8</sup> The talks focused on Polish-French cooperation in the Weimar Triangle format, the upcoming COP21 climate summit in Paris, and the Minsk deal intended to secure durable peace in Ukraine. For Poland, the fact that the French president reiterated his support for Polish efforts to become a non-permanent member of the UN Security Council in 2018–2019 was one of this visit's benefits.

However, it was Prime Minister Szydło's visit to Paris on 3 February, at the invitation of Hollande, that was the most important for Polish-French relations in 2016. The topics covered during the meeting included Polish–French economic relations, defence, the problem of immigration in the EU, and Britain's proposed reform of the EU.<sup>9</sup> Szydło stressed that Poland was particularly interested in intensifying its relations with France. Following the meeting, the French president emphasised that Polish-French relations were “strong and valuable,” including on the economic and cultural cooperation levels. Moreover, Hollande thanked the Polish authorities for their important involvement in working out the Paris Agreement.

On 13 February 2016, during the 52<sup>nd</sup> Munich Security Conference, Duda held a meeting with the French Prime Minister Manuel Valls.<sup>10</sup> Their conversation mainly focused on the future of European politics and the migration issue. The

<sup>6</sup> *Prezydent założył, że Polska ma być aktywnym gospodarzem szczytu NATO*, Biuro Bezpieczeństwa Narodowego, 6 July 2016, [www.bbn.gov.pl](http://www.bbn.gov.pl).

<sup>7</sup> “Government Information on Polish Foreign Policy in 2016...,” *op. cit.*

<sup>8</sup> *W Paryżu o relacjach polsko–francuskich i Trójkącie Weimarskim*, 28 October 2015, [www.prezydent.pl](http://www.prezydent.pl).

<sup>9</sup> *Premier Beata Szydło w Paryżu: Jesteśmy otwarci na współpracę z Francją*, 3 February 2016, [www.premier.gov.pl](http://www.premier.gov.pl).

<sup>10</sup> *Polska i Francja przeciw formule ministrefy Schengen*, 13 February 2016, [www.prezydent.pl](http://www.prezydent.pl).

two politicians declared that they were opposed to creating a “mini Schengen area” in whatever form. They agreed that the Schengen Area is an indivisible value and should include those countries that are able to successfully protect the EU’s external borders. Another important topic involved the participation of the French armaments industry in the modernisation of the Polish army.

The intensity of the Polish-French dialogue was also evident in the frequency of meetings at the foreign minister level. On 3 June 2016, at the invitation of Jean-Marc Ayrault, Waszczykowski visited Paris.<sup>11</sup> The topic of the talks was the British EU referendum. Brexit was also among the topics discussed during the visit by Ayrault to Warsaw on 13 June. Other issues the French foreign minister discussed with Szydło and Waszczykowski during his visit included the situation in Ukraine and the preparations for the NATO summit.<sup>12</sup>

Intergovernmental consultations held in Warsaw on 13 and 14 June 2016 were important not only for the development of Polish-French cooperation but also for the relations between the Weimar Triangle states.<sup>13</sup> They were attended by European affairs ministers from Poland (Konrad Szymański), France (Harlem Désir) and Germany (Michael Roth). The meeting focused on the role of the Weimar Triangle in boosting the EU’s cohesion, among other topics. The consultations were an element of the tradition of regular meetings between European affairs ministers of the Weimar Triangle states which dates back to 2008. They are held in Poland, Germany and France.

Another development of key importance for Polish-French relations was a telephone conversation between Duda and Hollande on 22 June 2016, during which they discussed the upcoming NATO summit in Warsaw.<sup>14</sup> Duda expressed his gratitude to France for its support for the common stance on strengthening NATO’s Eastern Flank. Krzysztof Szczerski, secretary of state at the Office of the President of the Republic of Poland, stressed that Duda’s conversation with Hollande, which lasted for almost 45 minutes, was an element of a series of talks the Polish president held ahead of the NATO summit in Warsaw. The presidents also talked about the prospect of organising a Weimar Triangle summit in Paris at the end of 2016. Hollande welcomed the Polish government’s decision to send two

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<sup>11</sup> *Minister Witold Waszczykowski w Paryżu*, Ambasada Rzeczypospolitej Polskiej w Paryżu, 3 June 2016, [www.paryz.ms.gov.pl](http://www.paryz.ms.gov.pl).

<sup>12</sup> *Spotkanie Premier Beaty Szydło z ministrem spraw zagranicznych Francji*, 13 June 2016, [www.premier.gov.pl](http://www.premier.gov.pl).

<sup>13</sup> *Spotkanie wiceministrów spraw zagranicznych ds. europejskich państw Trójkąta Weimarskiego w Warszawie*, Ambasada Francji w Polsce, 13–14 June 2016, <https://pl.ambafrance.org>.

<sup>14</sup> *Prezydenci Polski i Francji o szczycie NATO i spotkaniu Trójkąta Weimarskiego*, Biuro Bezpieczeństwa Narodowego, 22 June 2016, [www.bbn.gov.pl](http://www.bbn.gov.pl).

military contingents to Kuwait and Iraq to support the coalition fighting against the Islamic State.

Poland and France are known to have convergent views on increasing the budget for the common agricultural policy (CAP). For example, in 2010 they were successful in pushing through the proposal to prolong the funding of CAP in the new EU financial framework (2014–2020). On 6 June 2016, in Warsaw, the two states alongside Germany, all making up the Weimar Triangle, signed the Warsaw Declaration regarding joint actions in the EU's agricultural market and their financing.<sup>15</sup> Ministers of agriculture of Poland (Krzysztof Jurgiel), France (Stéphane Le Foll) and Germany (Christian Schmidt) agreed that the milk, pork and fruit and vegetable sectors (the latter being of particular importance for Poland) were undergoing a crisis and that, due to the losses they had suffered, EU farmers should receive compensation payments from the EU budget.<sup>16</sup> The ministers of the three states which have the greatest agricultural production potential in the EU decided to try to persuade the remaining EU Member States to support the agreement they signed in Warsaw. Their efforts proved successful. At the meeting of the EU Agriculture and Fisheries Council on 27 June 2016, in Luxembourg, the majority of the delegations supported the Warsaw Declaration, which Jurgiel had earlier presented.<sup>17</sup>

In 2016, the Weimar Triangle celebrated the 25<sup>th</sup> anniversary of its establishment. On 28 August a summit was held in Weimar, attended by the ministers of foreign affairs of Poland, France and Germany (Waszczykowski, Ayrault and Frank-Walter Steinmeier).<sup>18</sup> Waszczykowski stressed that Poland was constantly interested in intensifying its cooperation in this format. The main topics discussed during the meeting included the future of the Weimar Triangle and of the European Union following the referendum in the United Kingdom and security in the EU's eastern and southern neighbourhoods. The ministers adopted a joint statement in which they announced that cooperation within the Triangle would intensify: "Given the unprecedented challenges facing Europe, we believe there is a need to intensify cooperation and to give it fresh impetus, and it is in

<sup>15</sup> *Rozmowy w ramach Trójkąta Weimarskiego*, Ministerstwo Rolnictwa i Rozwoju Wsi, 6 June 2016, [www.minrol.gov.pl](http://www.minrol.gov.pl).

<sup>16</sup> "Oświadczenie Warszawskie Ministrów Rolnictwa Francji, Niemiec i Polski dotyczące wspólnych działań na rynkach rolnych," 9 June 2016, <http://izbarolnicza.lodz.pl>.

<sup>17</sup> *Zapowiedź działań na rynkach rolnych – posiedzenie Rady UE ds. Rolnictwa i Rybołówstwa w Luksemburgu*, Ministerstwo Rolnictwa i Rozwoju Wsi, 27 June 2016, [www.minrol.gov.pl](http://www.minrol.gov.pl).

<sup>18</sup> *Spotkanie ministrów spraw zagranicznych Trójkąta Weimarskiego w Weimarze*, Ministerstwo Spraw Zagranicznych, 28 August 2017, [www.msz.gov.pl](http://www.msz.gov.pl).

this light that we view the summit of the heads of state and government of our countries planned for this year.”<sup>19</sup>

Another initiative of the Polish government intended to expand cooperation with France involved inviting the French Labour Minister Myriam El Khomri to visit Warsaw. The invitation was extended by Poland’s minister for family, labour and social policy, Elżbieta Rafalska.<sup>20</sup> It was held on 12 October 2016 and served as an opportunity to exchange views on issues such as the amendment of Directive 96/71/EC of the European Parliament and of the Council of 16 December 1996 concerning the posting of workers in the framework of the provision of services, proposed by the European Commission. During their meeting, the ministers signed a declaration on cooperation in this field, and on establishing a Polish-French task force for posted workers.

### **Military Cooperation**

The structures of the North Atlantic Alliance were the main area of military cooperation between the two states. It was in the context of this cooperation that Polish Defence Minister Antoni Macierewicz visited Paris on 2 February 2016.<sup>21</sup> The main discussion topic was the upcoming NATO summit, including the issue of security of the eastern and southern flanks. Moreover, ministers Macierewicz and Le Drian discussed the scope of bilateral cooperation, including joint military exercises, and decided to continue their talks regarding modernisation of the Polish army (including the contract for the purchase of multi-role helicopters) before the meeting of defence ministers of NATO states in Brussels.

On 22 April 2016, Polish-French talks under the sixth round of strategic dialogue were held.<sup>22</sup> They were chaired by Tomasz Szatkowski, undersecretary of state at the Polish Ministry of Defence. The Polish MFA was represented by Marek Ziółkowski and the French delegation was headed by Philippe Errera, director for strategic affairs at the French Ministry of Defence. The talks focused on the NATO summit in Warsaw and the situation in the region, as well as the preparations for the meeting of defence ministers of NATO states planned for June. It is worth noting that, under the decisions taken at the NATO summit in Warsaw, France finally committed itself to become involved in boosting NATO’s presence on the

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<sup>19</sup> *Ibidem*, p. 1.

<sup>20</sup> *Polsko-francuska współpraca w sprawie delegowania*, Ministerstwo Rodziny, Pracy i Polityki Społecznej, 13 October 2016, [www.mpips.gov.pl](http://www.mpips.gov.pl).

<sup>21</sup> *Wizyta ministra Macierewicza we Francji*, Ministerstwo Obrony Narodowej, 2 February 2016, [www.mon.gov.pl](http://www.mon.gov.pl).

<sup>22</sup> *Polsko-francuskie rozmowy*, Ministerstwo Obrony Narodowej, 2 April 2016, [www.mon.gov.pl](http://www.mon.gov.pl).

Eastern Flank, and to send in 2017 and 2018 to Estonia and Lithuania its five Leclerc tanks, 12 VBCI infantry fighting vehicles and 300 troops, and to deploy one of its warships to the Black Sea to carry out patrols.

The Polish government's withdrawal from the planned purchase of 50 H225 Caracal helicopters was a U-turn in Polish–French military cooperation in 2016. On 4 October 2016, the Ministry of Development, which carried out negotiations regarding offset conditions required for the contract to be concluded, announced the end of the talks and considered further negotiations pointless. A statement published by the Ministry reads: “Poland considers the negotiations of the offset agreement with Airbus Helicopter, connected with the contract for the purchase of multi-role Caracal helicopters for the Polish army, as finished. The contractor has failed to present an offset offer that would secure the Polish state's economic interest and security in a proper manner.”<sup>23</sup> It is worth stressing that the decision to withdraw from the contract was not made from one day to the next: during the several-months-long period of negotiations it was of key importance for the Polish side to agree on offset conditions, which is evidenced by the report presented by General Adam Duda, the head of the Armaments Inspectorate, at the meeting of the National Defence Committee on 19 July 2016.<sup>24</sup> The report said: “We remember that when it comes to those 50 helicopters, the negotiations resulted in an agreement for their supply reached with the ‘Caracal–Polska’ consortium in September 2015. Since then, negotiations over the offset agreement have been underway at the Ministry of Development. The consortium announced that due to the time that has passed since the launch of these negotiations, implementation of this agreement in the version agreed in 2015 will not be possible.”<sup>25</sup>

For its decision to withdraw from the contract, the Polish government came under criticism from both the French and the German governments. In their letter to Macierewicz, the defence ministers of France and Germany stated that “the method used to evaluate the transparent tender won by Airbus Helicopters in April 2015 casts doubt on our proposed partnership regarding not only our three states but also European defence.”<sup>26</sup> Aside from the expected income from the transaction, which was worth around PLN 13.5 billion, France was hoping that this would be another important step towards the creation of a European defence force.

<sup>23</sup> *Oświadczenie w sprawie negocjacji offsetowych z Airbus Helicopters*, Ministerstwo Rozwoju, 4 October 2016, [www.mr.gov.pl](http://www.mr.gov.pl).

<sup>24</sup> *Pełny zapis przebiegu posiedzenia, Komisja Obrony Narodowej (nr 30)*, Kancelaria Sejmu, Biuro Komisji Sejmowych, 19 July 2016.

<sup>25</sup> *Ibidem*, p. 15.

<sup>26</sup> B. Bodalska, “Francja i Niemcy krytycznie o decyzji Polski ws. Caracali,” *Euractiv*, 7 November 2016, [www.euractiv.pl](http://www.euractiv.pl).

Poland's withdrawal from the contract resulted, for example, in a change in the status of the Polish delegation invited to the Euronaval international armaments fair organised in Paris from 17 to 21 October 2016. Euronaval is among Europe's largest events of this type, and half of the exhibitors are French companies. The organiser stripped Poland of its official status, which was tantamount to Poland losing its privileges such as the opportunity to make unrestricted contacts with the majority of partners present at the fair representing countries other than France.

France is an armaments industry superpower, at present ranked fourth on the list of global weapons exporters.<sup>27</sup> This is why, despite the crisis caused by the Caracal issue, the Polish MFA declared its interest in continued cooperation in the field of modernisation of Poland's armed forces.<sup>28</sup> In a letter of 13 October 2016, to Ayrault, Waszczykowski stressed that possible purchases could involve submarines, a short-range air defence system under the "Narew" programme, combat helicopters, warships under the "Miecznik" and "Czapla" programmes, space programmes, aircraft for VIPs, and Poland's participation in the European air-to-air refuelling programme (MRTT), which would include aircraft purchased from Airbus. The Polish foreign minister also declared his willingness to cooperate in increasing the share of Europe's defence capabilities within NATO, and his readiness to tighten cooperation in peacekeeping and stabilisation missions carried out by the UN and NATO.

The visit to Paris by Paweł Soloch, the head of the National Security Bureau (BBN) in late November was further proof of the fact that France too was interested in eliminating the tension in its relations with Poland. Soloch was invited to France by his French counterpart Louis Gautier, the head of the Secretariat General for National Defence and Security (SGDSN), and spent four days there.<sup>29</sup> He also met Admiral Bernard Rogel, the chief of the military staff of the President of the Republic, and representatives of the ministries of foreign affairs and national defence. At the end of his visit, the BBN chief stated that "Poland and France have demonstrated their willingness to abandon recent the tension of recent weeks over Caracal helicopters and Mistral ships."<sup>30</sup>

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<sup>27</sup> "Trends in international arms transfers, 2016," *SIPRI Fact Sheet*, February 2017, [www.sipri.org](http://www.sipri.org), p. 2.

<sup>28</sup> "Minister Waszczykowski do MSZ Francji: jesteśmy zainteresowani udziałem Francji w modernizacji sił zbrojnych," *op. cit.*

<sup>29</sup> *Szef BBN rozpoczął wizytę we Francji*, Biuro Bezpieczeństwa Narodowego, 24 November 2016, [www.bbn.gov.pl](http://www.bbn.gov.pl).

<sup>30</sup> *Ibidem*.

## Economic Relations

France is Poland's fourth-largest exports partner.<sup>31</sup> In recent years, the trade balance has changed to Poland's advantage: in 2004 Poland's trade exchange with France recorded a deficit, whereas in 2013 the annual surplus was worth €2.7 billion.<sup>32</sup> In 2016, trade exchange increased by 1.5% versus 2015, from €16.6 billion to €17.4 billion.<sup>33</sup> In 2016, the value of Poland's exports to France stood at €10.2 billion, which meant an increase of €229 million compared with 2015. Poland's imports from France stood at more than €7.2 billion, which indicates a trade surplus worth around €3 billion to Poland's advantage.<sup>34</sup>

The structure of Poland's exports to France is dominated by highly processed industrial goods (mechanical devices, vehicles and transportation equipment, yachts and boats, measuring devices, tools, electrical equipment and defence equipment) as well as farm and food products (organic), wood products and metallurgical products, automotive industry products, machines and industrial devices, electrical and electronic equipment, pharmaceutical and para-chemical products, organic chemistry products, plastics and cosmetics. Electro-mechanical goods and chemical products account for almost 75% of the value of France's exports to the Polish market. The share of other goods categories such as metallurgical products, fuels and energy carriers, textiles and farm and food products is less prominent.<sup>35</sup>

France is Poland's fourth foreign direct investor after the Netherlands, Germany and Luxembourg, holding an 11.6% share in the Polish investment market. What attracts French companies to Poland are lower labour costs, excellent workforce qualifications, tax relief for investors (in special economic zones), the country's geographical location (a bridge facilitating the investors' expansion to eastern markets), its membership of the Schengen Area, and the possibility of using EU funds. At the end of 2016, the cumulative value of French investments in Poland stood at PLN 78.7 billion.<sup>36</sup> France carried out its investments mainly in the information and communications sector (47.7% of the total value of French

<sup>31</sup> "Wywiad z Pierrem Lévyem, nowo mianowanym ambasadorem Francji w Polsce: Polska jest i pozostanie znaczącym partnerem w Unii Europejskiej – wywiad z nowym Ambasadorem Francji," *Aktualności CCIFP*, 27 October 2016, <http://ccifp.pl>.

<sup>32</sup> *Republika Francuska – informacja o stosunkach gospodarczych z Polską*, Ministerstwo Rozwoju, [www.mr.gov.pl](http://www.mr.gov.pl).

<sup>33</sup> *Handel zagraniczny Polski*, Ministerstwo Rozwoju, 15 February 2017, [www.mr.gov.pl](http://www.mr.gov.pl).

<sup>34</sup> *Syntetyczna informacja o eksporcie i imporcie polski styczeń–grudzień 2016 roku w mln EUR*, Ministerstwo Rozwoju. Departament Strategii Rozwoju, August 2017, p. 7.

<sup>35</sup> *Republika Francuska...*, *op. cit.*, p. 5.

<sup>36</sup> *Zagraniczne inwestycje bezpośrednie w Polsce w 2016 roku*, Narodowy Bank Polski, [www.nbp.pl](http://www.nbp.pl).

capital), the industrial production sector (17.4%), as well as in commerce and the car repair sector (14.4%). Moreover, France is among the largest foreign employers on the Polish labour market. In 2016, around 1,300 French companies were operating on the Polish market, 10% of which were big corporate groups. In Poland, French companies employ around 200,000 people. More than 75% of French investment capital in Poland is concentrated in Mazovia Province.

The list of Poland's largest foreign investors compiled by the Polish Information and Foreign Investment Agency included as many as 124 French companies. They operate in many sectors including the trade and distribution sector (Auchan, Carrefour, Leroy Merlin and Intermarché), the industrial production sector (Peugeot, L'Oréal and Total Fina Elf), the construction sector (Bouygues and VINCI Construction), the financial services and insurance sector (BGŻ BNP Paribas, Crédit Agricole and Société Générale), the hospitality sector (Accor and Sodexo Group), the food processing sector (Bonduelle, Danone and Delifrance), the telecommunications sector (Alcatel–Lucen and France Télécom), the media sector (Canal Plus and Vivendi Universal) and the energy sector (Electricité de France—EDF).<sup>37</sup>

According to data compiled by the NBP, at the end of 2016, the value of Poland's direct investments in France stood at nearly PLN 2.9 billion.<sup>38</sup> Poland mainly carries out its investments in the construction, transport, IT and financial sectors.<sup>39</sup> Polish companies are increasingly more active in France. On 27 September 2016, an event to mark the inauguration of Amica Group's expansion into the French market was organised at the Polish Embassy in Paris. The Polish company's expansion involved a takeover of SIDEME (Société Industrielle d'Équipement Moderne), one of France's largest companies dealing with the distribution of household appliances.

## Social and Cultural Relations

The reaction of the Polish authorities and society to the attack in Nice on 14 July 2016, which killed 87 people, reinforced Polish–French social relations and interpersonal contacts. Duda wrote a letter to the French nation, in which he expressed his compassion,<sup>40</sup> and Poles manifested their solidarity with French people in the form of wreaths, vigils, letters, and more. These gestures, both

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<sup>37</sup> *Republika Francuska...*, *op. cit.*, p. 5.

<sup>38</sup> "Polskie inwestycje bezpośrednie za granicą," *Cykliczne materiały analityczne NBP*, 2016.

<sup>39</sup> *Zagraniczne inwestycje bezpośrednie w Polsce i polskie inwestycje bezpośrednie za granicą w 2014 roku*, Narodowy Bank Polski, 2015.

<sup>40</sup> *List Prezydenta RP do Narodu Francuskiego PL/FR*, 15 July 2016, [www.prezydent.pl](http://www.prezydent.pl).

official and offered on the spur of the moment, were mentioned by the French ambassador Pierre Buhler in his farewell letter at the end of his term, which he addressed to “Polish friends of France.”<sup>41</sup>

Just as in previous years, an important role in Polish-French relations was played by academic and scientific cooperation. The 2016 catalogue of dual Polish-French diplomas contains 76 fields of study and 15 Erasmus Mundus programmes in which universities from both Poland and France are involved.<sup>42</sup> In 2016, the Polish-French Science Forum was held for the second time (on 8 June at the AGH University of Science and Technology in Kraków). The Forum is an initiative of the Ministry of Science and Higher Education in cooperation with the French embassy and the French Institute in Warsaw. The organisers intend to present Polish-French cooperation in research and innovation, including in particular scientific cooperation in key areas of the Polish-French strategic partnership, and to promote the opportunities offered by Horizon 2020, the EU Framework Programme for Research and Innovation.<sup>43</sup>

According to data compiled by Statistics Poland (GUS), in 2016 64,000 Polish citizens were temporarily residing in France.<sup>44</sup> The total number of Poles and individuals of Polish origin living in France is between 500,000 and 1,000,000.<sup>45</sup> Numerous Polish institutions and organisations with various profiles are active in France. Paris remains the main cultural and intellectual centre for the Polish community in France.<sup>46</sup> It is worth noting that, in 2016, France was ranked ninth (after the Czech Republic) on the list of 15 states with the biggest number of projects carried out by Polish communities.<sup>47</sup> Nearly PLN 496,000 was spent on this.

Polish people are strongly interested in French culture. Just as every year, the French Touch event was organised in Poland between 21 September and 10 October 2016.<sup>48</sup> The exhibition “Wielcy malarze: Monet, Renoir, Delacroix

<sup>41</sup> *List Ambasadora do polskich przyjaciół Francji*, Ambasada Francji w Polsce, 28 September 2016, <https://pl.ambafrance.org>.

<sup>42</sup> *Katalog podwójnych dyplomów polsko-francuskich 2016/2017*, Campus France Polska, [www.pologne.campusfrance.pl](http://www.pologne.campusfrance.pl).

<sup>43</sup> *Drugie Polsko-Francuskie Forum Nauki i Innowacji*, Ministerstwo Nauki i Szkolnictwa Wyższego, [www.nauka.gov.pl](http://www.nauka.gov.pl).

<sup>44</sup> *Informacja o rozmiarach i kierunkach czasowej emigracji z Polski w latach 2004–2016*, Główny Urząd Statystyczny, [www.stat.gov.pl](http://www.stat.gov.pl).

<sup>45</sup> *Stosunki z państwami Europy – Francja*, Ministerstwo Spraw Zagranicznych, [www.msz.gov.pl](http://www.msz.gov.pl).

<sup>46</sup> *Ibidem*.

<sup>47</sup> *Raport Polskiej Służby Konsularnej za 2016 rok*, Ministerstwo Spraw Zagranicznych, p. 10.

<sup>48</sup> *#French Touch 2016, czyli Święto Francji w Polsce przez 2 tygodnie*, Instytut Francuski, [www.institutfrancais.pl](http://www.institutfrancais.pl).

– w Pałacu Opatów,”<sup>49</sup> organised in Gdańsk, is also worth mentioning. Between 29 June and 18 September, more than 80 works from a collection of 120 paintings were exhibited. While French culture is attractive for Poles, there is insignificant interest in Polish culture in France. The same year saw at least two major Polish cultural events. The first one was a multimedia concert entitled “Baptism 966” at La Madeleine Church in Paris.<sup>50</sup> It was organised by the Polish Institute in Paris on the occasion of the 1050<sup>th</sup> anniversary of the baptism of Poland. The other event was the “Kino Polska” Polish Film Festival organised by the Polish Institute and held between 16 and 20 November in Paris. The films presented during the festival included recent major Polish films (“Córki dancingu” directed by Agnieszka Smoczyńska, “Kamper” by Łukasz Grzegorzek, and “Ostatnia rodzina” by Jan P. Matuszyński, which received the Golden Lions award at the Gdynia Film Festival) and Polish cinema classics (such as “Hotel Pacific” by Janusz Majewski). The French premiere of Andrzej Wajda’s last film “Afterimage” was organised during the event.<sup>51</sup>

In 2016, the UEFA European Championship was hosted by France. The Ministry of Foreign Affairs opened temporary consular points in Nice, Saint-Denis and Marseille to offer Polish football fans consular help in emergency situations.<sup>52</sup> Despite the highest level of terrorist threat, almost 30,000 fans travelled to support the Polish national team during the Poland vs Germany match at the National Stadium in Paris.<sup>53</sup>

### Assessment

In 2016, the main determinants for Poland’s policy towards France included efforts to strengthen NATO’s Eastern Flank and to tighten cooperation between the EU and the United States.<sup>54</sup> The Polish authorities managed to attain these goals. Other successful initiatives included cooperation in agricultural policy. It should be noted that France is a major player in European agricultural policy.

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<sup>49</sup> Wystawa „Wielcy malarze: Monet, Renoir, Delacroix – w Pałacu Opatów,” Instytut Francuski, [www.institutfrancais.pl](http://www.institutfrancais.pl).

<sup>50</sup> Koncert multimedialny „Chrzest 966” w kościele Madeleine w Paryżu, Ministerstwo Spraw Zagranicznych, 30 April 2016, [www.msz.gov.pl](http://www.msz.gov.pl).

<sup>51</sup> Festiwal filmu polskiego KINOPOLSKA, Ministerstwo Spraw Zagranicznych, 16 November 2016, [www.msz.gov.pl](http://www.msz.gov.pl).

<sup>52</sup> Pomoc konsularna dla kibiców w trakcie EURO 2016 we Francji, Ministerstwo Spraw Zagranicznych, 9 June 2016, [www.msz.gov.pl](http://www.msz.gov.pl).

<sup>53</sup> “Polska–Niemcy: Prawie 30 tysięcy polskich kibiców na stadionie,” *PolsatSport.pl*, 16 June 2016, [www.polsatsport.pl](http://www.polsatsport.pl).

<sup>54</sup> “Government Information on Polish Foreign Policy in 2016...,” *op. cit.*

Two facts indicate that the goals in this field have been achieved. First, the Warsaw Declaration was signed on 6 June 2016 regarding the joint agricultural policy of Poland, France and Germany in the Weimar Triangle formula. Second, the Weimar Triangle states managed to win support from other EU Member States for this agreement.

At the same time, it should be remembered that the second half of 2016 was the most critical moment for Polish-French relations since the beginning of Poland's political transformation. Due to Poland's withdrawal from the purchase of French-made multi-role helicopters, bilateral cooperation in the field of defence industry failed to develop. In practice, it even stopped. The failure of the negotiations over Caracal helicopters is not tantamount to the end of armaments cooperation with France, as the French defence industry's offer is comprehensive and Poland might want to return to it in the future. In the long term, the potential for cooperation in this field is determined by France's status as one of the world's major weapons exporters on the one hand, and by the need to modernise the Polish armed forces and the funds made available for this purpose on the other. In the short term, one important question concerns the extent to which the state of bilateral relations should be dependent on the potential success of a single military contract, even a big one.

This question is all the more important because the "striking power" of the contract for the purchase of helicopters was manifested when the Weimar Triangle summit planned to be held in Paris at the end of 2016 was cancelled. The Triangle de facto stopped existing at the highest political level, which in turn resulted in a decline in cooperation with Poland's other key ally within the EU, Germany. This situation is another example of a long-standing phenomenon: a crisis in Polish-French relations is the main factor disrupting the Triangle as a whole.

One major positive aspect of Polish-French relations is the fact that they are void of difficult history-related issues such as those present in Polish-Russian relations and, to a smaller degree, in Polish-German relations. However, taking account of the debate over the future of the EU, there were many indications throughout 2016 that Poland and France have divergent stances on the reform of EU institutions. The Polish side repeatedly manifested its opposition to any political concepts of a "multi-speed" Europe. According to Szymański, "Poland was opposed to any and all projects involving a mini Schengen Area, a mini EU, nice and small clubs which may offer comfort to some but at the same time may weaken Europe as a whole."<sup>55</sup> Moreover, Poland stressed the need for the EU to put pressure (via the European Parliament and the EU Council) on specific states.

<sup>55</sup> J. Bielecki, J. Haszczyński, "Ratujmy z Niemcami Europę," *Rzeczpospolita*, 19 May 2016, [www.rp.pl](http://www.rp.pl).

France, for its part, traditionally supported federalist concepts of an ever-closer Europe. It should be expected that this difference of opinion will pose a challenge for Poland's foreign policy towards France in 2017.

# Poland's Policy towards Russia

AGNIESZKA LEGUCKA\*

## Background

In 2016, Polish-Russian relations were characterised by a classic security dilemma in which the continuation of Russia's aggressive policy towards its neighbours, i.e., Ukraine triggered the need to boost Poland's defence potential.<sup>1</sup> Russia's illegal annexation of Crimea and occupation of the Donbas have caused it to be perceived as a threat to Central and Eastern Europe's stability and security. The Russian Federation, for its part, gradually increased its armed forces' readiness and argued that it was securing itself against NATO's eastward enlargement.<sup>2</sup> Pro-government media tried to convince Russians that this was necessary to defend Russia against the militarisation of the North Atlantic Alliance. In Russia's perception of threats, Poland was not a priority state; however, its importance was rising because it is a NATO member state.<sup>3</sup> According to its "National Security Strategy" announced in 2015, Russia viewed the United States and its NATO allies as the main threat to Russia's security.<sup>4</sup> Due to this, the Polish government pursued its security policy in a multilateral format, i.e., in the NATO forum.

The political situation in Eastern Europe had a negative impact on economic cooperation between Poland and Russia. In March 2014, the EU imposed sanctions on Russian companies and individuals involved in the annexation of Crimea.<sup>5</sup>

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<sup>1</sup> In the security dilemma, one state, fearing for its security, steps up its military potential for example by arming itself, as a result of which the other state reacts in a similar manner and increases its military potential as well ("the spiral effect"). This leads to uncertainty and a reduced feeling of security across the region as a whole. J.H. Herz, "Idealist Internationalism and the Security Dilemma," *World Politics*, vol. 3, no. 2, 1950; R. Jervis, "Cooperation under the Security Dilemma," *World Politics*, vol. 30, no. 2, 1978.

<sup>2</sup> J. Durkalec et al., "Trends in Force Posture in Europe," *PISM Strategic File*, no. 1 (85), June 2017, p. 10.

<sup>3</sup> J. Sherr, "The Militarization of Russia Policy," *Transatlantic Academy Paper Series* 2017, no. 10, p. 8–14.

<sup>4</sup> Ukaz Prezidenta RF ot 31.12.2015 N 683 "O strategii natsyonalnoi bezopasnosti Rossiyskoy Federatsii," *Konsultant Plus*, [www.consultant.ru/document/cons\\_doc\\_LAW\\_191669](http://www.consultant.ru/document/cons_doc_LAW_191669), p. 4.

<sup>5</sup> The EU, the United States, Canada, Switzerland, Norway, Japan and Australia imposed sanctions on Russia. See J. Cwiek-Karpowicz, S. Secieru (eds.), *Sankcje i Rosja*, Polski Instytut Spraw Międzynarodowych, 2015, p. 115–143.

In response to this, Russia introduced restrictions on its EU partners (so-called “counter-sanctions”). This affected in particular Polish producers of vegetables and meat because they were forced to find new markets for their products.<sup>6</sup> Despite this, Polish diplomacy favoured maintaining the sanctions and European unity on this issue. The Polish government was convinced that the restrictions introduced by the EU prevented Russia from seizing an even greater portion of Ukrainian territory, if not the whole of it. The sanctions, counter-sanctions, and low prices of hydrocarbons had a negative impact on Russia’s trade exchange.<sup>7</sup> In 2016, this exchange declined by around 15% compared to 2015 while Russia’s exports fell by 21.5% and its imports by 3.2%.<sup>8</sup> Furthermore, the perception of Russia as a threat impacted the Polish government’s decisions regarding Poland’s energy security. Efforts were made to reduce Poland’s dependence on Russian natural gas and to find alternative supply routes (the concept including the northern gas corridor, or NGC, and supplies of LNG), and to challenge Gazprom’s monopolist actions in Europe by bringing this matter to the EU forum.

The change of government in Poland as a result of the parliamentary elections held in 2015 was the internal determinant and the fundamental variable impacting Poland’s policy towards Russia. The issue uniting the supporters of the victorious coalition led by the Law and Justice party (PiS) was the plane crash that happened in April 2010 near Smolensk, Russia. PiS began increasingly frequently emphasising the possible involvement of Russians in the crash that killed President Lech Kaczyński, the brother of PiS party leader Jarosław Kaczyński. The investigation into the death of the 96 individuals who were on board the plane heading for Katyn near Smolensk to attend a commemoration ceremony, and the efforts to convince the Russians to return the plane’s wreckage were two important goals of the new government headed by Beata Szydło.<sup>9</sup> Moreover, the ruling party placed greater emphasis on historical policy, including efforts to settle accounts with the period of communism in Poland and to address the situation of Poles living in

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<sup>6</sup> In 2015 and 2016, the Russian authorities amended the list of goods covered by the import ban by adding new items and introducing minor exemptions. On 1 July 2016, a resolution of the government of the Russian Federation was published which extended the validity of the ban on the import of farm and food products until 31 December 2017. See *Wykaz produktów rolnych, surowców i żywności pochodzących ze Stanów Zjednoczonych, krajów Unii Europejskiej, [...], których import do Federacji Rosyjskiej jest zakazany do dnia 31 grudnia 2017 r. Załącznik do uchwały Rządu FR nr 778 z dnia 7 sierpnia 2014 (z uwzględnieniem nowelizacji, stan na 22 października 2016 r.)*, Ministerstwo Rozwoju, [www.mr.gov.pl](http://www.mr.gov.pl).

<sup>7</sup> M. Koška, “W ostatecznym rachunku eksport do Rosji nie ma dla Polski dużego znaczenia,” *Obserwator Finansowy*, 22 July 2016, [www.obserwatorfinansowy.pl](http://www.obserwatorfinansowy.pl).

<sup>8</sup> Data compiled by the Ministry of Economic Development of the Russian Federation ([www.economy.gov.ru](http://www.economy.gov.ru)). According to data compiled by the National Statistics Committee of the Republic of Belarus, the indicators are more optimistic. Trade exchange declined by 11.2%, exports —by 17%, imports—by 0.2%.

<sup>9</sup> *Program Prawa i Sprawiedliwości 2014*, [www.pis.org.pl](http://www.pis.org.pl), p. 42.

the states of the former USSR. This focus was because Russia had denied certain historical events that the Polish side viewed as events of great importance, such as the signing of the Molotov-Ribbentrop Pact, the USSR's involvement in the Katyn massacre, and the Red Army's refusal to help the Warsaw insurgents in 1944. Different interpretations of historical events combined with the tendency to place great emphasis on history positioned the two sides on a collision course in their bilateral relations.

### Goals and Assumptions

In 2016, the goals of Poland's foreign policy towards the Russian Federation involved four main issues. First, the government intended to ensure Poland's security and advocate the unchanged territorial integrity of Poland's neighbours. On 29 January at the Sejm, Foreign Minister Witold Waszczykowski stressed that in the implementation of its interests Russia approaches its neighbours from a position of strength.<sup>10</sup> He also declared that Poland was not opposed to engaging in dialogue with Russia but that the Polish government believed that the topics of the talks should include the Crimea issue and the war in eastern Ukraine. A more confrontational tone was adopted by Defence Minister Antoni Macierewicz. In his statements, he repeatedly stressed that the Russian Federation posed a threat to global security.<sup>11</sup> The Polish state's response to this threat should be increased defence potential, primarily modernisation of Poland's armed forces and the creation of a new type of armed forces, i.e., the Territorial Defence Force.

Second, Poland viewed Russia's policy as a rising challenge to Europe's security and at the same time continued its efforts to reduce its energy dependence on this state. This issue was discussed, for example, by Piotr Naimski, Secretary of State at the Chancellery of the Prime Minister and the government's plenipotentiary for strategic energy infrastructure.<sup>12</sup> According to him, it would be more favourable for Poland to buy Russian gas on the basis of short- and medium-term contracts. These would offer Poland greater security and freedom in negotiating the supply conditions. With this in mind, he announced that the multi-annual gas contract with Russia expires in 2022 would not be extended.

Third, the government headed by Szydło emphasised issues connected with the Smolensk crash to a greater extent than the previous governments. Minister

<sup>10</sup> "Government Information on Polish Foreign Policy in 2016 (presented by Foreign Minister Witold Waszczykowski at the Sejm meeting on 29 January 2016)," see p. 11.

<sup>11</sup> "Antoni Macierewicz: sytuację z Rosją traktujemy poważnie," *TVP Info*, 26 October 2016, [www.tvp.info](http://www.tvp.info).

<sup>12</sup> "Naimski dla Energetyka24.com: znamy plany Gazpromu i będziemy im przeciwdziałać (wywiad)," *Energetyka24*, 5 June 2016, [www.energetyka24.pl](http://www.energetyka24.pl); "Naimski: Polska nie przedłuży umowy na dostawę gazu z Rosji," *Biznes Alert*, 30 May 2016, [www.biznesalert.pl](http://www.biznesalert.pl).

Waszczykowski stated that the Polish side was waiting for positive gestures from the Russian side including efficient cooperation in explaining the causes of the crash and the return of the wreckage of the presidential plane.<sup>13</sup>

Fourth, the Polish government intended to settle accounts over contentious historical issues, for example, by eliminating communist and Soviet symbols from the public sphere. One element of this approach to history involved placing greater emphasis on facilitating the return of ethnic Poles from the territory of the Russian Federation to Poland (repatriation). In his statements, Waszczykowski combined the plane wreckage issue with historical issues and said that the full declassification of archives of documents regarding the crimes against Polish officers perpetrated on the orders of Joseph Stalin (Katyn) and a bilateral agreement on the return of the plane wreckage would be positive developments that would eliminate the need to seek solutions at the international level.<sup>14</sup>

### Political Relations

Devising a joint and consistent NATO policy towards Russia was one instrument for building Poland's security. The authorities continued their efforts to strengthen NATO's Eastern Flank, for example, by fostering positive decisions in this field at the NATO summit in Warsaw (on 7–8 July).<sup>15</sup> The leaders of NATO states decided to deploy multinational NATO troops to Poland, Lithuania, Latvia, and Estonia on a rotational basis. With this decision, the Alliance returned to its traditional defence function and confirmed its readiness to deter Russia. Attendees of the NATO summit stressed the importance of Ukraine's territorial integrity and the principle of respect of international law. The communiqué adopted at the end of the summit reads: "Russia's aggressive actions, including provocative military activities in the periphery of NATO territory and its demonstrated willingness to attain political goals by the threat and use of force, are a source of regional instability, fundamentally challenge the Alliance .... NATO has responded to this changed security environment by enhancing its deterrence and defence posture, including by a forward presence in the eastern part of the Alliance, and by suspending all practical civilian and military cooperation between NATO

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<sup>13</sup> "Government Information on Polish Foreign Policy in 2016...", *op. cit.*

<sup>14</sup> *Ibidem.*

<sup>15</sup> The initial decisions changing NATO's strategic approach to challenges in Eastern Europe were made at the summit in Wales (Newport) on 4–5 September 2014. The Readiness Action Plan (RAP) was adopted which provided, among other things, for a continuous rotational presence of Allied forces on the Eastern Flank, strengthening of NATO Response Force (NRF), including the creation of a Very High Readiness Joint Task Force (VJTF), boosting the intensity of military drills on the Eastern Flank, pre-positioning of military equipment depots, establishing additional command centres (NATO Force Integration Unit, NFIU) and strengthening the Multinational Corps Northeast in Szczecin, see *Deklaracja szczytu walijskiego*, Biuro Bezpieczeństwa Narodowego, [www.bbn.gov.pl](http://www.bbn.gov.pl).

and Russia, while remaining open to political dialogue with Russia.”<sup>16</sup> This was a reference to the talks with Russians launched in the NATO–Russia Council format on 20 April 2016. This was the Council’s first meeting since the annexation of Crimea. It was held in the presence of ambassadors and was intended to present both sides’ arguments.<sup>17</sup> Poland was sceptical about dialogue with Russia but agreed to regular talks. Minister Waszczykowski stressed that “the dialogue should make sense. It should not relate to and be limited to a certain rhetoric, to a certain ritual, to the very fact of holding a meeting, but it should lead to something specific.”<sup>18</sup>

The Polish government was trying to win unanimous support from European states for Poland’s position in its relations with Russia, also in the EU forum. This involved, for example, the plan to maintain economic sanctions (renewed by the European Commission every six months) and to boost Europe’s energy security. Moreover, Poland was hoping to win EU institutions’ support for its actions against the abuses committed by the Russian company Gazprom. As regards the sanctions, unanimity of the EU Member States was maintained but regarding energy issues, the EU institutions were ambiguous. While in April 2015 the Commission had accused Gazprom of violating the EU’s anti-trust legislation,<sup>19</sup> which was welcomed in Poland, on 28 October 2016 it issued a decision enabling increased use of the Opal pipeline (the German leg of the Nord Stream gas pipeline).<sup>20</sup> By way of this decision, Gazprom was allowed to apply for increasing the pipeline’s capacity by 10.2 bcm. This challenged Ukraine’s attractiveness as a transit state for Russian gas and severely reduced the possibility of diversifying gas supplies to Central Europe, including Poland, from other sources (due to the price). On 4 December 2016, the company PGNiG Supply & Trading GmbH, a component of the PGNiG Group, filed a complaint with the EU Court of Justice against this decision. On 16 December, the Polish government filed a similar complaint against this decision. Despite this, Gazprom increased its capacity of the pipeline to the maximum.<sup>21</sup>

<sup>16</sup> “Deklaracja końcowa szczytu NATO w Warszawie. Wydana przez Szefów Państw i Rządów uczestniczących w posiedzeniu Rady Północnoatlantyckiej w Warszawie w dniach 8 i 9 lipca 2016 r.,” *Bezpieczeństwo Narodowe*, no. 1–4, 2016, p. 206–207.

<sup>17</sup> *NATO Secretary General stresses the importance of political dialogue after NATO–Russia Council*, NATO, 20 April 2016, [www.nato.int](http://www.nato.int).

<sup>18</sup> “Polska oczekuje, że Stoltenberg przedstawi propozycje w sprawie dialogu z Rosją,” *Onet Wiadomości*, 7 December 2016, [www.wiadomosci.onet.pl](http://www.wiadomosci.onet.pl).

<sup>19</sup> S. Stefanini, “Gazprom submits antitrust settlement offer,” *Politico*, 27 December 2016, [www.politico.eu](http://www.politico.eu).

<sup>20</sup> A. Łoskot-Strachota, “The European Commission enables increased use of the OPAL pipeline by Gazprom,” *OSW Commentary*, 9 November 2016, [www.osw.waw.pl](http://www.osw.waw.pl).

<sup>21</sup> S. Zaręba, “Current Legal Situation of the Opal Pipeline,” *PISM Bulletin*, no. 9 (949), 26 January 2017, [www.pism.pl](http://www.pism.pl).

In 2016, Polish-Russian relations were dominated by the issue of the possible return of the presidential plane wreckage. During his visit to Moscow on 22 January 2016, Deputy Foreign Minister Marek Ziółkowski held talks with his Russian counterpart, Vladimir Titov, and reiterated Poland's request for the Tu-154M plane wreckage to be returned. The Russian side refused to return the wreckage and argued that it will be possible once it closes its investigation into the crash. This stood in contrast with previous announcements by the Russian authorities (including statements offered by President Dmitri Medvedev in 2010 and Foreign Minister Sergey Lavrov in 2012). On 23 December 2016, during his annual press conference President Vladimir Putin mentioned this issue and said that he personally read the transcripts of the cockpit recordings. According to him, a high-ranking Polish official urged the crew to land. Poland's Defence Ministry requested the authorities of the Russian Federation make the transcripts of the cockpit recordings available to it and argued that President Putin's statements suggested that he might know something more than what had been determined in the official investigation. Minister Waszczykowski repeatedly argued that "as long as Polish property is not returned and there is no cooperation in explaining the causes of the crash, no improvement in Polish-Russian relations is possible."<sup>22</sup>

Table 1

**Number of Places of Remembrance  
(Including Memorials to Soviet Soldiers) in Poland**

	As of 1997*	As of 2009**	As of 2016
Number of places of remembrance including memorials expressing gratitude to Soviet forces	561 places of remembrance (415 memorials, 77 obelisks, 46 commemorative plaques, 23 technical combat models)	299 places of remembrance (247 memorials)	229 memorials

\* "Wykaz miejsc pamięci rosyjskich (radzieckich) obrońców ojczyzny poległych na terytorium Rzeczypospolitej Polskiej," Wydział Historyczno-Memorialny przy Ambasadzie Federacji Rosyjskiej w RP, Warsaw 1997, <http://static.presspublica.pl>.

\*\* Compiled based on: "Wykaz obiektów upamiętniających żołnierzy i partyzantów sowieckich na terenie Polski, Stan na 2009 rok," Rada Ochrony Pamięci Walk i Męczeństwa, <http://static.presspublica.pl>.

Source: Data compiled by the Institute of National Remembrance (IPN) and the Council for the Protection of Struggle and Martyrdom Sites (Rada Ochrony Pamięci Walk i Męczeństwa).

Historical issues were another important element in both states' foreign policy. In March 2016, Łukasz Kamiński, president of the Polish Institute of National

<sup>22</sup> A. Kazimierczuk, "Waszczykowski: bez zwrotu wraku TU-154M nie można sobie wyobrazić poprawy relacji z Rosją," *Rzeczpospolita*, 23 December 2016.

Remembrance (IPN), announced that memorials expressing gratitude to Soviet forces would be dismantled. After the Second World War, around 500 such memorials were erected, mainly in western and northern Poland.

The inventory commissioned by IPN indicated that there were 229 memorials to Soviet soldiers in Poland. The institute made plans to transfer them to an open-air museum or a traditional museum (for example, to Borne Sulinowo, Czerwony Bór near Łomża, or Podborsko near Tychowo). However, due to the high cost of the project and the need to divide the tasks of removing and transporting the elements of the memorials to new locations among all actors involved (some of the memorials are supervised by local governments and some by state forests), by the end of 2016 no memorials had been dismantled. These plans did not include the 1,875 war cemeteries and cemetery sections in which Soviet soldiers are buried because these enjoy protection pursuant to a relevant inter-state agreement Poland and Russia signed in 1994.<sup>23</sup>

Table 2

**Number of “gratitude memorials” dismantled since 2014**

	2014	2015	2016
Number	3	6	7

Source: *Wykaz Ambasady Rosji w Polsce*, www.poland.mid.ru, supplemented with press materials.

On 1 April 2016, the Sejm passed the so-called anti-communist law.<sup>24</sup> The law failed to resolve the memorial problem because it only ordered the authorities to remove street names that may evoke associations with communism. Russia's foreign ministry criticised the plan to dismantle the memorials and announced that it would respond in kind.<sup>25</sup> The Polish MFA then issued a statement in which it referred to the 1994 agreement between the governments of Poland and the Russian Federation and argued that it covered war cemeteries and graves but did not cover “symbolic” memorials that do not contain soldiers' remains and are intended as symbols of Soviet domination.<sup>26</sup>

<sup>23</sup> *Umowa zawarta między Rządem Rzeczypospolitej Polskiej a Rządem Federacji Rosyjskiej o grobach i miejscach pamięci ofiar wojen i represji*, 22 February 1994 Dz.U. [Journal of Laws] 1994 no. 112, item 543).

<sup>24</sup> *Ustawa o zakazie propagowania komunizmu lub innego ustroju totalitarnego przez nazwy budowli, obiektów i urządzeń użyteczności publicznej*, 1 April 2016, Dz.U. [Journal of Laws] 2016, item 744.

<sup>25</sup> *Zakharova sravnila snos pamatnikov v Polsce s deystviyami IG v Palmire*, RIA Novosti, 31 March 2016, <https://ria.ru>.

<sup>26</sup> *Oświadczenie MSZ w związku z wypowiedzią rzecznik Ministerstwa Spraw Zagranicznych Rosji*, Ministerstwo Spraw Zagranicznych, 1 April 2017, [www.msz.gov.pl](http://www.msz.gov.pl); cf. *Umowa między Rządem*

Then, like in the previous year, the Polish side refused entry into Poland of the “Night Wolves,” a Russian nationalist-oriented group that intended to commemorate the USSR’s victory in the Second World War, which was considered a provocation. According to the Russian side, the group was prevented from paying homage to soldiers who died trying to defend Europe against fascism. On 28 April 2016, the Polish MFA issued a diplomatic note regarding its decision to refuse the group it described as “Russian motorcyclists” entry into Poland.<sup>27</sup> The rationale for the decision, it stated, involved the securing public order. The Polish authorities viewed the group’s activities as potentially spurring violence.

On 9 November, Włodzimierz Marciniak was appointed Poland’s ambassador to Russia. During the ceremony dedicated to the presentation of letters of credence, President Vladimir Putin stated that he was ready to resume full relations with Poland based on mutual respect and pragmatism and that he intended to do whatever he could do to attain this goal. In response, Waszczykowski stated that he expected Russia first to return the presidential plane wreckage and lift the counter-sanctions. This was one of the very few instances in which the economic aspect of Polish-Russian relations was emphasised.

### Economic Relations

The changes in Poland’s trade exchange with Russia resulted in a twofold reduction of Poland’s trade deficit. In 2016, Poland’s trade deficit with Russia improved by €2.5 billion (reaching PLN 10.9 billion, the lowest since 2005).<sup>28</sup> This was due to Russia’s rapidly shrinking exports to Poland (a decline of 5.86%).<sup>29</sup> Over the same period, a minor increase in Poland’s exports to Russia was recorded (of 1.9%).<sup>30</sup> In 2016, the Russian Federation was Poland’s eighth-largest export recipient—Poland’s exports to Russia stood at €5.2 billion (PLN 22.6 billion). On the list of Poland’s import partners, Russia was ranked third, with the value of imports standing at €10.4 billion (PLN 45.3 billion). In 2016, Poland was Russia’s 11<sup>th</sup> largest trade partner (in 2015, it was ranked 12<sup>th</sup>). The structure of Russia’s exports to Poland in 2016 was dominated by mineral products, i.e., hydrocarbons (79.23%), chemical products (8.86%), metals and metal derivatives (5.96%), wood

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*Rzeczpospolitej Polskiej a Rządem Federacji Rosyjskiej o grobach i miejscach pamięci ofiar wojen i represji, sporządzona w Krakowie dnia 22 lutego 1994 r.*, Dz.U. [Journal of Laws] 2012, item 543.

<sup>27</sup> MFA communique: *Informacja o braku zgody władz RP na wjazd do Polski uczestników grupy „Motocykliści Rosyjscy”*, PAP, 29 April 2016, <http://centrumprasowe.pap.pl>.

<sup>28</sup> *Ocena sytuacji w handlu zagranicznym w 2016 roku (na podstawie danych wstępnych GUS)*, Ministerstwo Rozwoju, March 2017, [www.mr.gov.pl](http://www.mr.gov.pl).

<sup>29</sup> *Mały rocznik statystyczny Polski 2017*, Główny Urząd Statystyczny, 2017, [www.gus.gov.pl](http://www.gus.gov.pl).

<sup>30</sup> *Handel zagraniczny Polski w 2016 roku*, Ministerstwo Rozwoju, 15 February 2017, [www.mr.gov.pl](http://www.mr.gov.pl).

industry products and paper products (1.65%), machines, devices and vehicles (1.31%), foodstuffs and agricultural produce (1.05%).<sup>31</sup> In 2016, Poland's exports to Russia included machines and transportation equipment (38.66%), chemical products (25.46%), foodstuffs and agricultural produce (9.59%),<sup>32</sup> wood industry products and paper products (6.18%), clothes and shoes (3.32%) and mineral products (0.85%).<sup>33</sup> Some sectors reduced their exports to Russia, however, not all of them did it because of the sanctions. Frequently, the reason behind this was the poor financial condition of the Russian clients, who could not afford to buy, for example, Polish furniture (this sector recorded a sales decline of 35%).<sup>34</sup> Moreover, in practice, the Russian borders turned out to be not very tight: despite the ban, Polish apples made their way to Russia via Belarus. The export of Polish apples to the Belarusian market increased more than three-fold since 2013, from 145,000 tonnes to 514,000 tonnes in 2016.<sup>35</sup> This indicated that Polish apples likely made their way to the Russian market because before the ban was introduced, Poland had exported 676,000 tonnes of apples to Russia annually.<sup>36</sup>

Despite the unfavourable climate in political relations, the two sides managed to reach an agreement regarding Polish transportation companies operating in Russia. The validity of permits Russia had issued for Polish carriers expired on 15 February 2016.<sup>37</sup> Russia unilaterally introduced executory provisions to the intergovernmental agreement in force since 1996 regulating the issues of transit and road carriage between the Russian Federation and Poland. The new provisions contained a modified definition of the term "carriage performed for a third country," which considerably reduced the number of permits issued to Polish drivers operating in the Russian Federation. The absence of an agreement resulted in a loss estimated at 200,000 carriages annually.<sup>38</sup> However, talks between the deputy ministers of construction and infrastructure, Jerzy Szmidt, and transportation, Nikolai Asaul, brought positive results. On 17 April, amended road traffic laws in Russia came

<sup>31</sup> *Torgovla mezhdru Rossiiyey i Polshey v 2016 g.*, Vneshnaya Torgovla Rossii, 28 February 2017, <http://russian-trade.com/reports-and-reviews/2017-02/torgovlya-mezhdru-rossiye-i-polshey-v2016-g>.

<sup>32</sup> Aside from products covered by the sanctions.

<sup>33</sup> *Torgovla mezhdru Rossiiyey i Polshey...*, *op. cit.*

<sup>34</sup> *Ibidem.*

<sup>35</sup> J.K. Kowalski, "Jabłka na wariackich papierach. Czyli jak handel wygrał z polityką," *Gazeta Prawna*, 15 March 2017, [www.biznes.gazetaprawna.pl](http://www.biznes.gazetaprawna.pl).

<sup>36</sup> *Ibidem.*

<sup>37</sup> "Rosja administracyjnie blokuje rynek dla polskich towarów i transportu," *Portal Spożywczy*, 29 January 2016, [www.portalspozywczy.pl](http://www.portalspozywczy.pl).

<sup>38</sup> "Pozwolenia dla przewoźników jeżdżących do Rosji nieważne," *Gazeta Bankowa*, 16 February 2016.

into effect. They were passed as a result of agreements reached between Poland and Russia on 19 February in Moscow and on 31 March–1 April in Gdansk. A special set of rules for inspection authorities and road carriers was adopted regarding carriages and the required permits.<sup>39</sup> In the Polish-Russian agreement, the size of the contingent was determined, valid until the end of December 2016. Pursuant to the agreement, 170,000 permits were allocated to Poland (in addition to 20,000 previously issued temporary permits) and 180,000 to Russia. Moreover, a Polish-Russian intervention task force was established to solve problems should they emerge. The parties reiterated their intention to amend the agreement between Poland and Russia on international road carriages. At its meeting on 8–9 November 2016, the Polish-Russian Mixed Committee for international road carriages set the size of the 2017 contingent at 190,000 permits for each party.

An important role was played by the local dimension of Polish-Russian relations. While Poland's trade exchange with Kaliningrad Oblast accounted for a mere 6% of the Oblast's imports and 9.4% of Poland's exports to Russia, it generated income for residents of cross-border regions.<sup>40</sup> In connection with the organisation of the NATO summit and the World Youth Day in Poland, on 4 July the Polish government suspended the agreement on local border traffic (LBT) between Kaliningrad Oblast and several Polish provinces. The agreement had been in effect since 7 July 2012 and was intended to simplify border-crossing procedures. Russians visited Poland on cross-border shopping trips. This was evident in the growing number of cards entitling bearers to cross the border under rules governing local border traffic (283,000 individuals out of the 1 million residents of Kaliningrad Oblast). During their shopping trips to Kaliningrad Oblast, Poles most frequently bought petrol, tobacco products, and alcoholic beverages (goods subject to excise duty).<sup>41</sup> Following the suspension of local border traffic, the number of foreigners crossing the border with Kaliningrad using LBT cards declined by 55% compared with 2015.<sup>42</sup> Russians resorted to other options available to them to cross the border, for example, applying for a tourist visa or multiple-entry visa. The total number of Russians crossing the border with Poland declined by around 15%. The LBT suspension had a much stronger impact on the number of Poles travelling to Russia (a decline of 41%). Aside from the suspension of LBT, other issues that caused the passenger traffic

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<sup>39</sup> *Instrukcja dla służb kontrolnych i przewoźników drogowych Polski i Rosji w zakresie rodzajów wykonywanych przewozów i wymaganych zezwoleń*, Ministerstwo Infrastruktury, <http://mib.gov.pl>.

<sup>40</sup> *Przewodnik dla przedsiębiorcy. Obwód Kaliningradzki Federacji Rosyjskiej*, Wydział Promocji Handlu i Inwestycji, Konsulat Generalny Rzeczypospolitej Polskiej w Kaliningradzie, 2016, p. 31.

<sup>41</sup> Ł. Razowski, "Pół roku bez małego ruchu granicznego. Resort podsumowuje zyski i straty," *Onet Olsztyn*, 1 February 2017, <https://olsztyn.onet.pl>.

<sup>42</sup> *Biuletyn statystyczny Straży Granicznej za 2016 r., stan na 15 stycznia 2017 r.*, Komenda Główna Straży Granicznej, [www.strazgraniczna.pl](http://www.strazgraniczna.pl).

to dwindle included the economic crisis in Russia, the sanctions, and devaluation of the rouble as a result of which shopping in Poland was no longer as attractive. All this was reflected in statistics that showed that in the period preceding the suspension of LBT, trade exchange between Kaliningrad Oblast and Poland stood at €527 million (PLN 2.3 billion) which was 60% less than in 2015.<sup>43</sup> Representatives of Polish local governments repeatedly emphasised the need to maintain contacts with representatives of Kaliningrad Oblast under cross-border cooperation. Moreover, in December 2016, the European Commission launched another edition of the Polish-Russian-Lithuanian cross-border cooperation programme.<sup>44</sup> This time, more than €60 million was earmarked for projects related to the promotion of local culture and preservation of historical heritage, environmental protection, alleviating the consequences of climate change, improvement of transportation networks in specific regions, and support for border and security management at EU borders. The funds are to be used by 2020. In the previous financial perspective for 2007–2013, EU funds and own financial resources enabled the implementation of initiatives such as modernisation of border crossings.<sup>45</sup>

### Social and Cultural Relations

As regards cultural and social relations, there was a further reduction in Polish-Russian contacts: in 2014, the Russian Song Festival in Zielona Góra was suspended, and in 2015, celebrations surrounding the “Polish Year” in Russia and “Russian Year” in Poland were cancelled. In 2016, the All-Polish Russian Song Festival for lower- and upper-secondary school students was not held. However, there were no modifications to the schedule of film festivals. The screenings of Polish films as part of the “Vistula” festival and of Russian films as part of the “Sputnik over Poland” festival took place on 3–13 November. The two events had been held annually since 2007 and 2008, respectively, and remain highly popular with cinema-goers. However, due to Polish films’ limited distribution in Russia, they are screened mainly during festivals.<sup>46</sup>

<sup>43</sup> *Przewodnik dla przedsiębiorcy...*, *op. cit.*, p. 33. Figures for January till October indicate that trade exchange recorded over that period stood at EUR 367.67 million (PLN 1.592 billion); “Wymiana handlowa Polski z obwodem kaliningradzkim w ub.r. – ponad 400 mln USD,” *Bankier.pl*, 5 October 2016, [www.bankier.pl](http://www.bankier.pl)

<sup>44</sup> *Rusza Program Polska–Rosja!*, Serwis Programów EWT i EIS, 9 December 2016, [www.ewt.gov.pl](http://www.ewt.gov.pl).

<sup>45</sup> R. Czeda, “W pogoni za kaliningradzkim mirażem,” *Gazeta Finansowa*, 6 February 2017, [www.gf24.pl](http://www.gf24.pl).

<sup>46</sup> A. Zaborski, “Rosjanie są gotowi na dyskusje. Prowokują je nasze filmy, szkoda, że tylko w obiegu festiwalowym,” *Tygodnik Przegląd*, no. 24, 2017, [www.tygodnikprzeglad.pl](http://www.tygodnikprzeglad.pl).

In 2016, the Adam Mickiewicz Institute granted subsidies to 12 out of 24 submitted cultural projects promoting Polish artists who organised or attended cultural events in Russia. In this year, subsidies totalling PLN 24,300 were mainly offered to young artists, musicians, theatre actors, and painters.<sup>47</sup> The project “Cultural bridges” is worth mentioning. It involved the mutual presentation of as yet untranslated or recently translated Polish and Russian contemporary plays.<sup>48</sup> It was carried out in Warsaw on 26–28 August on the boards of the 6<sup>th</sup> Floor Theatre and in St. Petersburg between 30 September and 2 October. Russian theatres staged Tadeusz Różewicz’s play *Lady*, directed by Andrzej Bubiń, and on 15 September 2016, the Opera and Ballet Theatre in Ekaterinburg staged a premiere of Mieczysław Wajnbęrg’s opera *The Passenger*. Contemporary theatre genres were presented as well. In October, in the State Theatre of Nations in Moscow, Grzegorz Jarzyna staged Witold Gombrowicz’s play *Ivona, Princess of Burgundia*. The Polish Institutes in Russia (in Moscow and St. Petersburg) and Polish Culture Centres associated with the Polish community in Russia play an important role in promoting Polish culture. They organise meetings with writers and artists, run libraries, offer Polish language courses, and provide information about events connected with Polish literature, cinema and theatre. The Warsaw-based Centre for Polish-Russian Dialogue and Understanding has become an important participant in activities intended to promote cross-cultural connections in both countries. In 2016, the centre continued to carry out projects focused on history and on contemporary Russia, conducted research on the fate of Poles in the former USSR, organised youth and student exchanges (21 centres received subsidies worth PLN 1.155 million in total), granted subsidies to third parties (23 initiatives received financial support worth PLN 304,000 in total) and offered scholarships to Russian researchers intending to carry out their research activities at Polish universities. The centre also organised the International Summer School dedicated to international law and attended by 18 participants from Poland, Germany, Ukraine, and Russia, as well as other initiatives.<sup>49</sup>

In 2016, Poland again was the sixth most popular destination for Russian tourists (after Finland, Kazakhstan, Ukraine, China, and Estonia).<sup>50</sup> However,

<sup>47</sup> Figures compiled by the Adam Mickiewicz Institute, <https://iam.pl>.

<sup>48</sup> W. Giczkowski, “W 6. Piętrze czytanie rosyjskiej dramaturgii,” *Teatr dla was*, 29 August 2016, [www.teatrdlawas.pl](http://www.teatrdlawas.pl).

<sup>49</sup> *Sprawozdanie z działalności w roku 2016*, Centrum Polsko-Rosyjskiego Dialogu i Porozumienia, [www.cprdip.pl](http://www.cprdip.pl), pp. 29, 31.

<sup>50</sup> The Polish Tourism Organisation lists Abkhazia as a state which is a travel destination for Russians (it tops the statistics). However, the Polish government has not recognised Abkhazia’s independence and supports the view that Georgia’s territorial integrity should be respected. See *Analiza rynków za rok 2016 objętych działaniami Zagranicznych Ośrodków Polskiej Organizacji Turystycznej (ZOPOT)*, Polska Izba Turystyki, March 2017, [www.pit.org.pl](http://www.pit.org.pl).

compared with 2015, the number of Russian tourists visiting Poland declined by around 5% to 1,146 individuals (in 2015 1,322 tourists registered their stay in Poland). This resulted from a general downward trend in Russian foreign tourism, among other things. Due to the decline in Russia's economic situation, the overall number of trips fell by 8%. However, it is worth noting that over the last five years, the number of Russians studying in Poland nearly doubled, from 529 in the 2010/2011 academic year to 1,042 in 2015/2016. By no means is this number comparable with the number of Ukrainians studying in Poland (around 30,000). This is why a "Study in Poland" stand was present during fairs in Moscow, St. Petersburg, Kaliningrad, and other cities like in previous years.<sup>51</sup>

The issue of ethnic Poles living in the East returning to Poland was an important point on the Polish government's agenda. New laws were drafted to facilitate repatriation, change the definition of a repatriate, and guarantee financial aid from the state for the returnees (for a period of up to two years following repatriation). Prime Minister Szydło declared that the new legislation would enable around 10,000 ethnic Poles to return to Poland from the area of the former USSR. Most of them reside in Kazakhstan, though in Russia as well there are individuals who wish to return to Poland.<sup>52</sup>

Recent years have seen a decline in the number of applications for repatriation and an increase in the number of applications for the Polish Card (Karta Polaka), which individuals of Polish origin view as a more effective path enabling them to return to Poland, start their education, get a job, and eventually become a Polish citizen. This was facilitated by favourable amendments to the law on the Polish Card passed by the Sejm on 1 June 2016.<sup>53</sup> Pursuant to the amended law, individuals residing in the former USSR can apply for a permanent residence permit which enables its bearer to apply for Polish citizenship after one year. Moreover, such individuals may be granted financial aid to cover a portion of their relocation expenses and the cost of living in Poland for a period of up to nine months.

<sup>51</sup> "Rosjanie chcą studiować w Polsce," *Perspektywy*, [www.perspektywy.pl](http://www.perspektywy.pl).

<sup>52</sup> During a census taken in Russia in 2010, 47,125 citizens (0.03%) declared that their nationality was Polish. In 2010, in the Moscow Consular Area Poles lived mainly in Moscow (4,456 individuals), Tyumen Oblast (3,427 individuals) and Krasnodar Krai (2,958 individuals). Data compiled by the Embassy of the Republic of Poland in Moscow, [www.moskwa.msz.gov.pl](http://www.moskwa.msz.gov.pl).

<sup>53</sup> *Ustawa z dnia 13 maja 2016 r. o zmianie ustawy o Karcie Polaka oraz niektórych innych ustaw*, Dz.U. [Journal of Laws] of 2016, item 753.

Table 3

**Number of Applications for a Polish Card (Karta Polaka) submitted in consulates of the Republic of Poland in the Russian Federation since 2014**

	Irkutsk	Kaliningrad	Moscow	St. Petersburg	Smolensk	Total
2014	70 (11)	200 (11)	217 (17)	66 (0)	6 (0)	559 (39)
2015	84 (6)	119 (6)	248 (9)	88 (0)	9 (0)	548 (21)
2016	50 (10)	161 (2)	255 (9)	64 (5)	9 (0)	539 (26)
Total	204 (27)	480 (19)	720 (35)	218 (5)	24 (0)	1646 (86)

The figures in brackets show the number of applications for a repatriation visa submitted by adult individuals.

Source: Poland's MFA.

### Assessment

The security dilemma in Polish-Russian relations has expanded to include non-military affairs as well. At present, the political, economic (including energy-related) and socio-cultural relations between Russia and Poland are characterised by a “spiral effect” or a mechanism determining the reactions to hostile actions of the other side. In 2016, the Russian Federation continued its policy intended to destabilise the situation in Central and Eastern Europe. Poland, for its part, following the change of government, began to place greater emphasis on difficult issues (history, the request to return the plane wreckage). In this context, it can be stated that Poland's foreign policy goals have partially been attained. The first goal involving ensuring Poland's security by strengthening NATO's Eastern Flank can be viewed as partially attained. On the one hand, the efforts to increase NATO's military presence in Poland and the Baltic states proved successful. On the other, sources of tension and destabilisation in Eastern Europe have not been eliminated. Russia continues to occupy the Donbas and there are many indications that the conflict in Ukraine will become frozen, i.e., suspended between war and peace, prolonged negotiations, and no concessions on either side.<sup>54</sup>

Another goal of Poland's foreign policy involving ensuring energy security began to crystallise when supplies of liquefied natural gas (LNG) from Qatar were launched in June 2016. However, this policy requires cooperation with European partners to counteract the construction of the Nord Stream 2 pipeline. The efforts to attain the third Polish foreign policy goal, i.e., the return of the presidential plane wreckage, were not resolved. The strategy involving placing

<sup>54</sup> A. Legucka, “The Prospects of Freezing the Conflict in Donbas,” *PISM Bulletin*, no. 21 (961), 1 March 2017, [www.pism.pl](http://www.pism.pl).

greater emphasis on arguments demanding the return of the wreckage was as ineffective as the previous PO-PSL government's decision to allow the Russians to investigate the crash. The authorities in Moscow are unwilling to return the wreckage because they are not interested in the results of the Polish investigation. Moreover, they are using this issue as a handy tool to indirectly influence the public debate in Poland because they know that the Smolensk crash stirs up the public's emotions. The fourth goal involving settling accounts with history is both a goal and an instrument in Poland's foreign policy towards Russia. When used as a method for influencing the Russian side, it certainly can be an instrument of pressure, which is evidenced by the other side's emotional reactions. However, it generates results that are contrary to expectations: instead of revealing Stalinist-era crimes and opening state archives, Russians resort to presenting a different version of historical events.

# Poland's Policy towards Ukraine

DANIEL SZELIGOWSKI\*

## Background

As a result of the presidential and parliamentary elections held in 2015, there was a change of power in Poland. Andrzej Duda took office as the president of the Republic of Poland, succeeding Bronisław Komorowski. Beata Szydło became the head of the new government and appointed Witold Waszczykowski as minister of foreign affairs. The Law and Justice party (PiS) formed a parliamentary majority. Shortly after President Duda took office, his closest associates announced that the vectors of Polish-Ukrainian cooperation would be repositioned.<sup>1</sup> The government headed by Prime Minister Szydło began to place greater emphasis on historical issues in Poland's relations with Ukraine, such as the attitude towards the Volhynia massacre and the activity of the Ukrainian Insurgent Army (UPA).

In April 2016, there was a reshuffle in Ukraine's cabinet. Arseniy Yatsenyuk, who had been Prime Minister since February 2014, was succeeded by the then chairman of Ukraine's parliament, the Verkhovna Rada, Volodymyr Hroysman, a politician closely associated with President Petro Poroshenko. Pavlo Klimkin, another politician from the presidential camp, was again appointed minister of foreign affairs in the new government. The Ukrainian authorities continued their efforts to maintain the country's increasingly close cooperation with the European Union and NATO, particularly since Euromaidan. They also declared their willingness to deepen Ukraine's strategic partnership with Poland. However, a gradual decline in Poland's importance in Ukrainian foreign policy was noticeable. This mainly resulted from the negative attitude among some among the Ukrainian political elite towards the new Polish authorities and Poland's insignificant influence on the course of negotiations regarding putting an end to the war in Donbas.

Despite the talks held in the so-called "Normandy format" (France, Germany, Russia, Ukraine), none of the provisions of the Minsk Agreements was

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<sup>1</sup> "Minister Szczerski o głównych celach wizyty Prezydenta w Kijowie," 14 December 2015, [www.prezydent.pl](http://www.prezydent.pl).

implemented. A permanent ceasefire was prevented by Russia's continued actions to destabilise Ukraine. Having annexed the Crimean Peninsula in 2014 followed by the launch of military aggression in eastern Ukraine, Russian forces continued to occupy a part of Donetsk and Luhansk oblasts and continue to maintain irregular armed units there. Although in 2016 military activity in Donbas was somewhat less noticeable, the hostilities still resulted in about 700 killed, including more than 80 civilians. The total number of people killed as a result of Russia's aggression against Ukraine as of the end of 2016 was around 10,000.<sup>2</sup>

Following a sudden economic slump in 2014–2015 (the cumulative GDP decline had been estimated at over 16% at that time), in 2016 Ukraine managed to stabilise its macroeconomic situation. The inflation rate decreased from 43.3% in 2015 to 12.4%. The decline in the hryvnia's exchange rate was halted—over one year, the hryvnia lost 13.3% of its value against the U.S. dollar (in 2015, the ratio had been over 52%). The volume of currency reserves rose gradually to reach \$15.5 billion in December (an increase of \$2.2 billion compared with 2015). The Ukrainian economy recorded minor positive growth of 2.4% for the first time in four years. In nominal terms, the average Ukrainian income had Europe's second-lowest purchasing power (after Moldova).

A surge in economic migration from Ukraine to Poland impacted Poland's policy towards Ukraine. According to estimates prepared by the National Bank of Poland, in 2016, more than a million Ukrainian citizens came to Poland seeking a job. The increased presence of Ukrainians in Poland became the subject of political debate (for example, in the EU forum, the Polish government used the inflow of migrants from Ukraine as an argument against taking in refugees from North Africa). It was also reflected in the public's mood. The year 2016 saw a decline in Polish citizens' support for Ukrainian immigration, even though newcomers from this country still enjoyed a higher level of approval and confidence than other nationalities.<sup>3</sup> At the same time, more than half of Ukrainians declared that their attitude towards Poland was positive.<sup>4</sup>

<sup>2</sup> *Report on the human rights situation in Ukraine, 16 August to 15 November 2016*, Office of the United Nations High Commissioner for Human Rights, [www.ohchr.org](http://www.ohchr.org).

<sup>3</sup> "ZPP: Spadek poparcia dla przyjmowania cudzoziemców w Polsce," *Gazeta Prawna*, 6 April 2017, [www.gazetaprawna.pl](http://www.gazetaprawna.pl); *Badanie na temat postaw wobec cudzoziemców w Polsce*, International Organization for Migration, <http://poland.iom.int>.

<sup>4</sup> *Public Opinion Survey, Residents of Ukraine, September 28–October 7, 2016*; International Republican Institute, [www.iri.org](http://www.iri.org).

## Goals and Assumptions

In 2016, the main goal of Poland's policy towards Ukraine involved supporting Ukraine's sovereignty and territorial integrity in the face of its defensive war against the Russian Federation. Russia's attempts to limit Eastern European states' right to freely choose their economic development model, political system, and military alliances have had a destabilising impact on the situation in the region and pose a threat to Poland's security.

The Polish authorities' efforts to facilitate Ukraine's continued rapprochement with Euro-Atlantic structures were intended to help strengthen and stabilise the Ukrainian state. Poland declared that it would make efforts to ensure full implementation of the EU-Ukraine Association Agreement, including the free trade area, and inclusion of Ukraine in the visa-free regime. It also announced that it would strive to boost the effectiveness of the instrument the EU uses in its relations with its Eastern partners. Moreover, Poland planned to offer active support to modernisation of Ukrainian state structures by sharing its reform-related experience, in particular when it comes to building an efficient state administration, decentralisation of power, deregulation and combating corruption. Defence cooperation intended to increase both states' defence potential was to play a particularly important role.<sup>5</sup>

Regardless of the military action ongoing in eastern Ukraine, the new Polish government intended to place greater emphasis on resolving contentious historical issues. This was a harbinger of mounting problems in bilateral relations.

## Political Relations

2016 saw an intensification of Polish-Ukrainian contacts at the presidential level. President Duda was the only foreign head of state taking part in the celebrations surrounding the 25<sup>th</sup> anniversary of Ukraine's independence on 24 August. During his visit to Kyiv, at the annual meeting of Ukrainian ambassadors, he gave a speech in which he presented the assumptions of Poland's foreign policy.<sup>6</sup> He also announced that the historical dialogue between Poland and Ukraine would intensify. Presidents Duda and Poroshenko adopted a joint

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<sup>5</sup> "Government Information on Polish Foreign Policy in 2016 (presented by Foreign Minister Witold Waszczykowski at the Sejm meeting on 29 January 2016)," see p. 11; *Minister Witold Waszczykowski: Otwarte drzwi dla Ukrainy*, Ministerstwo Spraw Zagranicznych, 13 September 2016, [www.msz.gov.pl](http://www.msz.gov.pl).

<sup>6</sup> "Wystąpienie Prezydenta RP w Akademii Dyplomatycznej w Kijowie," 24 August 2016, [www.prezydent.pl](http://www.prezydent.pl).

declaration confirming their willingness to continue the development of mutual relations and the strategic nature of these relations.<sup>7</sup>

Shortly afterwards, on 2 December, President Poroshenko paid a visit to Warsaw to commemorate the 25<sup>th</sup> anniversary of Poland recognising Ukraine's independence. A joint declaration on energy infrastructure was adopted on this occasion. In it, the two presidents criticised the European Commission's decision regarding increased use of the OPAL gas pipeline by Gazprom.<sup>8</sup> The presidents had earlier met three times during multilateral events: on 13 February at the Security Conference in Munich, on 1 April at the Nuclear Security Summit in Washington, and on 9 July during the NATO summit in Warsaw (a meeting of the NATO-Ukraine Commission was held during the summit on Poland's initiative). The activity of the revived Consultation Committee of the Presidents of Poland and Ukraine was inaugurated and its first meeting was held on 3–4 March in Warsaw.

On 13–14 September, Foreign Minister Waszczykowski paid a working visit to Ukraine, where he met with President Poroshenko, Prime Minister Hroysman, Ukrainian Foreign Minister Klimkin and the Secretary of the National Security and Defence Council of Ukraine Oleksandr Turchynov. The visit was to serve as an opportunity to sum up Polish-Ukrainian cooperation to date and discuss its prospects. Minister Waszczykowski declared Poland's continued support for Ukrainian reforms. He also held talks with the foreign ministers of France, Germany, and the United Kingdom and EU Commissioner for European Neighbourhood Policy Johannes Hahn, who were visiting Kyiv at that time, regarding the situation in Donbas.

Ministers Waszczykowski and Klimkin also discussed current developments in Polish-Ukrainian relations during multilateral events, including the Munich Security Conference (13 February), the NATO summit in Warsaw (9 July), the OSCE Ministerial Council (9 December), and during Klimkin's working visits to Brussels (18 January, 19 March).

Bilateral relations were the subject of consultations between deputy foreign ministers Marek Ziółkowski and Vadym Prystayko on 30 June in Kyiv. Moreover, Deputy Foreign Minister Jan Dziejczak paid two visits to Ukraine. On 2–3 March in Kharkiv, and on 13–15 March in Lviv, he met with representatives of the Polish community and of the local government.

<sup>7</sup> "Wspólna deklaracja Prezydenta Rzeczypospolitej Polskiej i Prezydenta Ukrainy przyjęta w Kijowie, 24 sierpnia 2016 r. w dniu obchodów 25. rocznicy Niepodległości Ukrainy," [www.prezydent.pl](http://www.prezydent.pl).

<sup>8</sup> "Joint Statement of the Presidents of Ukraine and the Republic of Poland made in Warsaw on 2 December 2016," [www.president.pl](http://www.president.pl).

Despite the announcements of both sides, no intergovernmental consultations and no talks in the format of Consultations of the Heads of Ministries of Foreign Affairs were held. The work of the Polish-Ukrainian Partnership Forum did not resume. No official visits of government heads took place. The prime ministers did meet on 6–7 September during the Economic Forum in Krynica, Poland. The topics discussed during that meeting included political and economic cooperation, especially in the fields of infrastructure and energy, as well as contentious historical issues.

Contacts at the parliamentary level, for their part, continued to develop dynamically. On 2–3 December 2016, in Lviv, the 9<sup>th</sup> meeting of the Parliamentary Assembly of Poland and Ukraine was held. The topics of the talks included the security situation and the methods for counteracting Russia's aggression. In a joint declaration adopted at the end of the meeting, the signatories stressed the role of both parliaments in developing Polish-Ukrainian relations and in strengthening European solidarity. On 30–31 May, in Kyiv, the 7<sup>th</sup> meeting of the Parliamentary Assembly of Poland, Lithuania, and Ukraine was held. The topics discussed during the meeting included trilateral cooperation in the fields of regional and security policy and the relations between the EU and Ukraine.

On 16 May, a delegation of members of the Sejm headed by the Chairman of the Polish-Ukrainian Parliamentary Group Michał Dworczyk paid a visit to Kyiv. Polish MPs met with Ukraine's deputy foreign minister, Prystayko, the chairman of the Verkhovna Rada, Andriy Parubiy, and the head of the parliamentary group for relations with Poland, Borys Tarasyuk. The talks were mainly focused on bilateral cooperation, with special emphasis on contentious historical issues.

Several visits to Ukraine were paid by the head and the deputy head of the Sejm's Foreign Affairs Committee Grzegorz Schetyna and Małgorzata Gosiewska, respectively. On 19 April, in Kyiv, Gosiewska presented a report on Russia's crimes in Donbas (the document was later sent to the International Criminal Court at The Hague). She also held meetings with Foreign Minister Klimkin and Iryna Herashchenko, the deputy chair of the Verkhovna Rada. A week later, on 26 April, accompanied by his counterparts from the Weimar Triangle states (France and Germany), Schetyna held talks with the head of the Verkhovna Rada's Foreign Affairs Committee, Hanna Hopko, regarding the current situation in Ukraine.

The Speaker of the Sejm Marek Kuchciński and the Chairman Parubiy maintained regular contacts and held a series of talks during multilateral events. In September, a delegation of Polish MPs headed by Deputy Speaker of the Sejm Ryszard Terlecki took part in the commemoration of the 75<sup>th</sup> anniversary of mass executions in Babi Yar.

The new Polish government maintained the previous governments' stance to refuse to recognise Russia's annexation of Crimea and was in favour of extending the sanctions the EU had imposed on Russia. In a special statement published on 19 September, the Polish MFA announced that it did not recognise the results of parliamentary elections to the Russian Duma held in Crimea and stressed that pursuant to international law, Crimea belongs to Ukraine.<sup>9</sup>

Finally, it is worth mentioning that on 26 October, Poland's newly appointed ambassador to Ukraine, Jan Piekło, presented his letters of credence to President Poroshenko. He succeeded Henryk Litwin, who had served as Poland's ambassador in 2011–2016. In March, there was a change in the office of the Polish government's plenipotentiary for supporting the reforms in Ukraine. Leszek Skiba was replaced with the new deputy finance minister, Wiesław Janczyk.

### Historical Policy

In the relations with Ukraine, the new Polish government placed great emphasis on historical issues, especially the divergent interpretations of the Volhynia massacre and the activity of the UPA. The Polish side was dissatisfied, for example, with the Verkhovna Rada's adoption in April 2015 of a package of anti-communist laws prepared by the Ukrainian Institute of National Remembrance. One of these laws recognised members of the UPA as fighters for Ukraine's independence and introduced criminal responsibility for publicly insulting the memory of these individuals or questioning the legitimacy of their actions. While the legislators failed to precisely define the nature of such criminal responsibility, the Ukrainian judiciary may refer to the provisions of this law in the future. Poland called on the Ukrainian authorities to amend the law and guarantee freedom of research and publishing. Despite President Poroshenko's assurances, the law has not been amended.

In response to Ukraine's historical policy, in July 2016, the lower (the Sejm) and upper (the Senate) houses of Polish parliament passed resolutions recognising the Volhynia massacre as genocide perpetrated by Ukrainian nationalists on citizens of the Second Polish Republic (in a similar Sejm resolution passed in July 2013, the Volhynia massacre was referred to as ethnic cleansing bearing the hallmark of genocide). Moreover, the Sejm established 11 July as a day of remembrance of the victims of the events in Volhynia. Poland had earlier rejected Ukraine's proposal to prepare a joint assessment of the Volhynia massacre and establish 17 September (the USSR's aggression against Poland) as the day of remembrance. It called on

<sup>9</sup> *Oświadczenie MSZ ws. wyniku wyborów parlamentarnych do Dumy Państwowej Federacji Rosyjskiej*, 19 September 2016, [www.msz.gov.pl](http://www.msz.gov.pl).

the Ukrainian authorities to condemn the crimes perpetrated by the UPA and refrain from using symbols associated with this unit in the public sphere.

The second half of the year saw the highest level of tension between Poland and Ukraine over their different interpretation of the events in Volhynia, unprecedented in the last quarter-century. At the beginning of July, the Polish Border Guard refused the Ukrainian band "Ot Vinta" entry into Poland, arguing that it posed a threat to public order. The band members were accused of "glorifying OUN-UPA." They were to perform during an annual event organised in Przemyśl by the Ukrainian minority. In connection with the resolutions passed by the Sejm and the Senate, Tarasyuk stepped down as the chairman of the parliamentary group for relations with Poland. The Verkhovna Rada of Ukraine, for its part, adopted a special resolution condemning Poland's actions and labelling them as an instance of politicising history and an attempt to challenge the two states' achievements fostering mutual understanding to date. Despite the announcements by Minister Waszczykowski, the dispute regarding historical issues failed to be resolved at the political level and is left for historians to analyse.<sup>10</sup> First, as a result of a recommendation issued by the Ukrainian MFA, the screening in Kyiv of Wojciech Smarzowski's film *Volhynia* was cancelled. Next, the Polish authorities expressed their criticism regarding the preparations launched by the Ukrainian Institute of National Remembrance for the organisation in 2017 of the commemoration of the 75<sup>th</sup> anniversary of the establishment of the UPA.<sup>11</sup>

President Duda's proposals regarding joint commemoration of members of both nations who helped each other during the Second World War and the creation of a non-political Polish-Ukrainian good neighbourhood institution were not put into practice. However, in October, the Polish Sejm and the Ukrainian Verkhovna Rada adopted a joint declaration of remembrance and solidarity, which resulted in a temporary reduction of the tension in bilateral relations. In the declaration, the two sides paid homage to Polish and Ukrainian victims of the Second World War and condemned the Nazi and communist aggressors. Moreover, they stressed the need to conduct impartial historical research. Such research was continued under the Polish-Ukrainian Historians' Forum whose work had been resumed at the end of 2015. In 2016, the Forum held its second and third meeting.

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<sup>10</sup> Minister Witold Waszczykowski: uchwała ws. Wołynia otwiera drogę do porozumienia z Ukrainą, a PAP dispatch of 14 September 2016, [www.msz.gov.pl](http://www.msz.gov.pl).

<sup>11</sup> Wywiad ministra spraw zagranicznych Witolda Waszczykowskiego dla tygodnika „Wprost,” Ministerstwo Spraw Zagranicznych, 27 December 2016, [www.msz.gov.pl](http://www.msz.gov.pl).

## Military Cooperation

Poland actively strove to deepen its military cooperation with Ukraine. In July, during the NATO summit in Warsaw a meeting of the NATO-Ukraine Commission was held on Poland's initiative. During the meeting, NATO states decided to grant a so-called Comprehensive Assistance Package to Ukraine.<sup>12</sup>

During the summit, Poland and Ukraine signed a protocol to a bilateral agreement on mutual supplies of armaments, military technology, and the provision of military-technical services, which provides for creating a special task force for military-technical cooperation within the Polish-Ukrainian Intergovernmental Committee for Economic Cooperation. The changes are to facilitate the implementation of joint projects by armaments companies from both states. Earlier, cooperation agreements had been signed by, for example, Polska Grupa Zbrojeniowa and the State Space Agency of Ukraine. In autumn, Defence Minister Macierewicz announced that a Polish-Ukrainian helicopter would be built.

In December, during President Poroshenko's visit to Warsaw, a bilateral agreement on defence cooperation was signed. The agreement supersedes the agreement signed in 1993 between the Ministry of National Defence of the Republic of Poland and the Ministry of Defence of Ukraine. It forms the legal basis for military cooperation between the two states and defines its future areas. A protocol regarding industrial cooperation in the field of rocket technology was appended to the agreement.

Moreover, Poland and Ukraine continued their consultations in the field of defence. The prospects for the development of bilateral relations were the subject of talks between the Defence Minister Macierewicz and the Minister of Defence of Ukraine Stepan Poltorak (Brussels, 15 June) as well as Ukraine's deputy prime minister for European and Euro-Atlantic integration, Ivanna Klympush-Tsintsadze (Warsaw, 25 October). In mid-December, the Polish-Ukrainian strategic dialogue was resumed (the previous meetings had been held in 2012–2013). The discussions were chaired by deputy defence ministers Tomasz Szatkowski and Ihor Dolhov. The talks concerned current security issues, regional cooperation, and Poland's support for the Ukrainian security-sector reforms. The two deputy ministers met again on 24 August in Kyiv during the celebrations of the 25<sup>th</sup> anniversary of Ukraine's independence. During that meeting, they discussed the progress of the implementation of joint military and military-technical projects.

Secretary Turchynov paid a visit to Poland and on 14–15 April met with President Duda, Foreign Minister Waszczykowski, the head of the General Staff

<sup>12</sup> D. Szeligowski, "NATO-Ukraine Cooperation after the Warsaw Summit," *PISM Bulletin*, no. 49 (899), 4 August 2016, [www.pism.pl](http://www.pism.pl).

of the Polish Armed Forces Gen. Mieczysław Gocuł, the operational commander of certain types of armed forces Gen. Marek Tomaszycski, and other officials. Also the head of the Polish National Security Bureau, Paweł Soloch, paid a visit to Ukraine. On 10–11 October, Soloch held talks with Defence Minister Poltorak and Minister of the Interior Arsen Avakov.

In connection with Russia's aggression against Ukraine, Poland actively supported the Ukrainian armed forces. Between 1 January 2014 and 15 July 2016, it granted to the Ukrainian army military-technical assistance worth \$5.4 million in total, which ranked it third on the list of the largest donors, after the United States and Canada. It also supported NATO's trust funds for Ukraine, especially in the field of institutional development, logistics and standardisation. Polish soldiers made up a component of the Joint Multinational Training Group-Ukraine, which was involved in training Ukrainian military units on a training ground in Yavoriv near Lviv. Moreover, on Poland's initiative, Ukrainian soldiers took part in NATO's *Anakonda-16* manoeuvres despite opposition from some member states (e.g., Germany).

It is worth noting that at the beginning of 2016, the trilateral Lithuanian-Polish-Ukrainian brigade, LITPOLUKRBRIG, achieved its initial combat readiness (the agreement on the brigade's establishment had been signed in September 2014). The brigade's operation was officially inaugurated on 25 January during an event attended by the defence ministers of the three states. In December, the brigade took part in the *Common Challenge-16*, a certification exercise, and in January 2017 it achieved its full operational capability. The LITPOLUKRBRIG is composed of a multinational staff, three battalions and special units. The headquarters of the command centre and the staff is in Lublin.

### **Economic and Social Relations**

The stabilisation of the Ukrainian economy and the coming into effect of the trade section of the EU-Ukraine Association Agreement (the so-called Deep and Comprehensive Free Trade Area) on 1 January 2016 had a positive impact on trade exchange between Poland and Ukraine. After a decline recorded in 2014–2015, in 2016 bilateral trade rose by almost 25% to reach PLN 23.7 billion. Poland's exports to Ukraine increased by almost 22% and stood at PLN 15.1 billion. In 2016, Ukraine was ranked 14<sup>th</sup> on the list of Poland's largest export markets, whereas in 2015 it was ranked 16<sup>th</sup> (despite the fact that it accounted for a mere 2% of Poland's total exports). Poland's exports to Ukraine are dominated by machines and mechanical devices, vehicles, chemical products and plastics. Goods Poland

imported from Ukraine include common metals, mineral products, plant-derived products, wood and wood products, and vehicles.

Adverse conditions for doing business, especially the inefficient judiciary, excessive bureaucracy, and widespread corruption, all discouraged Polish entrepreneurs from increasing their involvement in the Ukrainian market. According to the State Statistical Service of Ukraine, as of the end of 2016, Polish direct investments in Ukraine stood at \$764 million, which meant an increase of a mere \$6 million compared with 2015. This accounted for slightly more than 2% of total foreign direct investments in Ukraine.<sup>13</sup> Polish investments focused mainly on the finance and insurance sector and the manufacturing industry. They involved, for example, banks such as Kredobank and Idea Bank Ukraina, the insurance company PZU Ukraina, as well as production lines of companies such as Cersanit, Barlinek, BRW, Nowy Styl, Inter-Groclin, and Polimeks-Mostostal.

Table 1

**Trade Exchange between Poland and Ukraine (in PLN billions)**

	2013	2014	2015	2016
Total	25.0	20.1	19.0	23.7
Exports	18.0	13.1	12.4	15.1
Imports	7.0	7.0	6.6	8.6
Balance	11.0	6.1	5.8	6.5

Source: Statistics Poland (GUS) (data do not include trade in services; the value of imports according to country of dispatch).

The high-level dialogue on economic affairs was not smooth, either. The resignation of Ukraine's Economic Development and Trade Minister Aivaras Abramovicius prevented the organisation of a meeting of the Polish-Ukrainian Intergovernmental Committee for Economic Cooperation, for the first time after a four-year pause, planned for March. However, on 30 June–1 July, the deputy minister of development, Jerzy Kwieciński, paid a two-day visit to Ukraine. In Kyiv, he met with the new Economic Development and Trade Minister Stepan Kubiv.

At that time, Poland and Ukraine were carrying out intensive talks regarding the development of border infrastructure. The reduction of border wait times on the Polish-Ukrainian border had been the topic of discussions between prime

<sup>13</sup> The figures do not include areas outside Kyiv's control, i.e., the Russian-annexed Crimean Peninsula with the city of Sevastopol, and the parts of Donetsk and Luhansk oblasts occupied by irregular Russian military units.

ministers Szydło and Hroysman during the Economic Forum in Krynica, and foreign ministers Waszczykowski and Klimkin during the Polish FM's visit to Kyiv. The issue was also raised during President Poroshenko's visit to Warsaw in December. The state of cross-border infrastructure and its possible expansion and modernisation using funds from a €100 million loan that the previous Polish government had granted to Ukraine was the topic of talks held during the meeting of the Polish-Ukrainian Intergovernmental Coordination Council for Inter-regional Cooperation on 27–28 October in Lviv. A special task force to combat pathologies in cross-border passenger traffic was established.

There was a deepening in bilateral sector-specific cooperation. At the beginning of February, the work of the Polish-Ukrainian (at present Lithuanian-Polish-Ukrainian) task force for the use of outer space was inaugurated. The meeting was a result of an agreement signed in 2015 between the Polish Space Agency and the State Space Agency of Ukraine. The memorandum on cooperation between the International Society of Polish Entrepreneurs in Ukraine and the Association of Ukrainian Businesses in Poland, signed on 12 May in Warsaw, is to facilitate the development of trade and investment relations between the two states and to support Ukrainian entrepreneurs in their expansion into EU markets. June saw the launch of the activity of the Polish-Ukrainian Youth Exchange Council, which is involved in the implementation of joint educational projects. At the end of August, a new edition of the Poland-Belarus-Ukraine Cross-Border Cooperation Programme was launched. The programme's budget for 2014–2020 is more than €185 million.

In 2016, Polish consular and diplomatic posts issued a record number of visas to Ukrainian citizens, i.e., nearly 1.265 million. This indicated an increase of over 37% compared with 2015. A big number of Ukrainians entered the Polish labour market having availed themselves of a relatively easy opportunity to take up legal employment in Poland. More than 1.2 million statements of intent to employ a foreigner, submitted by Polish employers to job centres, concerned the citizens of Ukraine. In September, the then Deputy Prime Minister and Minister of Finance and Development Mateusz Morawiecki announced that further actions would be launched to attract Ukrainian job seekers.

There was a surge in the number of Ukrainians studying in Poland. In the 2015/2016 academic year, there were more than 30,000 Ukrainian students at Polish universities (an increase of 30% annually), which accounted for more than 53% of the total number of foreign students in Poland.

Ukraine was recognised as one of the 10 priority locations for Polish development aid in 2016–2020. In 2016, it received aid worth PLN 95 million and was the third-largest recipient of Polish bilateral aid.

## Assessment

In its policy towards Ukraine, Poland has partly attained its goals. Despite Russia's military aggression, the domestic situation in Ukraine stabilised, especially in macro-economic terms. The Ukrainian authorities continued their reforms, although the pace of these reforms decreased compared with 2014–2015. The granting of an additional assistance package to Ukraine during the NATO summit in Warsaw should be viewed as a success. However, certain problems emerged in Ukraine's rapprochement with the Euro-Atlantic structures. Due to the negative result of the referendum in the Netherlands, the ratification process of the EU-Ukraine Association Agreement was temporarily halted. The Ukrainian authorities' delay in implementing the reforms resulted in Ukraine's failure to be included in the EU's visa-free regime as of the end of 2016.

Bilateral political contacts at the highest level were less intensive than in 2015 and were mainly limited to symbolic gestures connected with the calendar of historical anniversaries (the 25<sup>th</sup> anniversary of Ukraine regaining independence and of Poland recognising it). While the visits to Ukraine paid by President Duda and Foreign Minister Waszczykowski offered an opportunity to sum up the cooperation to date, they failed to break the distrust in bilateral relations mounting since the end of 2015. The deterioration in these relations was caused by the negative attitude of a portion of Ukrainian political elites to the new Polish government, on the one hand, and by Poland's hard-line policy on historical issues on the other.

Against this backdrop, the increasingly dynamic defence cooperation was a positive exception. The new bilateral agreement will generate additional opportunities for both states and their defence industries in the future. There was a major increase in bilateral trade exchange, even though it was still below its full potential. However, in the relations with Ukraine, the development of economic cooperation was not a priority for the Polish authorities.

Poland's historical policy towards Ukraine should be viewed as ineffective. The new Polish government toughening its stance on the common history proved counter-productive—not only did it fail to trigger a change in Ukraine's remembrance policy but it also contributed to the Ukrainian authorities toughening their stance on these issues. The absence of an agreement to date seems to indicate that historical issues will continue to be among the most important topics in Polish-Ukrainian relations and will have a negative impact on the remaining areas of cooperation.

# Poland's Policy towards Belarus

ANNA MARIA DYNER\*

In 2016, the number of meetings between the authorities of Poland and Belarus increased, which can be viewed as a fresh impetus in bilateral relations. It was possible due to an improvement in relations between the European Union and Belarus, including the lifting of sanctions, advocated by Poland. The improvement in political relations triggered an opportunity for the Polish government to capitalise on the potential connected with the country's neighbourhood to a greater extent. Unfortunately, a number of Polish diplomatic goals, including regulation of the activity of the Unions of Poles in Belarus and ensuring a local border traffic agreement, were not achieved.

## Background

In 2016, the most important determinant of Poland's policy towards Belarus was the improvement in relations between the European Union and Belarus since 2015. The Belarusian authorities changed their attitude towards the EU due to the situation in Ukraine, which was struggling with the consequences of war with Russia and of the occupation of part of its territory. Belarus appreciated the role of the EU as an organisation supporting the independence of neighbouring states and noted the political and economic support offered by EU Member States to Ukraine. Following the release by the Belarusian authorities of all political prisoners, and after the presidential election in Belarus which passed without protest or intervention by law enforcement agencies, the European Union decided to suspend the sanctions imposed on Belarus in 2011.<sup>1</sup> This came about in 2016 when EU policy<sup>2</sup> formally changed and sanctions were officially lifted

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<sup>1</sup> On 29 October 2015, the sanctions, which included the freezing of assets and a ban on travel to EU countries and covered 170 individuals, including President Alexander Lukashenka, were suspended for four months. However, the embargo on weapons was maintained. For more on this, see *Belarus: EU suspends restrictive measures against most persons and all entities currently targeted*, European Council, Council of the European Union, 29 October 2015, [www.consilium.europa.eu](http://www.consilium.europa.eu).

<sup>2</sup> For more, see A.M. Dyner, "Prospects for Relations between the EU and Belarus," *PISM Bulletin*, no. 83 (933), 5 December 2016, [www.pism.pl](http://www.pism.pl).

on 25 February.<sup>3</sup> In this way, the EU showed appreciation of Belarus' diplomatic efforts to reach two agreements in Minsk.<sup>4</sup> The Belarusian authorities welcomed the Polish government's support for the decision to lift the sanctions and the view in Warsaw that this may boost Belarus' independence. It also made it easier for Poland to pursue its policy towards Belarus.

In 2016, the Polish government's actions towards Belarus were also strongly impacted by the security situation in the region. Following Russia's aggression against Ukraine in 2014, Belarus intended to break its international isolation and began to look for allies in the EU. It chose Poland as one such ally. This was also possible due to the fact that, from 2013 to 2015, the two states had maintained relations at the technical level,<sup>5</sup> mainly between local governments which focused on pragmatic issues such as managing the border. Moreover, the change of government in Poland in 2015 created new opportunities because the Belarusian authorities viewed the outgoing coalition of Civic Platform and the Polish People's Party through the prism of the sanction policy and Belarus's isolation in the international arena. Belarus pinned its hopes on the Law and Justice party government, waiting for a new phase in its relations with Poland.

Historical issues regarding, for example, making the "Belarusian Katyn list" available and the construction of a war cemetery in Kurapaty, were an important element of Poland's policy towards Belarus. Aspects such as observance of human rights in Belarus, the situation of the Polish minority residing there and of the Unions of Poles in Belarus (UPB) had a less prominent impact on bilateral relations than in previous years, especially between 2011 and 2014.<sup>6</sup>

<sup>3</sup> *Belarus sanctions: EU delists 170 people, 3 companies; prolongs arms embargo*, European Council, Council of the European Union, 25 February 2016, [www.consilium.europa.eu](http://www.consilium.europa.eu).

<sup>4</sup> The first Minsk agreement on bilateral ceasefire was the result of consultations of the Trilateral Contact Group (Ukraine, Russia and the OSCE). It was signed on 5 September 2014 and provided for a ceasefire in eastern Ukraine. For the text of the document, see *Protocol on the results of consultations of the Trilateral Contact Group (Minsk, 05/09/2014)*, Ministry of Foreign Affairs of Ukraine, <http://mfa.gov.ua>. The second agreement was adopted between the representatives of the Normandy Four (Germany, France, Ukraine and Russia) during a summit from 11 to 12 February 2015, and then signed by representatives of the Contact Group. The purpose of the agreement was to achieve a de-escalation of the armed conflict in eastern Ukraine. For the text of the document, see *Package of Measures for the Implementation of the Minsk Agreements* OSCE, <https://www.osce.org/cio/140156>.

<sup>5</sup> For more on this topic, see A.M. Dyer, "Polska-belaruskiya stasunki: chas tekhnichnykh kantaktau," *Belorusskiy yezhegodnik 2014*, <http://nmbny.eu/yearbook/2014/page9.html>; "Polshcha i Belarus': supracounitstva rekhionau yak rukhavik dvukhbakovykh stasunkau," *Belorusskiy yezhegodnik, 2015*, <http://belinstitute.eu/ru/node/3108>.

<sup>6</sup> The problems within the UPB started in 2000 over the activity of its then president Tadeusz Kruczkowski. In March 2005, Andželika Borys was elected UPB president. However, in May that year, the Belarusian authorities decided to nominate Kruczkowski to this position. He convened the Fourth Convention of the UPB during which (with the help from the Belarusian authorities,

## Goals and assumptions

The assumptions of Polish foreign policy are each year defined by the minister of foreign affairs. In January 2016, Witold Waszczykowski emphasised the importance of cooperation between Poland and the Eastern Partnership states and expressed his hope that the EU's relations with Belarus would improve. Referring to particularly important goals in Poland's policy towards Belarus, he said: "We want to deepen cooperation on infrastructure, increase the capacity of border crossing points, and simplify the rules of passenger traffic, notably by implementing a local border traffic agreement."<sup>7</sup> At the same time, he stressed that Polish diplomacy was aware that some difficult issues could not be avoided in the dialogue with Belarus, mainly regarding the Polish minority. Poland's traditional goals also involved taking care of the situation of the Unions of Poles in Belarus and registering Belsat TV. Poland also intended to continue the debate on historical issues and intensify economic cooperation. Finally, it wished to supplement the bilateral treaty base with new agreements, for example regarding cross-border cooperation.

## Political Relations

The year 2016 saw the most intensive political and economic contacts in six years. The Polish foreign minister's visit to Belarus on 23 March 2016 was a clear signal heralding an improvement in bilateral relations.<sup>8</sup> Waszczykowski and his counterpart Uladzimir Makey emphasised that Poland and Belarus should focus on solving the current bilateral problems instead of politicising them. Waszczykowski also met with Belarusian President Alexander Lukashenka.

On 20 July 2016, bilateral consultations were held in Warsaw with the participation of Waszczykowski and the deputy foreign minister of Belarus, Elena Kupchyna. During the consultations, an agreement on cooperation in the field of education was signed. On 10 October 2016, Belarus's Makey visited Warsaw, where he met President Andrzej Duda and Waszczykowski. The topics of their discussions included political and economic issues, for example, cooperation under China's Belt and Road Initiative. In an interview with the daily newspaper

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without the involvement of a number of the union's activists) Józef Łuczniak was elected president. These events resulted in a rift and the emergence of two structures, one recognised by the Belarusian authorities alone and the other recognised by Poland alone.

<sup>7</sup> "Government Information on Polish Foreign Policy in 2016 (presented by Foreign Minister Witold Waszczykowski at the Sejm meeting on 29 January 2016)," see p. 11 in this volume.

<sup>8</sup> This was the first visit of the Polish foreign minister to Belarus since 2010, when Radosław Sikorski went to Minsk.

*Rzeczpospolita*, Makey said that Belarus did not view NATO's activity as a threat to its security.<sup>9</sup>

Contacts in the field of security were also visible. From 23 to 24 November, the deputy defence ministers of the two states met in Warsaw. Then, on 2 December, in line with the Vienna Document, a Polish military inspectorate visited the Belarusian 111<sup>th</sup> Guard Artillery Brigade.

The same year also saw the development of inter-parliamentary relations. On 2 August, a meeting was held in Minsk between the speaker of the Council of the Republic (the upper house of Belarusian parliament) Mikhail Myasnikovich and deputy speaker of the Sejm Ryszard Terlecki, who also met Kupchyna. Another group of Polish parliamentarians visited Belarus on 5 December. Its head, Senate speaker Stanisław Karczewski, was received by Lukashenka, Myasnikovich and Andreichenka. The talks resulted in the creation of a Polish–Belarusian parliamentary group and the establishment of cooperation between the Senate and the Council of the Republic.

In 2016, expert consultations on transport, agriculture and investments were resumed. Cooperation between the two states' central banks was continued. Between 21 and 23 April, a delegation of the National Academy of Sciences of Belarus, headed by its president, Uladzimir Husakov, met the executive body of the Polish Academy of Sciences in Warsaw.

Thanks to a large degree to the Polish government's involvement, Belarus also signed the Mobility Scheme for Targeted People-to-People Contacts (MOST) with the EU. This was launched in Luxembourg on 13 October 2016, with the intention, among other things, of ensuring better management of migration flows. Thereby, contacts were extended far beyond the technical level to which they had been limited in previous years.

### **Bilateral Agreements**

In March 2016, the problem regarding the issuing of visas was finally solved.<sup>10</sup> After a delay of almost a year, on Poland's initiative and following its efforts of

<sup>9</sup> "Szef MSZ Białorusi: nie jesteśmy utrzymankami Moskwy," interview with Foreign Minister Uladzimir Makey conducted by Jędrzej Bielecki, *Rzeczpospolita*, 16 October 2016, [www.rp.pl](http://www.rp.pl).

<sup>10</sup> Poland sought to increase the number of employees of its consular posts in Belarus due to the growing number of visas issued by them. However, the Belarusian authorities did not agree. The issuing of visas was additionally disrupted by numerous hacking attacks on the IT system enabling the registration of visa applications. As a consequence, the amount of time that applicants need to wait for their visa to be issued has increased. See A.M. Dyner, "Centra wizowe na Białorusi dużym ułatwieniem dla polskich konsulatów," *Biuletyn Migracyjny*, no. 51, June 2015, <http://biuletynmigracyjny.uw.edu.pl>.

many years, eight visa application centres were opened in Belarus's oblast cities of Minsk, Brest, Hrodna, Gomel and Mahilioŭ, and in Pinsk, Baranavichy and Lida.<sup>11</sup> Polish consulates and the citizens of Belarus welcomed the centres as a major improvement. Just as in previous years, Poland issued almost 400,000 visas to Belarusian citizens in 2016.

Pursuant to a Polish–Belarusian agreement on cooperation in the field of education, a joint consultation committee was established to coordinate the activity of schools of the Polish minority in Belarus and the Belarusian minority in Poland. The agreement is expected to facilitate cooperation between Polish universities and research institutions and their Belarusian counterparts. It is also an important document supplementing the bilateral treaty base.

On 23 August 2016, Lukashenka signed a decree allowing foreigners to enter the Augustów Canal Park and stay there without the need to obtain a visa. The two states considered establishing a joint commission to manage the Augustów Canal.

In 2016, there was the continuation of work on the agreement on cooperation in the field of water management with special emphasis on the system of monitoring the Bug River, as well as on the agreement on cooperation on the reconstruction of the E40 Dnipro-Vistula inland waterway.

### **Economic Relations**

Poland is Belarus's third-largest trade partner after Russia and Ukraine. Belarus is Poland's 28<sup>th</sup> trade partner, and third among Commonwealth of Independent States. According to Statistics Poland (GUS), Poland's imports from Belarus in 2016 stood at \$794 million (PLN 3.1 billion) and its exports to Belarus at \$1.3 billion (PLN 5.3 billion).<sup>12</sup> The Belarusian Statistics Committee estimated 2016 trade between the two states at nearly \$2 billion, which included Belarus's exports to Poland, worth \$815.5 million, and its imports from Poland, worth \$1.183 billion.<sup>13</sup> According to Polish and Belarusian estimates, this indicated an increase of 11% compared with 2015, when bilateral trade was worth \$1.8 billion.<sup>14</sup>

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<sup>11</sup> These centres are operated by the Indian company VFS Global, which provides its services in 57 states.

<sup>12</sup> "Obroty handlu zagranicznego według wybranych krajów," *Mały Rocznik Statystyczny Polski 2017*, p. 332.

<sup>13</sup> *Dannyye o vneshney trgovle Respubliki Belarus' po otdelnykh stranam v yanvare–fevrale 2018 g.*, Nacyonalnyi statisticheskiy komitet Respubliki Belarus', [www.belstat.gov.by](http://www.belstat.gov.by).

<sup>14</sup> *Ekспорт tovarov iz Respubliki Belarus' po otdelnykh stranam vne SNG*, Nacyonalnyi statisticheskiy komitet Respubliki Belarus', [www.belstat.gov.by](http://www.belstat.gov.by); *Import tovarov iz Respubliki Belarus' po otdelnykh stranam vne SNG*, Nacyonalnyi statisticheskiy komitet Respubliki Belarus', [www.belstat.gov.by](http://www.belstat.gov.by). See

On 24 October 2016, the “Good Neighbourhood” Polish-Belarusian Economic Forum was held in Minsk. Mateusz Morawiecki, then deputy prime minister, attended the forum to discuss economic cooperation between the two states. He made a reference to China’s Belt and Road Initiative and to the economic cooperation opportunities it offers. He said Poland and Belarus could use them, for example, to boost the development of common transport infrastructure (railways in particular) and the construction of logistics centres to service the transport and distribution of goods from China.

During one of the many political meetings which accompanied the forum, Belarusian Prime Minister Andrey Kobyakov asked Morawiecki for Poland’s support for his country’s efforts to join the World Trade Organisation. He also talked about future energy cooperation with Poland and the EU Member States and stressed that the first unit of the nuclear power plant in Astravyets would be put into operation in 2018. As part of the forum, a meeting of the Polish–Belarusian commission for economic development was held. The delegates decided that the commission would meet once or twice a year. On 8 November 2016, a delegation of the Polish Ministry of Agriculture, including Deputy Minister Ryszard Zarudzki, visited Belarus.

Despite their declarations regarding the need to boost investments in Belarus, the Polish authorities failed to introduce an incentive system for Polish entrepreneurs. According to data compiled by the National Bank of Poland in 2016, the value of Polish investments in Belarus stood at around \$133 million.<sup>15</sup>

Development aid offered to Belarus was an important element of Poland’s activities. In 2016, it was worth PLN 75.6 million (out of PLN 590 million earmarked for bilateral aid<sup>16</sup>), including PLN 29.3 million from the MFA’s special-purpose reserve spent on the implementation of 35 initiatives focused on Belarus (for example scholarship programmes, initiatives carried out by non-government organisations and Polish public administration institutions, and projects carried out by the Polish embassy in Minsk).

### **Cross-border and Regional Cooperation**

Contacts at the local level were another field of Poland’s policy towards Belarus. However, unlike in previous years, in 2016 they were not the main axis of bilateral relations.

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also: *Rocznik statystyczny handlu zagranicznego 2017*, Główny Urząd Statystyczny, [www.stat.gov.pl](http://www.stat.gov.pl), p. 119.

<sup>15</sup> *Polskie inwestycje bezpośrednie za granicą w roku 2016*, Narodowy Bank Polski, [www.nbp.pl](http://www.nbp.pl).

<sup>16</sup> *Pomoc w liczbach – Rok 2016*, Polska Pomoc, [www.polskapomoc.gov.pl](http://www.polskapomoc.gov.pl).

On 29 September 2016, a meeting of the Polish–Belarusian Intergovernmental Coordination Commission for Cross-Border Cooperation was held in Minsk, during which the parties signed a protocol setting the priorities and tasks in this field.<sup>17</sup> One such task involved an intensification of activities to update the treaty base regarding cross-border cooperation and to conclude an agreement on legal relations on the border. Development of transport and border infrastructure will be of special importance as well, especially if the Belarusian authorities decide to launch local border traffic with Poland. According to data compiled by the Polish Border Guard, the land border with Belarus was crossed more than 7.925 million times in 2016<sup>18</sup> (an increase of around 1% compared with 2015), and the launch of local border traffic or an increase in visa-free tourist traffic to Hrodna Region would see a further rise. It will be necessary to increase capacity, especially as regards individuals travelling by car or crossing the border as tourists on foot, by bike or by kayak, and for freight. This is particularly important in the context of the common long waits for lorries waiting to be cleared on the border.

In 2016, representatives of the authorities of Hrodna and Augustów signed an agreement on the development of cross-border cooperation, Lublin (Lubelskie) Voivodship and the Gomel Region signed an agreement on cooperation in the wood industry, and Podlaskie Voivodship and the Hrodna Region continued to develop their cooperation. During a visit by Polish parliamentarians to Belarus in December, it was agreed that the Forum of Regions of both states (an indirect reference to a similar format in Polish-Russian relations) would be held annually. Local authorities are making efforts to solve cross-border problems. In October 2016, the provincial governor of Podlaskie Voivodship, Jerzy Leszczyński, and the chairman of the Government of Hrodna Region, Uladzimir Kravtsou, presented a project involving the creation of a new border crossing at Lipszczany-Sofiyevu, for hikers, cyclists and vehicles with a gross weight of up to 3.5 tonnes. The crossing would facilitate tourism in the Belarusian part of the Augustów Canal Park and shorten the route from Augustów to Grodno from more than 100 km to 57 km. There are access roads on both sides of the border, and on the Polish side, a site has been earmarked for the construction of border facilities. The creation of the border crossing will be important due to increased tourist traffic on this section of the border. Since 2016, tourists have been allowed to enter Belarus via the Rudawka–Lesnaya border crossing without visas (there are similar arrangements at Białowieża–Pererov). However, the initiative of local authorities requires additional central government agreements.

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<sup>17</sup> *Protokół z XI posiedzenia Polsko-Białoruskiej Międzyrządowej Komisji Koordynacyjnej ds. Współpracy Transgranicznej, Mińsk, dnia 29 września 2016 r.*, Ministerstwo Spraw Wewnętrznych i Administracji, [www.msww.gov.pl](http://www.msww.gov.pl).

<sup>18</sup> *Statystyki SG, styczeń–grudzień 2016*, Komenda Główna Straży Granicznej, [www.strazgraniczna.pl](http://www.strazgraniczna.pl).

Cooperation between various bodies under the EU's "Poland–Belarus–Ukraine 2014–2020" Programme continued to develop. The Polish State Fire Service and the Belarusian Ministry of Emergency Situations were particularly active in this respect. They planned to implement eight projects, mainly in the field of development of infrastructure used to mitigate the effects of natural disasters (fires and floods) in cross-border regions. On 23 November 2016, a cooperation agreement was signed between the Ministry of Emergency Situations university and the Main School of the Fire Service. Grodno Region came out with a proposal addressed to Polish institutions regarding a joint implementation of 30 projects in the field of tourism. The "Poland–Belarus–Ukraine 2014–2020" Programme became an important element stimulating Polish–Belarusian regional cooperation. In the future, it should translate into economic and interpersonal contacts.

### Assessment

Despite an improvement in political relations, which demonstrated a major potential for cooperation, Poland has failed to attain most of the goals of its policy towards Belarus. An improvement in bilateral relations, evident for example in the increased frequency of contacts and the signing of several cooperation agreements, can be viewed as one goal that has been attained in 2016. However, agreements signed in 2016 cover only some issues which require further decisions, regarding, for example, the functioning of the state border and cooperation in the field of tourism.

The catalogue of unresolved problems remained unchanged, and most of the goals defined by Waszczykowski, including the local border traffic agreement, remain unattained.<sup>19</sup> Similarly, the situation of both Unions of Poles in Belarus (one is recognised by the Polish authorities alone and the other by the authorities of Belarus) was not normalised.

Registration of Belsat TV in Belarus continued to be a contentious issue, preventing journalists of this TV station from obtaining accreditation. The broadcasting method is another important issue. In Belarus, Belsat TV is available only via the satellite TV network which is used by a mere 8.6% of Belarusians,

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<sup>19</sup> Belarus is citing the poor state of border infrastructure for this. In January 2016, the head of the State Border Committee, Leonid Maltsev, stated that the cost of launching local border traffic on the border with Poland and Lithuania would amount to 100 million Belarusian roubles (around PLN 200 million), including 45 million as regards the border with Poland. He also stressed that all three states should apply for EU funds to modernise their border infrastructure. Moreover, both Poland and Belarus pointed to the need to maintain bilateral cooperation in the field of border protection.

whereas 47% of the population watch TV via cable networks.<sup>20</sup> To expand its coverage, Belsat TV needs to obtain relevant permits from the Belarusian authorities to sign agreements with cable network operators.

The catalogue of unresolved problems also includes historical issues, even though a Polish-Belarusian task force established to tackle them began work in 2016. The efforts to make the “Belarusian Katyn list” available and the construction of a war cemetery in Kurapaty remain a major challenge for Poland.

If it intends to tackle difficult issues and develop cooperation, Poland should boost its political, economic and regional-level contacts. Only then can it be said that the goal of Poland’s activities, which involves improving its relations with Belarus, has been attained. At the same time, it is evident that, due to Poland and Belarus being neighbours with a shared historical and natural heritage, there is major potential for this cooperation and for exchange of experience. However, Poland is still using this potential to an insufficient degree.

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<sup>20</sup> *Mediasfera Belarusi. Sotsiolozhicheskiy aspekt*, Infarmatsyina-analitychny tsentr pry Administratsii Prezidenta Respubliki Belarusi, 2014, <http://iac.gov.by>, p. 27.

# Poland's Policy towards China

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## Background

Following the 2015 parliamentary election in Poland, in which Law and Justice (PiS) won an outright majority, some Chinese experts expressed concerns about whether the new government would include China on the list of important directions for Polish foreign policy.<sup>1</sup> Poland moved to dispel these doubts when President Andrzej Duda visited China in November that year. He also attended the fourth summit in the China-Central Europe format (the 16+1 formula) in Suzhou. Thereby, the Polish authorities confirmed their will to continue the policy of deepening relations with China, launched by the previous government. Both the visit itself and Duda's statement that he was "extremely happy that in the first four months of my presidency I can visit this giant power, that is China"<sup>2</sup> were intended to stress China's importance in Polish foreign policy. Duda invited China's President Xi Jinping to visit Poland in 2016.<sup>3</sup> The preparations for this event were the main determinant of Poland's policy towards China in the first half of that year.

While at the bilateral level there were many indications that favourable cooperation would be continued, as evidenced by the Chinese president's visit which both sides intended to use for political purposes, certain problems were expected at the EU level. The most important of these was the European Union's decision whether to grant China market economy status, expected before mid-December. A ruling of the Permanent Court of Arbitration in The Hague in the

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\* Justyna Szczudlik—head of the Asia-Pacific programme at the Polish Institute of International Affairs.

<sup>1</sup> For example, they pointed to PiS members' right-wing, anti-Communist and Euro-sceptic views. Finally, in their assessment of the first months of the new government's activity, Chinese experts came to think that Polish-Chinese relations had entered a new stage and become even more intensive than during the PO-PSL government's rule. For more, see Liu Zuokui, "Bolan de waijiao zhengce zouxiang yu zhongbo guanxi," *Zhongguo yu shijie* 2016, pp. 24–27; Mao Yinhui, "Bolan duiwai guanxi de bianhua ji zhongbo de juyi yu tiaozhan," *Xiandai Guoji Guanxi* 2016, pp. 57–64.

<sup>2</sup> *Prezydent Duda z przywódcą Chin o współpracy i partnerstwie*, 25 November 2015, [www.prezydent.pl](http://www.prezydent.pl).

<sup>3</sup> *Ibidem*.

case brought by the Philippines in 2013 regarding Chinese territorial claims in the South China Sea was expected in the middle of the year. The EU announced that it would issue a relevant statement on this matter. As an EU Member State, Poland had to express its opinion on both cases. They had an impact on Polish-Chinese relations because China sought support for its stance not only in the EU forum but also from specific EU Member States.

### Goals and Assumptions

The new Polish government did not change the assumptions of Poland's policy towards China. Economic goals continued to be of key importance. They included boosting Poland's exports (placing emphasis on mutuality by reducing Poland's trade deficit) and attracting Chinese investments, mainly greenfield. Poland's participation in the New Silk Road initiative<sup>4</sup> and its membership of the Asian Infrastructure Investment Bank (AIIB) was to help it achieve those goals. The fact that Poland was the only Central European state that was an AIIB founding member was particularly important. Chinese businesses view intensive political dialogue as a sign that it is worth cooperating with Poland. This dialogue is being carried out at the level of central and local authorities. Due to the difference in the potential of the two countries, the Polish authorities believe that closer cooperation with selected Chinese provinces and cities is more economically effective. Moreover, such dialogue should be carried out in the EU forum and in the sub-regional forum such as the 16+1 format as well. An additional role is played by activities promoting Polish culture and language in China, popularising knowledge of Poland and evoking positive associations, and attracting Chinese tourists and students. These aforementioned assumptions and goals appeared in statements by representatives of the government and the president regarding Polish foreign policy towards China.

Information on the Polish government's foreign policy in 2016, presented by Foreign Minister Witold Waszczykowski, included the statement that "the present government has been engaged in efforts to maintain the dynamics of expansion of Polish enterprises in Asia; it will be especially important to strengthen cooperation with countries with which we have entered into strategic partnerships. ... We are successfully developing cooperation in this partnership format with the **People's**

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<sup>4</sup> President Xi Jinping's flagship initiative has several interchangeable names. In 2013, when it was announced, two names were being promoted: the Silk Road Economic Belt (*sichou zhilu jingjidai*) and the 21<sup>st</sup>-century Maritime Silk Road (*21-shiji haishang sichou zhilu*). In 2014, the Chinese authorities decided to simplify and shorten the initiative's name to "One Belt One Road" (*yidai yilu*). In 2016, the English translation was changed (the Chinese name remained the same) into "Belt and Road," which is the name used by the Polish authorities.

**Republic of China**, including in the framework of the 16+1 initiative between Central and Eastern European countries and China. The recent visit by President Andrzej Duda marked an important landmark in the development of relations with this country. Regional and global initiatives, such as “One Belt, One Road” and the Asian Infrastructure Investment Bank, could produce tangible benefits for Poland stemming from handling the exchange of goods between Europe and Asia and the influx of investments. I hope to be able to continue the possibility of implementing various initiatives during my first Asian visit to China and during the visit of the Chinese President to Warsaw.”<sup>5</sup>

Shortly before Xi Jinping's visit to Poland in June, the Polish president and officials from his office presented the goals and assumptions of Poland's policy towards China in a similar spirit. The chief of the presidential cabinet, Minister Krzysztof Szczerski stressed that “the Polish side is interested in the development of trade, including a greater opening of the Chinese market for Polish-made goods, the development of investments and supporting instruments: banks and investment funds. President Duda will be strongly emphasising the fact that mutuality is the measure of the value of Polish-Chinese trade relations. We expect the Chinese market to be increasingly open to Poland's exports, to importing Polish-made goods and Polish agricultural products.”<sup>6</sup>

During her meeting with President Xi in Warsaw in June, Prime Minister Beata Szydło emphasised the same goals. She said “we have a number of economic and investment projects we would like to carry out jointly. Poland is involved in cooperation and exchange with China under the New Silk Road initiative. We believe that this project is extremely promising and offers a giant opportunity to carry out economic cooperation and build mutual relations and initiatives. Due to the favourable geographical location of its rail terminals and sea harbours, Poland is a natural partner for China in the implementation of the New Silk Road initiative.”<sup>7</sup> During his visit to China in April, Waszczykowski declared that “we care about boosting Poland's exports to China and improving access to the Chinese market for Polish goods” and that he was “convinced that Poland's involvement in the Asian Infrastructure Investment Bank would be an important element of the increasingly close economic cooperation between Poland and

<sup>5</sup> “Government Information on Polish Foreign Policy in 2016 (presented by Foreign Minister Witold Waszczykowski at the Sejm meeting on 29 January 2016),” see p. 11 in this volume.

<sup>6</sup> *Przewodniczący Chińskiej Republiki Ludowej z oficjalną wizytą w Polsce*, 19 June 2016, [www.prezydent.pl](http://www.prezydent.pl).

<sup>7</sup> *Premier Beata Szydło: Mamy z Chinami wiele projektów gospodarczych, które chcielibyśmy wspólnie realizować*, 20 June 2016, [www.premier.gov.pl](http://www.premier.gov.pl).

China and the Asian region as a whole.”<sup>8</sup> He also said that joint actions at the local level were among the pillars of Polish-Chinese relations, and stressed his willingness to develop closer cooperation with China at this level.<sup>9</sup>

Szydło also discussed the importance of the 16+1 format for Polish interests during the fifth summit of heads of government of 16+1 states in Riga on 5 November. The prime minister emphasised that “Poland cares about comprehensive economic cooperation such as the implementation of specific projects with Chinese partners in the technology and transport sectors. Poland’s participation in this summit is an element of the strategy of talks between Poland and China.”<sup>10</sup> Jarosław Gowin, deputy prime minister and minister of science and higher education, had emphasised this during his visit to China in October, a few weeks ahead of the 16+1 summit. He stressed that “we intend to build a partnership not only between Poland and China but also between China and Central and Eastern Europe as a whole.” He also said that “the economy is always preceded by culture” and pointed to the need to develop relations between societies as well.<sup>11</sup>

### Political Relations

**The bilateral level.** Waszczykowski visited China between 23 and 27 April, on his first Asian trip since taking office. In Beijing, he met his counterpart Wang Yi, China’s Vice-President Li Yuanchao, and the head of the National Development and Reform Commission (NDRC) Xu Shaoshi. He also met students of the Faculty of Polish Studies and gave a lecture at the Chinese Academy of Social Sciences. In Chengdu, he talked with Wang Dongming, Secretary of the Communist Party of China (CPC) in Sichuan Province, visited the Polish consulate (opened in June 2015), and went to the Qingbaijiang logistical centre which houses the transshipment terminal that services the regular cargo train connection between Łódź and Chengdu.

In May (and then again in November), Agriculture Minister Krzysztof Jurgiel visited China. The goal was to promote Polish foodstuffs including apples. The Polish authorities view these products as important elements of the plan to boost Poland’s exports to China. Other topics discussed included the Chinese embargo

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<sup>8</sup> *Minister Waszczykowski z wizytą w Pekinie*, Ministerstwo Spraw Zagranicznych, 25 April 2016, [www.msz.gov.pl](http://www.msz.gov.pl).

<sup>9</sup> *Ibidem*.

<sup>10</sup> *Ryga: Premier Beata Szydło na szczycie Chińska Republika Ludowa-Europa Środkowo-Wschodnia (16+1) w Rydze*, 5 November 2016, [www.premier.gov.pl](http://www.premier.gov.pl).

<sup>11</sup> *Wicepremier Jarosław Gowin w Chinach—relacja dzień po dniu*, Ministerstwo Nauki i Szkolnictwa Wyższego, 11 October 2016, [www.nauka.gov.pl](http://www.nauka.gov.pl).

on Polish pork, which had been in place since 2014 (before the embargo China had imported pork from Poland worth \$90 million annually).<sup>12</sup> During his November visit, the minister attended the 16+1 format meeting in Kunming dedicated to agricultural cooperation between China and Central Europe.

Since March 2012, the annual meetings between deputy foreign ministers of both states have been held called a strategic dialogue. The fourth Polish-Chinese strategic dialogue, held on 13 May in Poland, was attended by China's Deputy Foreign Minister Liu Haixing, who talked with Polish Deputy Minister of Foreign Affairs Katarzyna Kacperczyk about the preparations for Xi Jinping's visit.<sup>13</sup>

The highest-ranking event was the Chinese president's visit to Poland between 19 and 21 June (it was the first top-level visit since 2004 when Hu Jintao visited Warsaw). Xi Jinping met Duda, the speakers of the Sejm and the Senate (Marek Kuchciński and Stanisław Karczewski, respectively), and Szydło. The two heads of state took part in the International Silk Road Forum and the Fourth Poland-China Regional Forum. The most important result of this visit involved Xi Jinping and Duda signing a declaration on raising the level of bilateral relations to that of "comprehensive strategic partnership." In Chinese diplomatic terminology, this is the highest level of relations with states China does not view as great powers.<sup>14</sup> The declaration emphasised the convergence of the New Silk Road initiative, connected with China's economic reforms, with the strategy for responsible development (the Morawiecki plan) and announced that mutual ties and cooperation under both initiatives would be boosted, and a plan for Polish-Chinese cooperation would be prepared.<sup>15</sup>

Around 30 agreements and letters of intent were signed during the visit. The most important ones included three memorandums between the Ministry of Development and the NDRC regarding joint preparation of assumptions for a bilateral cooperation plan, the establishment of a joint steering committee for industrial cooperation, and an agreement on the development of information connectivity areas. Agreements were also signed to facilitate trade, for example,

<sup>12</sup> A. Gradziuk, D. Wnukowski, "Rosja nie do zastąpienia? Alternatywne rynki dla polskiego eksportu," *Raport PISM*, 2015, p. 32, [www.pism.pl](http://www.pism.pl).

<sup>13</sup> *Waijiaobu buzhang zhuli Liu Haixing tong bofang juxing liangguo fuwaizhang ji zhanglue duihua*, Ministry of Foreign Affairs of the People's Republic of China, 14 May 2017, [www.fmprc.gov.cn](http://www.fmprc.gov.cn).

<sup>14</sup> The Chinese concept of strategic partnerships has not been precisely defined in any official document. Despite the fact that usually a "comprehensive strategic partnership" is understood as the highest level of relations, the Chinese authorities also establish other types of strategic partnership and use different adjectives to define them. See Feng Zhongping, Huang Jing, "China's strategic partnership diplomacy: engaging with the changing world," *ESPO Working Paper*, 8 June 2014.

<sup>15</sup> *Wspólne oświadczenie w sprawie ustanowienia wszechstronnego strategicznego partnerstwa między Rzeczpospolitą Polską a Chińską Republiką Ludową*, 20 June 2016, [www.prezydent.pl](http://www.prezydent.pl).

to boost Poland's exports to China. The Ministry of Agriculture and Rural Development and the Chinese General Administration of Quality Supervision, Inspection and Quarantine (AQSIQ) signed a protocol on phytosanitary requirements regarding the export of apples from Poland to China, an agreement on cooperation in the field of monitoring the amounts of toxic substances in Polish poultry meat, and a letter of intent on scientific research and cooperation on the principles of regionalisation regarding African swine fever. The Ministry of Development and the Ministry of Commerce of the People's Republic of China (MOFCOM) formulated two memorandums on cooperation in the field of logistical infrastructure and industry parks.

In July, Fu Ying, chair of the National People's Congress Foreign Affairs Committee (NPC FAC), visited Poland. She met Kuchciński, Grzegorz Czelej (deputy speaker of the Senate and head of the Polish-Chinese parliamentary group), representatives of the Sejm's Foreign Affairs Committee, and Waszczykowski. The subjects of their talks included cooperation between the Polish and Chinese parliaments, the intention to boost bilateral cooperation in trade and investments, and the need to reduce bureaucratic barriers to the flow of people and goods between Poland and China.<sup>16</sup>

In October, Gowin visited China. In Beijing, he met China's Deputy Prime Minister Liu Yandong, Minister of Education Chen Baosheng, Minister of Science and Technology Wan Gang, and the executive body of the China Academy of Space Technology (CAST). At the Polish embassy, the minister met students of the Faculty of Polish Studies, as well as Polish language teachers and translators, graduates of Polish universities and Polish citizens studying in China. In Chengdu, he attended the opening ceremony of the Polish and Central European Studies Centre at the Sichuan University, which was established in cooperation with the University of Warsaw.<sup>17</sup>

On 26 October, a few days ahead of the fifth 16+1 summit in Riga, the eighth meeting of the Inter-Ministry Task Force for Coordination of Actions for the Development of Strategic Partnership between Poland and China (which had been established in December 2012) was held. It was chaired by Deputy Foreign Minister Robert Grey. The meeting was also attended by Deputy Minister of Development Radosław Domagalski-Łabędzki (vice-chairman) and representatives of the Polish Agency for Enterprise Development, the Polish Agency for Information

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<sup>16</sup> *Pełny zapis przebiegu posiedzenia Komisji Spraw Zagranicznych (nr 35)*, Sejm, 19 lipca 2016 r., [www.sejm.gov.pl](http://www.sejm.gov.pl); *O relacjach polsko-chińskich z przewodniczącą Komisji Spraw Zagranicznych OZPL*, Sejm, 19 July 2016, [www.sejm.gov.pl](http://www.sejm.gov.pl).

<sup>17</sup> *Wicepremier Jarosław Gowin w Chinach...*, *op. cit.*

and Foreign Investments and Bank Gospodarstwa Krajowego.<sup>18</sup> The attendees summed up Polish-Chinese cooperation to date, as well as preparations for the summit in Riga.

**The sub-regional level (the 16+1 format).** In 2016, Polish-Chinese contacts were also maintained in the 16+1 format. Polish representatives were present during most events held in this formula. In accordance with the November 2015 Suzhou guidelines, meetings with representatives of the Secretariat for China's Cooperation with CEE states at the Chinese MFA, and with representatives of embassies of the 16 participant states, are held quarterly in Beijing. In 2016, these took place in February, April, October and December, and were attended by representatives of the Polish embassy in Beijing. The Polish national coordinator for the 16+1 format (the deputy foreign minister responsible for contacts with Asia) attended the seventh and eighth meeting of coordinators—Kacperczyk for the June meeting in Haikou and Robert Grey, the October meeting in Riga. The second ministerial conference on economic cooperation held in Ningbo in June was another event of major importance. It was attended by the deputy minister of development, Radosław Domagalski.

In 2016, the summit in Riga was an event of special importance for the 16+1 format. Szydło, who attended the summit, held a separate meeting with Chinese Prime Minister Li Keqiang. From Poland's point of view, the decision to establish a Secretariat for Maritime Cooperation in the 16+1 format at the Ministry of Maritime Economy and Inland Navigation was another important development. This will be the third mechanism in this format in Poland, after the Business Council and the association of investment agencies.

**The EU level.** In 2016, in the EU forum, topics China and the EU viewed as important included the issue of recognising China as a market economy<sup>19</sup> (and granting it market economy status, MES) and the EU's position towards the expected ruling of the Permanent Court of Arbitration in The Hague regarding territorial disputes in the South China Sea.

<sup>18</sup> *Obrady zespołu międzyresortowego ds. Chin*, Ministerstwo Spraw Zagranicznych, 27 October 2016, [www.msz.gov.pl](http://www.msz.gov.pl).

<sup>19</sup> According to China's WTO accession protocol, following the end of the 15-year transition period (on 11 December 2016), it was no longer possible to calculate anti-dumping tariffs according to a selected methodology (for example the analogue country method) if the market economy criteria are not met (Art. 15, par. a, item ii). This means that China is of the opinion that, from December 2016, onwards the tariffs should be calculated automatically based on Chinese tariffs, which means that MES would in practice cease to matter. See D. Wnukowski, "Granting Market Economy Status to China: Implications for the EU and Poland," *PISM Bulletin*, no. 52 (902), 17 August 2016, [www.pism.pl](http://www.pism.pl).

Ultimately, the EU did not grant MES to China and decided to make comprehensive amendments to its anti-dumping regulations. The European Commission decided to cancel its special list of countries with non-market economy status, which included China and contained special provisions regarding anti-dumping tariffs. To calculate these, the EU applied the analogue country method, taking into account prices used in another country with market economy status.<sup>20</sup> At the same time, the EU reserved the right to impose anti-dumping tariffs until the Union improves its trade defence Instruments. Poland supported the compromise devised by the EU.

On 12 July 2016, the Permanent Court of Arbitration in The Hague unanimously rejected China's "historical rights" to maritime areas in the South China Sea (the ruling was communicated on the day on which the 18<sup>th</sup> EU-China summit began in Beijing). In its statement published on 15 July, the EU considered the arbitration ruling binding.<sup>21</sup> Unlike other countries of the region (Hungary, Croatia and Greece), Poland did not block the EU's initial statement with its harsher wording. It is worth noting that China attempted to manipulate Poland's opinion on the dispute in the South China Sea. Poland was featured on a map of states that supported China's stance, published in "China Daily."<sup>22</sup> Earlier, the Chinese press agency Xinhua had reported false information suggesting that, during his visit to China in April, Waszczykowski had expressed support for the Chinese stance on the SCS dispute. In the end, Xinhua removed this report from its website.

## Economic Relations

**Trade and investments.** In 2016, both positive and negative trends were recorded in economic relations. An increase in Poland's trade deficit should be viewed as a negative development. The deficit amounted to €19,879.9 million (versus €18,663.6 million in 2015).<sup>23</sup> The trade volume rose by 4.8% compared with 2015, but this resulted from an increase in Poland's imports from China and a decline in its exports.<sup>24</sup> Moreover, the embargo on the export of Polish pork to China was still in place. Similarly, certain problems emerged in the export of apples,

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<sup>20</sup> *Ibidem.*

<sup>21</sup> R. Tarnogórski, "South China Sea Arbitration: Roots and Consequences," *PISM Bulletin*, no. 43 (893), 18 July 2016, [www.pism.pl](http://www.pism.pl).

<sup>22</sup> *China Daily*, 13 July 2016.

<sup>23</sup> *Syntetyczna informacja o eksporcie i imporcie Polski: styczeń-grudzień 2016 r., w mln euro (dane ostateczne)*, Ministerstwo Rozwoju, August 2017, table no. 3A.

<sup>24</sup> *Wymiana handlowa i aktywność inwestycyjna*, Ambasada Rzeczypospolitej Polskiej w Pekinie, [www.pekin.msz.gov.pl](http://www.pekin.msz.gov.pl).

due to the Russian embargo which prevented the apples from being transported by rail from Kutno and Łódź to Chengdu. In December, China introduced an embargo on Polish poultry meat, when cases of bird flu were reported in Lublin (Lubelskie) Voivodship.

Poland gaining access to the Chinese market to sell fresh apples should be viewed as a positive development for bilateral trade relations. This was possible due to the protocol signed in June 2016 during Xi Jinping's visit to Poland. Fresh apples from Poland were allowed to be sold on the Chinese market in November 2016 when all formal procedures were complete. In all, 453 apple orchards and 135 packing facilities were authorised to export apples to China. The first batch of apples intended for the Chinese market was dispatched to Chengdu on 12 December 2016.<sup>25</sup>

Improvement in investment relations was recorded. According to calculations of the Economic Department of the Polish embassy in Beijing, the likely total value of Chinese investments in Poland as at the end of 2016 was around \$815 million.<sup>26</sup> According to data compiled by the NBP, in 2016 the value of Chinese investments in Poland stood at \$130.5 million compared with \$216 million in 2015.<sup>27</sup> However, the NBP's data cover investments carried out by companies based in China and do not include investments carried out by companies based in Hong Kong or in Europe.<sup>28</sup> In 2016, there were transactions of major value in which Chinese companies took over stakes in Polish companies and several smaller greenfield investments.

At the beginning of July, Chinese company Suzhou Chunxing Precision Mechanical (listed on the Shenzhen Stock Exchange), a manufacturer of aluminium components for the telecommunications, automotive and medical sectors, opened its prototype plant in Gdańsk.<sup>29</sup> This is the company's first stage of expansion in Europe, and Poland was selected due to its competitive advantage, geographical location, and maritime and land transport links.

In August, the Chinese company Everbright took over the Mława-based waste processing company Novago. While this investment, worth €123 million, is a merger and acquisition rather than a greenfield development, it is viewed as important because both companies had included this move in their business

<sup>25</sup> *Ibidem.*

<sup>26</sup> *Ibidem.*

<sup>27</sup> *Zagraniczne inwestycje bezpośrednio w Polsce 2015 i 2016 (USD)*, NBP, [www.nbp.pl](http://www.nbp.pl).

<sup>28</sup> Chinese companies frequently carry out their investments in Europe via their subsidiaries located in the Netherlands and Luxembourg.

<sup>29</sup> A. Konopacka, *Chińska firma Chunxing otwiera prototypownię w Trójmieście*, Portal Urzędu Marszałkowskiego Województwa Pomorskiego, 1 July 2016, [www.pomorskie.eu](http://www.pomorskie.eu).

plans. Novago was looking for an investor to help improve its market position, expand its operations and modernise its technology. Everbright was interested in expanding into new markets and received a loan from the Warsaw branch of the Bank of China for the investment.

In 2016, the Chinese company Hongbo decided to build an LED lighting manufacturing plant in Opole (in the sub-zone of the Wałbrzych Special Economic Zone), to be followed by construction of warehouses and a research and development centre. The investment is a result of cooperation between Opole Voivodship and Fujian Province, which is where Hongbo is based. The construction of the manufacturing plant was launched at the end of 2016, with production planned to start in mid-2017. The estimated value of the first stage of the investment is PLN 80 million.

In October 2016, the Portuguese company EDPR finalised the sale of a 49% stake in Polish wind farms to a fund controlled by China's Three Gorges Corporation. The estimated value of this stake was around €289 million.<sup>30</sup>

**The New Silk Road.** In 2016, Poland continued its involvement in the New Silk Road initiative. In March, the Sejm unanimously agreed that the president should ratify the agreement on Poland's participation in the Asian Infrastructure Investment Bank.<sup>31</sup> On 19 April 2016, the president signed the relevant law, which came into effect on 6 May. Poland became a full AIIB member on 15 June, when the meeting of governors closed the process of the bank's creation. The Polish minister of finance serves as the bank's governor on Poland's behalf. In May, the AIIB's president, Jin Liqun, visited Poland and met with Finance Minister Paweł Szałamacha. On 18 July, Radosław Pyffel took up the post of AIIB's alternate director as a member of the board of directors.

In April, a cargo train connection from Kutno to Chengdu was launched. The inauguration ceremony was attended by the head of the Communist Party of China in Sichuan Province, Wang Dongming. Aside from Łódź, which is planning to extend the terminal to more efficiently service rail shipments on this route, and Kutno and Łódź (Łódzkie) Voivodship as a whole, Lubelskie Voivodship is also interested in cooperating with China in the New Silk Road framework. Trans-shipment of rail cargo on the Zhengzhou-Hamburg route (the connection is serviced by PKP Cargo) is performed in the Małaszewicze dry port. Representatives of Lubelskie Voivodship took part in a meeting with the Chinese delegation during Xi Jinping's visit to Poland. The Chinese and Polish presidents

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<sup>30</sup> *Wymiana handlowa i aktywność inwestycyjna, op. cit.*

<sup>31</sup> *Ustawa z dnia 11 marca 2016 r. o ratyfikacji Umowy o utworzeniu Azjatyckiego Banku Inwestycji Infrastrukturalnych, sporządzonej w Pekinie dnia 29 czerwca 2015 r., Sejm, [www.sejm.gov.pl](http://www.sejm.gov.pl).*

took part in the inauguration of the “China Railway Express” rail connection. The first cargo train with this logo arrived in Warsaw from Chengdu, carrying automotive parts and electronic devices.<sup>32</sup>

Poland's involvement in the New Silk Road initiative was also confirmed by Szydło's decision of 31 May to establish a task force for preparing the assumptions of cooperation in the field of infrastructural projects to be implemented jointly with China. The task force is an advisory body to the Council of Ministers. Its main duty is to compile a list of Polish-Chinese projects and their financing schemes. The head of the task force is Deputy Minister of Development Radosław Domagalski, with Katarzyna Kacperczyk as deputy. Its members include deputy ministers of finance, energy, treasury, maritime economy and inland navigation, infrastructure and construction, agriculture and rural development.<sup>33</sup>

During Xi Jinping's visit, several agreements were signed that should be viewed as connected with the “Belt and Road.” Aside from including the initiative (alongside the Morawiecki plan) in the declaration on comprehensive strategic partnership, several agreements were signed on cooperation in logistics infrastructure, industrial parks, information connectivity (the Information Silk Road), and conditions for using funding offered by Exim Bank to implement infrastructure projects in Poland.

## Social Relations

**Culture.** During Xi Jinping's visit to Poland, a protocol on cooperation in the field of culture for the years 2016 to 2019 was signed. Since the beginning of 2016, cultural programmes of the Polish embassy in Beijing (the Polish Institute-Department of Culture) and the “Asia” project of the Adam Mickiewicz Institute have been continued. The most important cultural activities include the promotion of Polish literature, music and theatre in China.<sup>34</sup>

*Literature.* In January, the book “*Pod ziemią, pod wodą*” by Aleksandra and Daniel Mizieliński, published by Beijing Yuanliu Classic Culture, was awarded the title of the book of the year. In August, alongside 15 other countries of the region, Poland was a guest of honour at Asia's largest book fair, the Beijing International Book Fair. Poland's participation had been prepared by the Polish Book Institute,

<sup>32</sup> *Pierwszy pociąg “China Railway Express” w Polsce*, 20 June 2016, [www.prezydent.pl](http://www.prezydent.pl).

<sup>33</sup> “Zarządzenie nr 64 Prezesa Rady Ministrów z dnia 31 maja 2016 r. w sprawie Zespołu do spraw przygotowania założeń współpracy w zakresie projektów infrastrukturalnych do realizacji z Chińską Republiką Ludową,” *Monitor Polski*, 2 June 2016.

<sup>34</sup> Based on information found on the sub-page dedicated to the “Asia” project implemented by the Adam Mickiewicz Institute, <http://asia.culture.pl/pl/china-events>.

and 16 Polish publishers attended. The Chinese language version of the audiobook of “The Teutonic Knights” by Henryk Sienkiewicz was presented during the fair.

*Music.* In 2016, Polish early, contemporary and jazz music was being promoted. The Adam Mickiewicz Institute continued its cooperation with the Forbidden City Concert Hall in Beijing, the Wuhan Qintai Concert Hall and the Early Music Season festival. In April, singer Olga Pasiiecznik, harpsichordist Marcin Świątkiewicz and lutenist Michał Gondko gave concerts of early music. Contemporary music was promoted for during concerts of the rock band Tides from Nebula which performed in Beijing and Shanghai in April and May. In November and December, the Warsaw-based band Scream Maker toured China for the fourth time with their acoustic set. In October, the Sinfonia Varsovia orchestra conducted by Krzysztof Penderecki toured China. Also in October, the project “Jazz po polsku on tour” promoting Polish jazz was presented in China for the second time. In September and October, Polish jazz bands performed in Nanjing, Guangzhou, Beijing, Shanghai, Changchun, Chengdu, Dalian, Suzhou and Zhongshan.

*Theatre.* Polish theatre has been highly popular in China for several years. In 2016, from April onwards, performances by Polish directors were staged in theatres in Beijing, Tianjin and Harbin. These included “Heroes’ square” by Krystian Lupa, “(A)pollonia” by Krzysztof Warlikowski, “Martyrs” by Grzegorz Jarzyna, “Hideout/Kryjówka” by Paweł Passini, and “King Lear” and “An enemy of the people” by Jan Klata. This series of theatre performances staged in 2016 in China has been the most comprehensive presentation of Polish theatre in Asia to date.

**Tourism.** Efforts were made to boost incoming tourist traffic from China to Poland. On 1 September, Polish Visa Application Centres (VAC) were launched by the Polish MFA in four Chinese cities (Beijing, Chengdu, Guangzhou and Shanghai). Services are available to citizens of China and Mongolia, as well as citizens of other states legally residing in China, who wish to apply for a Polish or a Schengen visa. Staff are provided by a company selected by the MFA in an open tender.<sup>35</sup> Since 2015, the Polish Tourism Organisation (PTO) has had its representative office in Beijing.

According to Statistics Poland (GUS), in 2016 more than 82,000 Chinese tourists visited Poland (the figure covers those tourists who used Polish accommodation facilities), an increase of around 36% compared with 2015. This was due to favourable Polish-Chinese relations, promotional activities carried out by Polish diplomatic posts in China and by the PTO which cooperates with

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<sup>35</sup> Więcej turystów z Chin, Polska Organizacja Turystyczna, 5 September 2016, [www.pot.gov.pl](http://www.pot.gov.pl).

China's major tour operators (it organises tours and prepares winter travel offers), as well as important international events that took place in Poland, such as the selection of Wrocław as the European Capital of Culture and the organisation of World Youth Day in Kraków.<sup>36</sup>

Chinese tourists travelled to Poland mainly in organised groups. Trips mainly involved tours of Central Europe, during which they also visited the Czech Republic, Slovakia and Hungary, as well as the Scandinavian and Baltic countries (less frequently). During their stay in Poland, the tourists usually visit big cities and their surroundings, mainly Warsaw, Gdańsk, Kraków and, increasingly frequently, Wrocław. Other major locations include Oświęcim (the Auschwitz-Birkenau Memorial and Museum) and the Wieliczka Salt Mine.<sup>37</sup> Increased interests in trips to Poland alone is noticeable. This new trend was facilitated by the launch of a new direct air connection from Beijing to Warsaw. It has been in place since September and is operated by the Chinese national carrier Air China (between 2012 and August 2016, LOT Polish Airlines had offered direct flights on this route three times weekly).

**Science and education.** During Xi Jinping's visit to Poland, an agreement on mutual recognition of university graduation diplomas and occupational titles in higher education was signed. In the presence of the two heads of state, the Polish Space Agency signed a cooperation agreement with the China National Space Administration (CNSA). The main point of this agreement is to create a legal and organisational framework and tools to enable joint exploration and utilisation of outer space for peaceful purposes. Cooperation can take place in space research, including astrophysics and solar system research, exchange and utilisation of satellite data in the development of Earth science, monitoring climate change and the environment, and development of space technologies, for example in telecommunications.<sup>38</sup>

Other documents signed during the Chinese president's visit include a framework agreement on cooperation supporting innovative development of the production of construction machines, signed between the Chinese company LiuGong and the National Centre for Research and Development. Another company, Huawei, signed two agreements. The first was with the Interdisciplinary Centre for Mathematical and Computational Modelling at the University of

<sup>36</sup> *Ibidem*; *Analiza rynków za rok 2016 objętych działaniami zagranicznych ośrodków Polskiej Organizacji Turystycznej (ZOPOT). Trendy, wizerunek, produkty, komercjalizacja*, Polska Organizacja Turystyczna, March 2017, p. 52, [www.pot.gov.pl](http://www.pot.gov.pl).

<sup>37</sup> *Ibidem*, pp. 52–56.

<sup>38</sup> *Porozumienie o współpracy z Chińską Narodową Agencją Kosmiczną (CNSA)*, Polska Agencja Kosmiczna, [www.polsa.gov.pl](http://www.polsa.gov.pl).

Warsaw, to establish a Data Science Innovation Centre. The second, with P4, provides for the implementation of network infrastructure projects by 2025. The companies will cooperate on the development of the 4.5G network, and in the future the 5G network, to improve the quality of broadband Internet services offered to Play network clients. The partnership will include the construction of a wireless network, a transmission network, an IP network, IT solution support for Play and the supply of mobile devices.

In 2016, there was a small increase in the number of Chinese citizens studying in Poland. The total number of such students at Polish universities was 846, 60 more than in 2015.<sup>39</sup>

### Assessment

The year 2016 was marked by a continuation in Poland's policy towards China. Poland carried out intensive dialogue by initiating events in bilateral relations and taking part in mechanisms of communication with the Chinese authorities. This policy was focused on the pursuit of Poland's main interests in its relations with China, i.e. on economic cooperation. This was evidenced by parliament's consent to the president signing the law on Poland's participation in the AIIB, by the fact that economic issues were discussed during meetings with representatives of the Chinese authorities and by agreements on economic cooperation signed during Xi Jinping's visit to Poland. Moreover, during meetings with Chinese partners, Polish representatives emphasised that potential cooperation in investments and transport could supplement the activities carried out under the Morawiecki plan. In this way, the Polish government attempted to stress the primacy of the strategy for the responsible development of Poland (similar to the role played by the New Silk Road initiative in China) as an initiative that could be facilitated by Poland's cooperation with China.

However, despite favourable political relations and the efforts of the Polish government, the most important problem in bilateral relations, i.e. a major trade imbalance, has not been solved. Quite the opposite, Poland's trade deficit increased as a result of a rise in imports from China and a decline in its exports going the other way. Poland failed to achieve its main goal of reducing its trade deficit with China. Although Poland managed to gain access to the Chinese market to sell fresh apples, China did not lift its embargo on pork and then introduced another on Polish poultry meat. Not only did China not eliminate the problems regarding access to its market but it also introduced new barriers.

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<sup>39</sup> "Zagraniczny studenci w Polsce 2016," *Perspektywy*.

The other goal, which involved attracting Chinese investments to Poland, has partly been attained because an increase in these investments was recorded, even though they mainly were mergers and acquisitions. No infrastructural investments, the main goal of Polish-Chinese cooperation in the New Silk Road framework, were recorded. However, Hongbo's investment in Opole (the first stage involving manufacturing and the second stage R&D), is an example of a valuable Chinese investment and a result of cooperation between the local authorities (also covering the company and the Opole University of Technology) which was beneficial to both sides. This example is proof of the fact that effective investment cooperation with Chinese partners is possible in the future.

Other auxiliary goals which are to facilitate the implementation of the main goals, i.e. maintaining intensive political dialogue, promoting Polish culture in China and attracting Chinese tourists and students, have partly been attained. This is evidenced by mutual visits paid in 2016 (including the Chinese president's visit to Poland, the first such visit in 12 years), an increase in the number of Chinese tourists travelling to Poland, and a rich programme of activities promoting Polish culture in China. To facilitate the achievement of the main goals in the future, in 2016 the Polish authorities placed an emphasis on devising a relevant set of tools. The memorandums signed during Xi Jinping's visit to Poland, Poland's full membership of the AIIB, and the establishment of a new task force to devise proposals of Polish-Chinese infrastructural projects should be viewed as examples of such tools.

In the EU forum in 2016, Poland took the stance recommended by the EU and the majority of Member States. China, in its relations with EU countries, emphasised political goals it considered important for its image, i.e., its market economy status and the South China Sea issue. In both instances, Poland did not join Hungary which openly advocated granting China market economy status, nor did it join Hungary, Greece and Croatia, which did not want to agree to the initial version of the EU's statement on the ruling of the Court in The Hague. In this way, Poland paid attention to its own interests: it protected its market and Polish producers (in the context of MES) and supported a solution based on international law (as regards the disputes in the South China Sea).

# Poland's Policy in the Visegrad Group

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## Background

In 2016, the main determinant of Poland's activity in the Visegrad Group (V4) was the decision by Prime Minister Beata Szydło's government to boost the importance of regional cooperation in Polish foreign policy.<sup>1</sup>

A complex crisis affecting the European Union was an important circumstance impacting cooperation within V4. The war in Syria and Russia's aggression against Ukraine aggravated the security situation in the EU's immediate neighbourhood. The conflict in the Middle East triggered a migration crisis to which the EU had no effective response. This was evidenced by the difficulties with the implementation of the EU's mandatory refugee relocation scheme. The V4 states sustained their opposition to taking in specific quotas of refugees, which had a negative impact on their image. The remaining EU Member States began to view them as lacking solidarity and unsupportive of solutions proposed at the EU level.<sup>2</sup>

The result of the referendum regarding the UK's exit from the EU triggered uncertainty as to the future of European integration. The Polish government viewed the prospect of Brexit as confirmation of its convictions regarding the need to carry out thorough reforms in the EU. Poland's presidency of V4 (July 2016 to June 2017) was an opportunity to present certain initiatives in this field. In addition, Slovakia's presidency of the Council of the EU (July to December 2016) facilitated efforts to find a compromise solution between V4 and EU's proposals regarding the Member States' contribution to solving the migration crisis.

The relatively slow pace of economic growth recorded in the Eurozone, compared with that in Poland, reinforced the belief of Szydło's government that

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<sup>1</sup> See, for example: *Witold Waszczykowski—minister spraw zagranicznych*, PAP despatch, 16 November 2015, [www.pap.pl](http://www.pap.pl).

<sup>2</sup> See, for example: "Bratislava: l'Europe sauve la face," *Les Echos*, 19 September 2016, [www.lesechos.fr](http://www.lesechos.fr).

the Central European region had an advantage over part of the EU,<sup>3</sup> as well as its view that the Visegrad Group should become intensively involved in the debate over the future of the European Union.

Due to the EU's domestic situation, cooperation within V4 focused on political issues from the EU's agenda. In addition, Hungary used the migration crisis and the activity of V4 states as a tool to shape its own domestic policy and solidify its position in the EU. It was with Viktor Orbán's government that the Polish authorities maintained the closest relations, which resulted (among other things) from strong ideological ties between the two governments. Due to the European Commission launching its rule of law procedure against Poland in January 2016, and to the anti-EU campaign conducted in Hungary, the Slovak and Czech partners distanced themselves from Poland and Hungary, which continued to start new disputes with the Commission. In addition, cooperation was disrupted by the fact that specific V4 states viewed the Visegrad Group differently. Hungary saw it as a tool to build Prime Minister Orbán's position as leader of a conservative political group in the EU. The Czech Republic viewed V4 as an instrument for pushing through its own interests rather than a permanent political alliance.<sup>4</sup> The Slovak government increasingly stressed V4's lesser importance compared with integration within the EU.

### Goals and Assumptions

Building closer ties in the region, with special emphasis on V4, was to be an alternative for Poland to weakening cooperation in the Weimar Triangle, and a means of protection should the European integration process fail. In the context of changes in the EU, especially following the referendum on the UK's membership, the Polish government attempted to boost regional cooperation, which it viewed as compensation for limited prospects of cooperation with the UK in the EU. V4 was seen in the broader context of Central and Eastern Europe as a joint representation of regional interests.<sup>5</sup>

The Visegrad Group was expected to amplify Poland's voice in the European debate on solving the migration crisis, which had been ongoing since 2015, and on the future of the EU. During Poland's V4 presidency, the emphasis was placed on coordination of V4 states' stances regarding the current European agenda,

<sup>3</sup> See, for example: *Premier Beata Szydło: Grupa Wyszehradzka ma receptę na UE*, PAP despatch, 6 September 2016, <https://wiadomosci.wp.pl>.

<sup>4</sup> Ł. Ogrodnik, "The Visegrad Group in Czech Policy," *PISM Bulletin*, no. 89 (939), 19 December 2016, [www.pism.pl](http://www.pism.pl).

<sup>5</sup> "Government Information on Polish Foreign Policy in 2016 (presented by Foreign Minister Witold Waszczykowski at the Sejm meeting on 29 January 2016), see p. 11 in this volume.

migration, energy issues and support for the economy.<sup>6</sup> In the context of Slovakia's presidency of the EU Council in the second half of 2016, one of the priorities of Poland's European policy was to create synergy between this presidency and Poland's V4 presidency. Slovakia's presidency focused on priorities such as boosting Europe's economy, modernising the single market, devising a durable migration and asylum policy, and increasing the EU's global involvement.<sup>7</sup> The fact that Slovakia's EU Council presidency overlapped with Poland's presidency of V4 reinforced the Polish government's intention to effectively influence the direction of changes in the EU. The proposals included making "the role of national parliaments more meaningful and definitive" and boosting the importance of the European Council, which would stress the importance of Member States in the EU's decision-making process.<sup>8</sup> In the EU forum, the Polish government intended to boost its argument as regards the approach to the migration crisis by presenting the stance of the Visegrad Group as a whole. This is why it expressed the need to more effectively protect the EU's external borders and to abandon the mandatory refugee relocation scheme.

Poland's traditional goal in V4 was to deepen cooperation in areas such as infrastructure, defence and energy security, and to win political support for specific actions. Poland intended to win the support of V4 states for its opposition to the construction of the Nord Stream 2 gas pipeline. Cooperation within V4 was also expected to boost military security of the region as a whole.<sup>9</sup>

Consultations within V4 were also a starting point for broader regional cooperation. This cooperation was the main purpose of meetings in the V4 + third countries formula, including Ukraine, the Nordic countries and the Baltic States. In this context, Poland wished to focus cooperation between V4 and its external partners on the east and the north.

## Multilateral Relations

Topics discussed during the most important meetings of leaders of V4 states during the Polish presidency included the EU's domestic situation and external challenges, the migration crisis in particular.

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<sup>6</sup> *Program polskiego przewodnictwa w Grupie Wyszehradzkiej*, Ministerstwo Spraw Zagranicznych, [www.msz.gov.pl](http://www.msz.gov.pl).

<sup>7</sup> *The Programme of the Slovak Presidency of the Council of the European Union*, [www.eu2016.sk](http://www.eu2016.sk).

<sup>8</sup> See *Joint Statement of the Heads of Governments of the V4 Countries "Strong Europe—Union of Action and Trust" Input to Rome Declaration 2017*, [www.vlada.cz](http://www.vlada.cz).

<sup>9</sup> "Government Information on Polish Foreign Policy in 2016...", *op. cit.*

In the V4 forum, Poland took a tough line on EU reform. In a joint declaration of heads of government of V4 states, signed in June during an event closing the Czech presidency, the emphasis was placed on mutual trust which was necessary for the EU to maintain its cohesion and for the launch of joint actions to streamline its functioning.<sup>10</sup> In another statement announced during the Polish presidency, the V4 prime ministers criticised the current condition of the EU<sup>11</sup> and pointed to the rift between the activity of EU institutions and the citizens' expectations of the EU. A joint position on the future of the EU was maintained in the most important areas, i.e. the need to further deepen the single market, to maintain the four freedoms and to create a digital single market. Views were also convergent as to the fact that the EU should boost the democratic legitimacy of its actions, mainly by strengthening the role of national parliaments and that of the European Council in the decision-making process. Poland argued that amending EU treaties is necessary for reform of the EU to be possible. This made it stand out not only from V4 but also from the EU as a whole.<sup>12</sup>

As regards migration and the refugee crisis, the Polish government frequently amplified its stance by presenting it in the V4's joint declarations. In February and June 2016, the V4 prime ministers issued joint statements. They called for counteracting the causes of migration, by putting an end to the conflicts in Syria and Iraq, stabilising the situation in Libya, and cooperating with third countries including Turkey. They also agreed that it was necessary to boost the EU's security by improving the protection of the Schengen Area's external borders without interfering in specific states' sovereignty as regards their border protection.

The V4 states were unanimously opposed to mandatory quotas of refugees to be relocated across the EU. At the same time, they invited leaders from countries on the Balkan migration route (the prime minister of Bulgaria and the president of Macedonia) to a summit in Prague in February. Moreover, ahead of the informal European Council summit in Bratislava, they proposed the concept of "flexible solidarity," based on the assumption that a Member State, drawing on its experience and potential, may freely choose its method to help to resolve the crisis.<sup>13</sup>

<sup>10</sup> See *Joint Statement of the Heads of Governments of the Visegrad Group Countries: Towards Union of Trust and Action*, Visegrad Group, 28 June 2016, [www.visegradgroup.eu](http://www.visegradgroup.eu).

<sup>11</sup> *Wspólne oświadczenie szefów rządów państw Grupy Wyszehradzkiej*, 21 July 2016, [www.premier.gov.pl](http://www.premier.gov.pl).

<sup>12</sup> "Szydło: UE potrzebuje nowego traktatu; Polska chce być aktywna w procesie zmian," *TVP Parlament*, 27 June 2016, [www.tvpparliament.pl](http://www.tvpparliament.pl).

<sup>13</sup> *Joint Statement of the Heads of Governments of the V4 Countries*, [www.msz.gov.pl/resource/4e985f7f-8a2d-416b-8b3f-52e7f704c414:JCR](http://www.msz.gov.pl/resource/4e985f7f-8a2d-416b-8b3f-52e7f704c414:JCR).

Despite numerous common elements in the governments' stances on the migration crisis, reactions from specific states were varied. Unlike Poland and Hungary, the Czech Republic and Slovakia took in refugees relocated from Greece and Italy, albeit voluntarily and in very small numbers. In addition, Slovakia maintained its readiness to take in refugees (also voluntarily).

The V4+Germany summit held in Warsaw in August was an element of a series of consultations carried out by Chancellor Angela Merkel ahead of the EC summit in Bratislava scheduled for September. The main topic of the talks included planned EU reforms as well as domestic and external security issues. Szydło pointed to the increasingly evident rift between the German and the Central European vision of what needed to be done.<sup>14</sup>

On the V4 agenda, Poland advocated maintaining support for the Eastern Partnership states. At a meeting in Krynica on 6 September, the heads of government of V4 states + Ukraine issued a joint statement in which they expressed their support for Ukraine's territorial integrity and their disapproval of Russia's illegal annexation of Crimea. The V4 prime ministers stressed the importance of long-term cooperation and supported the ratification of the Association Agreement alongside the Deep and Comprehensive Free Trade Area (AA/DCFTA) between the EU and Ukraine.<sup>15</sup> They also announced that they would share with Ukraine their experience connected with the transformation of V4 states.

In November, a summit of foreign ministers of V4 states and the Western Balkans, alongside Bulgaria, Croatia, Greece, Romania, Slovenia and Italy, was held in Warsaw, with the participation of the EU's High Representative for Foreign Affairs and Security Policy Federica Mogherini. Its goal was to confirm support for the EU aspirations of Montenegro, Serbia, Macedonia, Albania, Bosnia and Herzegovina, and Kosovo. In addition, the summit was an opportunity to continue dialogue with the region's states on issues of common interest, including migration, transport and energy infrastructure, and hybrid threats.

Just like other NATO states, at the summit in Warsaw the Czech Republic, Slovakia and Hungary supported Poland, the Baltic States and Romania in their efforts to boost NATO's forces on the Eastern Flank. Although Poland's V4 partners do not view Russia as a direct threat, they agreed to a symbolic rotational presence of one company from each of these countries in the Baltic

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<sup>14</sup> "If we are looking for ways out of the present crisis affecting the Community, we should focus on initiatives that bring us together and avoid those that divide us. Recently, there has been quite a lot of the latter ones" – *Beata Szydło: Silna UE gwarancją bezpieczeństwa dla Polski*, 26 August 2016, [www.premier.gov.pl](http://www.premier.gov.pl).

<sup>15</sup> *Wspólny komunikat premierów państw Grupy Wyszehradzkiej po spotkaniu z premierem Ukrainy*, [www.premier.gov.pl](http://www.premier.gov.pl).

States.<sup>16</sup> However, they failed to support the proposal to deploy NATO battalion-sized battlegroups in Poland, Lithuania, Latvia and Estonia. In the first half of 2016, the V4 EU Battlegroup was on duty in accordance with the agreement the V4 states had signed in 2014.

The issue of energy security kept recurring throughout 2016, for example in the context of the planned construction of the Nord Stream 2 gas pipeline. Poland strove to maintain V4's unanimous opposition to this initiative. The presidents of V4 states expressed this opposition during a meeting in Łańcut in October.<sup>17</sup> However, subsequent statements by Hungarian and Slovak leaders have weakened V4 unity on this matter.<sup>18</sup>

The V4 states maintained their divergent stances on relations with Russia. Slovakia and Hungary criticised the extension of sanctions against Russia. According to prime ministers Robert Fico and Viktor Orbán, the sanctions proved ineffective and had a negative impact on their countries' economies. Poland, for its part, continued to stress the sanctions' importance.

The first summit of the Three Seas Initiative was another opportunity for V4 politicians to meet. The initiative was established by President Kolinda Grabar-Kitarović of Croatia and President Andrzej Duda of Poland. It groups 12 EU Member States from Central and Eastern Europe. The summit was held in Dubrovnik in August.

### Poland's Relations with the V4 States

**Political relations.** In October 1991, Poland signed an Agreement on Good Neighbourhood, Solidarity and Friendly Cooperation with the Czech and Slovak Federative Republic. 25 years later, Poland's relations with the Czech Republic and Slovakia continue to be based on partnership and multi-aspect cooperation, although certain differences in the approach to European integration began to cast a shadow over the prospects of further collaboration.

Poland's relations with the Czech Republic, which Foreign Minister Witold Waszczykowski described as "strategic partnership,"<sup>19</sup> remained intensive and multifaceted. This was evidenced by visits paid by politicians of various levels.

<sup>16</sup> For more on this topic, see J. Gotkowska, "NATO's Eastern Flank—a new paradigm," *OSW Analyses*, 13 July 2016, [www.osw.waw.pl](http://www.osw.waw.pl).

<sup>17</sup> *Prezydenci V4 przeciwni budowie Nord Stream 2*, PAP dispatch, 15 October 2016, [www.pap.pl](http://www.pap.pl).

<sup>18</sup> "Fico v Moskve: Slovensko nevie ovplyvniť také projekty ako Nord Stream 2," *Pravda.sk*, 25 August 2016, <https://spravy.pravda.sk>.

<sup>19</sup> Interview with Minister Witold Waszczykowski published by the Czech daily *Mladá fronta DNES*, Ambasada Rzeczypospolitej Polskiej w Pradze, [www.praga.msyz.gov.pl](http://www.praga.msyz.gov.pl).

Duda, Szydło and the speakers of the Sejm and the Senate were among the Polish officials to visit Prague. In the first half of 2016, the intensity of these visits was to some degree connected with the fact that the Czech Republic was holding the year-long presidency of the Visegrad Group. In April 2016, Polish–Czech government consultations were held in Warsaw. The awarding of the highest state decoration of one country to the other country's top official was a symbolic manifestation of mutual respect: Duda was awarded the Order of the White Lion, and Zeman with the Order of the White Eagle.<sup>20</sup> During the prime ministers' consultations in December, Bohuslav Sobotka called on Poland to intensify its actions to improve air quality and requested access to documentation regarding the expansion of the Turów brown coal mine due to the fears that this might have a negative impact on the natural environment in cross-border areas.

In Polish–Slovak relations, the emphasis was placed on cooperation between the two presidents, which resulted from their good personal contacts. During their meetings, for example in 2016, in Tatranská Lomnica, Duda and Andrej Kiska talked about the need to develop infrastructure in the region along the north-south axis, as well as other issues. At the intergovernmental level, 2016 saw confirmation of the divergent perception of eastern policy, which was evidenced by the fact that Fico maintained a negative approach to the sanctions imposed on Russia. At the same time, the emphasis was placed on the potential for the continued development of relations in the field of security. This was confirmed, for example, during multinational exercises with the participation of NATO members (*Anakonda-16*, held in Poland, in June, and *Slovak Shield 2016*, in September and October, in Slovakia).

During the PiS government's rule, Hungary, with which Poland has had traditionally good relations, has become one of its closest allies in European politics. For both states, these friendly relations have also been the basis for their cooperation within V4. This was evidenced by the frequency of high-level bilateral meetings. Reinforcement of the relations was based on these governments' convergent stances on many issues. Politicians from both states repeatedly stressed that they had similar views on almost all bilateral, regional and European issues.<sup>21</sup> However, talks between the leaders were limited to communicating these convergent stances and making symbolic gestures.

Relations were reinforced when the European Commission launched the rule of law procedure against Poland. Orbán was the only EU leader to promise to

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<sup>20</sup> The ceremony was held during Duda's visit to Prague in March, in connection with the 1050<sup>th</sup> anniversary of the baptism of Poland.

<sup>21</sup> See, for example: *Szefowie MSZ Polski i Węgier – może być wspólne stanowisko ws. Wielkiej Brytanii*, Ministerstwo Spraw Zagranicznych, 3 February 2016, [www.msz.gov.pl](http://www.msz.gov.pl).

veto the possible launch of the procedure under Article 7 of the TEU, hoping for Poland's support should a similar procedure be launched against Hungary. For the Polish government, this declaration was of major political value. In addition, the Hungarian government viewed its efforts to build an alliance with Poland, the biggest country in the region, as an opportunity to use Poland's potential to solidify Hungary's position in the EU. Due to the tough measures imposed by the Hungarian authorities during the migration crisis, Hungary began to position itself as a V4 leader unifying all Visegrad states against mandatory refugee relocation quotas. Hungary's political dominance was also evident in its relations with Poland.<sup>22</sup>

High-level meetings were manifestations of the tightening of the relations. Duda paid two visits to Hungary, in March, to take part in the Polish–Hungarian Friendship Day (organised annually since 2008), and in October, as the only foreign leader to attend the 60<sup>th</sup> anniversary of the 1956 Hungarian revolution. This was a gesture confirming the extraordinary nature of Polish–Hungarian relations. President János Áder took part in the celebrations of the 60<sup>th</sup> anniversary of the 1956 events in Poznań. In February, Szydło visited Budapest. That autumn, at the 26<sup>th</sup> Economic Forum in Krynica, she awarded the “Man of the Year” prize to Orbán. Ministers of foreign affairs held talks twice. Between December 2015 and the end of 2016, the speakers of the Sejm and the Senate held seven meetings with the Hungarian parliament's speaker László Kövér.

**Economic relations.** Just as in previous years, Poland recorded an increase in trade with the other V4 states, and its trade balance remained positive. In addition, there was an increase in Poland's imports from all V4 states and in its exports to the Czech Republic and Hungary (while a minor decrease in its exports to Slovakia was recorded). The value of Poland's direct investments (the total capital outflow) was €838 million in Hungary, €115.2 million in the Czech Republic and €67.7 million in Slovakia.<sup>23</sup>

In 2016, trade between Poland and the Czech Republic rose by 3.6% and exceeded €19 billion. The Czech Republic was Poland's third-largest export market (after Germany and the United Kingdom) and seventh-largest import market (after Germany, China, Russia, Italy, France and the Netherlands).<sup>24</sup>

Poland's trade with Slovakia rose by 3% to reach more than €8 billion, as a result of which this country was ranked 13<sup>th</sup> on the list of Poland's foreign trade

<sup>22</sup> For more on this topic, see V. Józwiak, “The Visegrad Group from Hungary's perspective,” *PISM Bulletin*, no. 86 (936), 13 December 2016.

<sup>23</sup> *Polskie inwestycje bezpośrednio za granicą – 2016 (EUR)*, Narodowy Bank Polski, www.nbp.pl.

<sup>24</sup> *Polsko–czeska wymiana handlowa w 2016 r.*, Portal Promocji Eksportu, <https://czechrepublic.trade.gov.pl>.

markets with a 2.2% share in the total trade volume. In Polish exports statistics, Slovakia was ranked 11<sup>th</sup>, and in its import statistics, it was 12<sup>th</sup>. Poland maintained a positive trade balance of €982.3 million, although a decrease of €405.8 million compared with 2015 was recorded.<sup>25</sup>

In 2016, the value of Polish–Hungarian trade exceeded €8 billion, up 6% compared with 2015. Poland’s exports to Hungary accounted for 2.6% of Poland’s total exports, and its trade with Hungary was 2.2% of its total trade. Poland continues to be Hungary’s third-largest import market (after Germany and Austria).<sup>26</sup> Hungary was Poland’s 10<sup>th</sup> export market, and 13<sup>th</sup> import market in terms of value.<sup>27</sup>

Table 1

**Poland’s Trade with Visegrad Group States (in € billions)**

State	Trade flow	2014	2015	2016
Total (V4)	export	19.27	21.29	21.6
	import	11.84	12.27	13.4
	balance	7.43	9.02	8.2
The Czech Republic	export	10.71	11.91	12.15
	import	6.06	6.17	6.55
	balance	4.65	5.74	5.6
Slovakia	export	4.20	4.61	4.55
	import	3.12	3.22	3.61
	balance	1.08	1.39	0.94
Hungary	export	4.36	4.77	4.9
	import	2.66	2.88	3.24
	balance	1.7	1.88	1.66

Source: Own calculations based on Statistical Yearbooks of Foreign Trade (*Rocznik Statystyczny Handlu Zagranicznego*) published by Statistics Poland (GUS) – [www.stat.gov.pl](http://www.stat.gov.pl).

Alongside its V4 partners, Poland launched measures to promote regional innovations. This was the purpose of a V4 meeting held in Warsaw on 14 July, with the participation of representatives of Bulgaria, Croatia, Slovenia and Romania, dedicated to innovation and the competitiveness of specific countries’ economies.

<sup>25</sup> *Dwustronna współpraca gospodarcza Polska–Słowacja – 2016 r.*, Ambasada Rzeczypospolitej Polskiej w Bratysławie, [www.bratyslawa.msz.gov.pl](http://www.bratyslawa.msz.gov.pl).

<sup>26</sup> *EUR value and value indices of external trade of goods by main partner countries*, Központi Statisztikai Hivatal, [www.ksh.hu](http://www.ksh.hu).

<sup>27</sup> *Polsko–węgierska wymiana handlowa w 2016 roku*, Portal Promocji Eksportu, <https://hungary.trade.gov.pl>.

Protection of consumer rights was one of the aspects of economic cooperation. On the initiative of Slovakia and Hungary, activities were launched in the EU forum to eliminate double standards as regards the quality of foodstuffs marketed by multinational companies under one brand in different states.

**Social and cultural relations.** The 25<sup>th</sup> anniversary of the establishment of the Visegrad Group, celebrated in 2016, was an opportunity to organise commemorative events. International Visegrad Day, celebrated on 15 February to commemorate the presidents of Poland, Czechoslovakia and Hungary signing the agreement on the creation of the Visegrad Triangle, was an opportunity to more actively promote V4. The year 2016 saw a continuation of initiatives such as the Visegrad 4 Bicycle Race, held in each V4 state, including on the route from Jelenia Góra to Teplice. The goal of promoting V4 in Poland is to foster a positive image of the remaining nations making up V4. According to polls, Czechs, Slovaks and Hungarians are among the nations Polish people like the most.<sup>28</sup>

The same year saw the celebration of the 1050<sup>th</sup> anniversary of the baptism of Poland, which happened as a result of an alliance between Mieszko I of Poland and the Christian Czech court. The first section of the Trail of Saint Adalbert, leading from Prague to Elbląg, was organised. In connection with the fact that 2016 was the year of Henryk Sienkiewicz, the third edition of the project entitled "All of the Czech Republic reads to kids" was organised. During their visit to Prague in March, the Polish presidential couple read passages from Sienkiewicz's books to representatives of the Polish community. Szydło was another top official to meet with the Polish community in the Czech Republic. During her visit to Český Těšín, in December 2016, she emphasised this community's importance saying "culture, tradition and dedication to history: this is the most important mission you are performing."

Polish–Slovak cultural and social relations were shaped by regular and one-off events. As usual, the Polish Institute in Bratislava was involved in the promotion of Polish culture in Slovakia. An exhibition of works of visual arts was an opportunity to hold high-level meetings. In November, Duda and Kiska met at the International Cultural Centre in Kraków during the exhibition entitled "Košice Modernism," organised under the patronage of the two presidents. Promotion of Slovak culture in Poland included the exhibition "Treasures of the Baroque. Between Bratislava and Kraków" at the National Museum in Kraków. Promotion of sports in cross-border regions involved the eighth "Trail without Borders" race, which started in Witów in Podhale region and finished in Oravice in Slovakia.

<sup>28</sup> *Stosunek do innych narodów*, CBOS, Komunikat z Badań No. 53/2016, [www.cbos.pl](http://www.cbos.pl).

Extensive political relations between Poland and Hungary fostered social, cultural and public diplomacy initiatives mainly carried out by the Polish Institute in Budapest. The Institute continued to be a popular centre promoting Polish culture in the Hungarian capital. The historical and symbolic aspect of bilateral relations continued to be nurtured. It focused on the celebrations of the 60<sup>th</sup> anniversary of the June 1956 events in Poznań, and of the 1956 Hungarian Revolution. In February, the Polish Sejm and the Hungarian Országgyűlés simultaneously passed their respective resolutions declaring 2016 the year of Polish-Hungarian Solidarity<sup>29</sup> and referred to the solidarity and help offered by both societies in 1956. In Budapest, a plaque was unveiled to commemorate Romek Strzałkowski, a young hero of the 1956 events in Poznań. In Warsaw, a monument was erected to József Antall senior and Henryk Sławik, heroes who saved Polish refugees during the Second World War in Hungary. The intensity of Polish–Hungarian dialogue was additionally boosted by the inauguration of Hungarian Culture Year in Poland. This triggered an increase in the number of Hungarian organisations and institutions involved in cooperation with major Polish partners, including the Warsaw Book Fair, the Museum of Sports and Tourism, the Institute of National Remembrance, the Polish Theatre and the National Music Forum.

### Assessment

In 2016, there was a major increase in the importance of the Visegrad Group in Polish foreign policy. This was evident both in declarations and in the government's activity and the frequency of meetings held by the president, the prime minister, the minister of foreign affairs and parliamentarians.

While in previous years Poland had viewed V4 as one of the most important regional cooperation formats, in 2016 the group became the basic forum for coordinating regional European policy. In this way, its importance has exceeded its potential. As a consequence, Poland was less involved in finding joint solutions to boost the development of European integration with Germany and France. What the V4 states had in common was their willingness to maintain such achievements of European integration as the single market, the four freedoms and the Schengen Area on the one hand, and their refusal to participate in the mandatory refugee relocation scheme on the other.

In the debate over the future of the EU, Poland emphasised the importance of unity of both the EU as a whole and the Visegrad Group. However, as regards the

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<sup>29</sup> *Uchwała Sejmu Rzeczypospolitej Polskiej z dnia 26 lutego 2016 r. w sprawie ustanowienia roku 2016 Rokiem Solidarności Polsko–Węgierskiej*, *Monitor Polski*, 2016, item 202, [www.monitorpolski.gov.pl](http://www.monitorpolski.gov.pl).

proposed changes, it was the most active V4 state since it proposed that certain amendments to the treaties should be made to strengthen the position of Member States at the cost of EU institutions. Poland failed to persuade its V4 partners to approve such a reform plan. In addition, the EU institutions' criticism of how Poland and Hungary observed the rule of law triggered a rift within V4.

By proposing, alongside the remaining V4 states, to apply "flexible solidarity" to solve the migration crisis, Poland itself required a "flexible" approach from other EU Member States, for example in budgetary solidarity. In 2016, neither the "flexible solidarity" concept nor the more detailed concept of "effective solidarity," introduced during Slovakia's EU Council presidency, got a positive response from EU institutions or the remaining Member States.

The differences in how specific V4 states approached Russia and viewed the threat it posed to them translated into the priorities in their defence cooperation within NATO. Poland's V4 partners viewed support for the Eastern Flank as a training task and disapproved of the plan to strengthen the battalion-sized battlegroups deployed in Poland, Lithuania, Latvia and Estonia. As regards official support for the Eastern Partnership and Ukraine, V4 maintained its unity, although the fact that Hungary and Slovakia eased their opposition to the construction of Nord Stream 2 suggested that sometimes they chose not to take Ukraine's interests into account.

# Poland's Policy in the Baltic Sea Region

KINGA RAŚ\*

## Background

The determinants of Polish foreign policy in 2016 were defined by Foreign Minister Witold Waszczykowski, who said that “Poland will have to face three major crises that have hit Europe: the crisis of security on our continent, the crisis of neighbourhood and the crisis of the European project itself. Each of these can have very serious and far-reaching consequences for our country.”<sup>1</sup> In this way, he also hinted at the determinants of Poland's foreign policy in the Baltic Sea region.

Directions of Polish foreign policy in 2016 were set by the new government formed after the Law and Justice party (PiS) came to power in 2015.<sup>2</sup> The change of government resulted in a re-definition of priorities in Poland's external activity. It also translated into increased importance of the northern direction of activity, especially as regards Poland's cooperation with Russia, including the suspension of local border traffic (LBT) with Kaliningrad Oblast.<sup>3</sup>

Just as in previous years, Poland's activity in the Baltic Sea region in 2016 was mainly determined by security issues. Russia's aggression against Ukraine, combined with its rising activity in the Baltic Sea Basin, encouraged the region's states to tighten their cooperation.<sup>4</sup> This was also associated with relations in the field of hard security, as well as the crucial energy aspect and the political format of relations with Russia.

Relations with Russia were also the main challenge for the Council of the Baltic Sea States (CBSS). Already in previous years, the Ukrainian-Russian conflict

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<sup>1</sup> “Government Information on Polish Foreign Policy in 2016 (presented by Foreign Minister Witold Waszczykowski at the Sejm meeting on 29 January 2016),” see p. 11 in this volume.

<sup>2</sup> Following the 2015 election, the new government was formed by Law and Justice, Poland Together and United Poland. See *Wyniki wyborów do Sejmu RP*, Państwowa Komisja Wyborcza, <http://parlament2015.pkw.gov.pl>.

<sup>3</sup> A. Grabowski, “Zawieszony mały ruch graniczny. Wyjaśniamy wątpliwości,” *Goniec Bartoszycki*, 1 July 2016, <http://bartoszyce.wm.pl>.

<sup>4</sup> This text does not cover the process of tightening the relations in the field of security. See: A. Kasprzyk, W. Lorenz, M. Terlikowski, *Security policy of the Republic of Poland*, see p. 31.

prevented the achievement of the assumed goals and limited the institutional efficiency of this body. This also had a significant impact on the Polish presidency of this organisation, held for one year from July 2015, all the more so because the Council remained the most important cooperation forum in the region.<sup>5</sup> In addition, the presidency of the CBSS mobilised Poland to increase its diplomatic activity. Moreover, Poland saw this as an opportunity to participate more actively in the Council's work, including to push through its own stance, for example as regards relations with Russia and the process of implementing the Council's priorities.

Although the presidency fostered Poland's increased activity in northern regions, in specific states of the region viewed the key EU issues (including the migration crisis, Brexit and the EU's new financial perspective) differently in 2016. This is why, as regards these crucial issues, Poland cooperated more closely with the Visegrad Group states, which had convergent views. For example, in its opposition to the migration quotas, Poland mainly sought support from Central Europe. This was due to the fact that the V4's approach was different from the approach adopted by the Baltic Sea Basin states, most of which supported a solidarity-based solution to the refugee problem.<sup>6</sup>

### Goals and Assumptions

In 2016, Waszczykowski said in his information on Polish foreign policy priorities that "the current government will be pursuing a regional policy rooted in Poland's unique location in Europe. Our country links two large European areas: the broadly understood Baltic Sea region and Central Europe with the Balkan States and the Adriatic. We will be not only engaged in various regional formats of cooperation, but we will also work to bring Europe's North and South closer together."<sup>7</sup>

In this way, Poland expressed its ambition to play a major role in the region and to serve as a unique bridge between North and South. Moreover, said Waszczykowski, "Poland wants to be a responsible partner that brings others together around shared values and ideas, and that is why we so much value dialogue in the Visegrad Group-Nordic and Baltic States format."<sup>8</sup> This was a clear signal that Poland

<sup>5</sup> An intergovernmental organisation in place since 1992. An annual summary of its work is performed during alternating CBSS ministerial sessions and the Baltic Sea states summits, the region's most important cooperation forum. Since 2014, due to the situation in Ukraine, no high-level meetings of the CBSS have been held.

<sup>6</sup> Although the official stance was not necessarily identical with the views of the general public, for example in the Baltic States the public was at least reluctant. See "Kraje bałtyckie zaczęły budować ogrodzenie przeciwko imigrantom," *Polish Express*, 9 March 2016, [www.polishexpress.co.uk](http://www.polishexpress.co.uk).

<sup>7</sup> "Pełna treść exposé ministra Waszczykowskiego," *Rzeczpospolita*, 29 January 2016, [www.rp.pl](http://www.rp.pl).

<sup>8</sup> *Ibidem*.

intended to increase its activity and initiate actions in the region that would be particularly important in the context of Brexit and the expected EU reform, in the institutional and economic aspects. Poland was particularly interested in curbing the tendency to build a “two-speed” EU. The security issue was a priority. From Poland’s perspective, at that time the Baltic Sea region was an element that solidified the security system, in line with the plan (adopted at the NATO summit in Warsaw) to boost the presence of Allied troops on the Eastern Flank. This was confirmed by the Waszczykowski, who said that, in the framework of cooperation with the Nordic and Baltic States and with V4, “we should sensitise NATO and the EU to the north-eastern dimension of Europe’s security.”<sup>9</sup> According to his declarations regarding the Baltic Sea Basin, Poland intended to “engage in cooperation with our northern neighbours, especially in security policy, the European agenda, and the extensive sectoral cooperation.”<sup>10</sup> In this context, energy was another issue of strategic importance because the launch of the LNG terminal in Świnoujście enabled Poland to play a more significant role by “opening up new opportunities for cooperation with exporters of this raw material.”<sup>11</sup>

Holding presidency of the Council, Poland intended to focus on cooperation areas that responded to three long-term priorities recognised by the CBSS in June 2014. These were a balanced welfare region, regional identity and a secure region. At the same time, Poland intended to use the potential of the CBSS more fully. The goal was to increase the institutional efficiency of the Council and of its auxiliary bodies to create greater synergy.<sup>12</sup>

Despite the fact that Poland failed to define foreign policy priorities that would directly relate to economic cooperation with the Baltic region, such priorities were hinted at in the general assumptions of the activity of Beata Szydło’s government.<sup>13</sup> They mainly included plans for activities intended to boost economic growth and the role to be played by innovation and digitisation. Moreover, in 2015 Szydło announced a reshuffle in the state administration, as well as a plan to create a Ministry of Energy, a Ministry of Digitisation, and a Ministry of Maritime Economy and Inland Navigation,<sup>14</sup> thereby suggesting the government’s major areas of activity.

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<sup>9</sup> *Ibidem.*

<sup>10</sup> *Ibidem.*

<sup>11</sup> *Ibidem.*

<sup>12</sup> *Prezydencja Polski w Radzie Państw Morza Bałtyckiego*, Ministerstwo Spraw Zagranicznych, [www.msz.gov.pl](http://www.msz.gov.pl).

<sup>13</sup> *Exposé premier Beaty Szydło*, 15 November 2015, [www.premier.gov.pl](http://www.premier.gov.pl).

<sup>14</sup> *Ibidem.*

Poland intended to “build a knowledge-based economy [which] requires supporting Polish companies and R&D institutions in relations with countries that have achieved spectacular successes in commercialising high technologies.”<sup>15</sup> Poland wanted to win economic partners from those Scandinavian countries which are leaders in technology development and which have the most innovative economies.<sup>16</sup>

### **Poland's Presidency of the Council of the Baltic Sea States**

The CBSS has for years been focused on cooperation intended to reduce disproportions in the region and balance asymmetries in economic and social development. This was also Poland's main area of interest. In addition, the presidency contributed to Poland solidifying its bilateral relations with the Nordic States, exchanging experience and gaining the necessary know-how. It also made it easier for Poland to lobby for the south-eastern Baltic region.

At the same time, the Polish presidency overlapped with Poland coordinating the EU Strategy for the Baltic Sea Region (EUSBSR). Moreover, Poland supervised the work of the Committee on Spatial Planning and Development of the Baltic Sea Region at VASAB.<sup>17</sup> Efforts were made at that time to achieve better coordination of work between VASAB's Committee and specific organisations and institutions in the region. Moreover, in 2016, Poland held the presidency of the Steering Committee of the Northern Dimension Partnership on Transport and Logistics.<sup>18</sup>

When holding the presidency of the Council, Poland emphasised its own presence but did not aspire to play a leading role in the Baltic Sea region. It focused on sector-specific cooperation, and in several areas it initiated certain smaller projects which nonetheless were important from the state's point of view. It placed special emphasis on cooperation in the field of culture, science and innovation. At the same time, it made efforts to devise a new agenda for the region's sustainable development after 2015, focused on adapting to climate change and achieving synergy between various organisations and groups dealing with sustainable development.<sup>19</sup>

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<sup>15</sup> *Ibidem.*

<sup>16</sup> *Ibidem.*

<sup>17</sup> VASAB is a multilateral cooperation platform grouping 11 countries from the Baltic Sea region focused on spatial planning and development. VASAB's priorities include urban issues, spatial planning of maritime areas and territory monitoring.

<sup>18</sup> *Prezydencja Polski w Radzie Państw...*, *op. cit.*

<sup>19</sup> *Prezydencja w Radzie Państw Morza Bałtyckiego*, Ministerstwo Środowiska, [www.mos.gov.pl](http://www.mos.gov.pl).

Over that period, several dozen meetings were organised, including a few international conferences. The most important events included the CBSS Culture Ministers' Session held in September 2015 and the Tourism Forum organised in the same month in Gdańsk. In June 2016, the first-ever CBSS Science Ministers' Session was held in Kraków, during which the Baltic Science Network project was officially inaugurated. Its purpose was to foster development and the implementation of science policy in the region.<sup>20</sup>

Initiatives promoting synergy in diversity were important for Poland as well.<sup>21</sup> To harmonise regional cohesion, north-European cooperation formats were used. For example, a decision was taken to combine the presidency of the CBSS with the supervision of the work of EUSBSR National Coordinators. In this way, the Council's operation became innovative, which was intended to overcome its institutional and organisational weaknesses. It was during the Polish presidency that a joint session was held with the participation of the Committee of Senior Officials (CSO), EUSBSR National Coordinators, EUSBS Policy Area Coordinators (PAC) and Horizontal Area Coordinators (HAC) and the Northern Dimension Partnership on Culture (NDPC), of which Poland held the presidency as well. A meeting in this formula (the "synergy of formats") was held during the Baltic Culture Forum and focused on one of its three priorities: culture as a tool of socio-economic development in the Baltic Sea region.<sup>22</sup>

Parallel to regular working meetings in the CBSS framework, Poland continued the process of reflecting on the Council's future and on cooperation in the region, launched 2014 in Berlin. A seminar dedicated to these issues, attended by experts from CBSS members dealing with politics and regional cooperation and by members of the CBSS's CSO, was held on 9 March 2016, in Warsaw.<sup>23</sup>

The CBSS was also one of the few organisations which enabled cooperation between the EU and Russia. In previous years, before the annexation of Crimea, many initiatives had been carried out with Russia's participation. Russia was, for example, responsible for cooperation in the field of radiation and nuclear energy, and devised standards regarding the use of isotopes in criminology. Moreover, there was also cooperation in the field of civilian security, between police, fire brigades, border guards and public prosecution offices. After a three-year pause caused by Russia's aggression against Ukraine, the high-level political dialogue was resumed in the Council's forum. On 8 June 2016, a CBSS deputy foreign ministers' session

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<sup>20</sup> *Baltic Science Network*, [www.baltic-science.org](http://www.baltic-science.org).

<sup>21</sup> *Polish Presidency 2015 to 2016*, Council of the Baltic Sea States, [www.cbss.org](http://www.cbss.org).

<sup>22</sup> *Council of the Baltic Sea States: Annual Report for the Polish Presidency 2015 to 2016*, <http://passthrough.fw-notify.net>.

<sup>23</sup> *Prezydencja Polski w Radzie Państw...*, *op. cit.*

was held in the Polish capital, during which the Warsaw Declaration (Regional Responses to Global Challenges<sup>24</sup>) was adopted. It confirmed the CBSS's leading role as the main dialogue and cooperation platform in the region.<sup>25</sup> In addition, it defined the main vectors of future cooperation as soft security, including prevention of human trafficking especially involving children), and combating organised crime. Another document adopted at the Warsaw meeting was the declaration entitled "Baltic 2030: Renewing the Commitment to Sustainable Development in the Baltic Sea Region,"<sup>26</sup> prepared by sustainable development ministers. The declaration stressed the need to counteract climate change, for example by promoting an intensive development of green technologies.

At the same time, as a result of the CSO's decision to extend the mandate of the Expert Group on Maritime Policy (EGMP) until 2018, Poland focused on transparent coordination of maritime policy pursued by the CBSS members. In particular, this related to security in the region and the promotion of clean maritime transport in the Baltic Sea Basin. Between July 2015 and June 2016, Poland, Sweden and Norway presented new documents to be implemented in the framework of their national maritime policies. Moreover, the Expert Group attended the Barents EuroArctic Council Transport Ministerial Meeting held in Arkhangelsk on 21 June 2016. During the 2016 European Maritime Day in Turku (Finland), as part of the dialogue between the EGMP and the HELCOM Maritime Working Group, workshops entitled Partnerships for Green Shipping, dedicated to environmentally friendly maritime transport, were organised.<sup>27</sup> In addition, during the Polish presidency, the EGMP served as an observer of the Zero Vision Tool, a standard-setting task force which was working on a cooperation platform to promote a safer, more environmentally friendly and more energy-efficient maritime transport.<sup>28</sup>

Simultaneously, the Energy Ministry, which was supervising the work of the Baltic Sea Region Energy Cooperation (BASREC) task force, focused on the issue of energy efficiency. From 30 June to 1 July 2016, a meeting of the BASREC's Group of Senior Energy Officials (GSEO) took place at the Małopolskie Laboratorium

<sup>24</sup> *Warsaw Declaration. Regional Responses to Global Challenges. Meeting of Deputy Foreign Ministers of the Council of the Baltic Sea States, Warsaw, 8 June 2016, Council of the Baltic Sea States, www.cbss.org.*

<sup>25</sup> *Prezydencja Polski w Radzie Państw..., op. cit.*

<sup>26</sup> *Declaration adopted by high representatives of the CBSS government institutions responsible for sustainable development. Baltic 2030: Renewing the Commitment to Sustainable Development in the Baltic Sea Region, Council of the Baltic Sea States, www.mos.gov.pl.*

<sup>27</sup> *Workshop on Partnerships for Green Shipping, Baltic Marine Environment Protection Commission, 29 August 2016, https://portal.helcom.fi.*

<sup>28</sup> The ZVT reference group is composed of representatives of government agencies and the state administration, as well as sector representatives. Other institutions that currently have observer status are Sweden's Ministry of Entrepreneurship, Energy and Communication and Ministry of the Environment.

Budownictwa Energooszczędnego (MLBE) in Kraków. Six projects which received BASREC funding were presented.<sup>29</sup>

### **Bilateral Cooperation in the Regional Context**

Poland's involvement in the Baltic Sea region resulted not only from the fact that it was holding the presidency of the Council but also from its strategic interests. This mainly involved activity intended to boost security in the region and to develop the energy sector, in particular, to diversify the supplies of fuels.

These issues were discussed, for example, during Szydło's meeting with the Norwegian Prime Minister Erna Solberg in Oslo. The Polish delegation included Minister Piotr Naimski (Secretary of State at the Chancellery of the Prime Minister and the government's plenipotentiary for strategic energy infrastructure affairs) and PGNiG's CEO Piotr Woźniak. The Polish government viewed investment on the Norwegian shelf and the construction of a Norwegian corridor as important initiatives in the context of the need to diversify gas supplies. The Polish company intended to purchase, by 2022, several billion cubic metres of gas that PGNiG's subsidiary company would extract in the North Sea.<sup>30</sup> The issue of diversification of supplies and expansion of the necessary infrastructure was discussed once again during President Andrzej Duda's official visit to Oslo and during subsequent talks between Polish representatives and Solberg.<sup>31</sup>

In 2016, the Norwegian transmission system operator Gassco took part in consultations held with its Danish and Polish counterparts Energinet and Gaz-System, which had been working on a feasibility study of the planned Polish-Danish gas pipeline known as the Baltic Pipe. At the same time, other elements of the Norwegian corridor, including the interconnector between the Norwegian and Danish transmission systems in the North Sea, were being considered. In December 2016, an information meeting for market stakeholders took place in Copenhagen, in connection with the planned Open Season procedure and market consultations regarding the Baltic Pipe.

Talks focused on construction of the gas pipeline were continued during meetings with Denmark's Prime Minister Lars Løkke Rasmussen held in Warsaw in April 2016. The energy sector issue was of key importance, although attention

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<sup>29</sup> Baltic Sea Region Energy Cooperation BASREC, <http://basrec.net>.

<sup>30</sup> A. Kublik, "Krynica 2016. PGNiG chce gwałtownie zwiększyć wydobywanie gazu w Norwegii," *Gazeta Wyborcza*, 8 September 2016, <http://wyborcza.biz>.

<sup>31</sup> *Spotkanie Pary Prezydenckiej z norweską Rodziną Królewską*, 23 May 2016, [www.prezydent.pl](http://www.prezydent.pl). Andrzej Duda met King Harald V and Prime Minister Erna Solberg. He also held talks in the Armed Forces Operation and Command Centre and gave a lecture at the Norwegian Nobel Institute.

was also paid to economic cooperation and actions to promote innovation. The Polish-Danish Business Forum in Copenhagen<sup>32</sup> was another opportunity to engage in intensive dialogue with Denmark regarding the new energy sector infrastructure. During the Forum, Duda met Kristian Jensen, the Danish Minister of Foreign Affairs, as well as Jens Mathiesen, Chairman of Confederation of Danish Enterprises.

Security issues dominated the meeting between Szydło and the Estonian Prime Minister Taavi Roivas, held in Warsaw in May 2016,<sup>33</sup> immediately ahead of the NATO summit. During the meeting, the two leaders confirmed the need to strengthen NATO's Eastern Flank, which was included in the agenda of priority initiatives to be carried out by Poland and the Baltic States. This issue was also raised during Estonian President Kersti Kaljulaid's visit to Warsaw and her talks with Duda (November 2016).<sup>34</sup> Security issues were also discussed during a meeting between Duda and Lithuania's President Dalia Grybauskaitė (August 2016) at the Three Seas Initiative forum (grouping states located on the Adriatic, Baltic and Black Seas). Special emphasis was placed on the Suwałki Corridor.<sup>35</sup>

In addition, Duda held talks with the Swedish President Stefan Löfven in December 2016, on the proposal to tighten the strategic partnership.<sup>36</sup> Other important issues discussed during the meeting were European security, including the rising threat posed by Russia in the Baltic Sea, and support for the Eastern Partnership initiative proposed by Poland and Sweden in 2009. As Sweden is an important economic partner for Poland, especially in the field of innovation, the meeting participants also included representatives of Polish start-ups. Other topics covered during the talks included energy issues. President Duda criticised the European Commission's decision regarding the OPAL gas pipeline, which enabled increased use of the pipeline by the Russian company Gazprom. This would be tantamount to making another access corridor to the EU's energy infrastructure available to the Russian monopoly energy firm, to which Poland was strongly opposed.<sup>37</sup>

<sup>32</sup> *Para Prezydencka z wizytą w Królestwie Danii*, 8 June 2016, [www.prezydent.pl](http://www.prezydent.pl).

<sup>33</sup> *Spotkanie premier Beaty Szydło z premierem Estonii*, 1 June 2016, [www.premier.gov.pl](http://www.premier.gov.pl).

<sup>34</sup> *Wizyta prezydent Estonii*, 3 November 2016, [www.prezydent.pl](http://www.prezydent.pl).

<sup>35</sup> *Prezydenci Polski i Litwy rozmawiali o implementacji decyzji NATO*, 25 August 2016, [www.prezydent.pl](http://www.prezydent.pl).

<sup>36</sup> The president met the royal couple during a reception at the Palace, with Sweden's most prominent politicians including the speaker of parliament (Riksdag) Urban Ahlin and Prime Minister Stefan Löfven; see *Para Prezydencka z wizytą w Szwecji*, 29 November 2016, [www.prezydent.pl](http://www.prezydent.pl).

<sup>37</sup> S. Zaręba, "Challenging the European Commission Decision on the Opal Gas Pipeline," *PISM Bulletin*, no. 84 (934), 6 December 2016, [www.pism.pl](http://www.pism.pl).

## The Economic Potential of the Baltic Sea Region

A brief analysis of the priorities of the Polish presidency of the Council suggests that, in 2016, economic cooperation in the region was important, especially in the context of the activities intended to balance economic inequalities. This was why Scandinavia became an increasingly important economic partner for Poland, which was confirmed by Waszczykowski in announcements during visits to Stockholm and Helsinki in 2015.<sup>38</sup> In addition, the Scandinavian countries were Poland's major export markets.<sup>39</sup>

Table 1

### Poland's Foreign Trade with the Baltic Sea Region States in 2016 (in EUR billions)

State	Imports	Exports	Balance	Imports as a percentage %	Exports as a percentage %
Denmark	2.1	3.2	1.1	1.9	2.2
Estonia	2.2	1.0	0.8	0.2	0.7
Finland	1.4	1.5	0.07	1.3	1.0
Lithuania	1.2	2.6	1.3	1.1	1.8
Latvia	0.3	1.3	1.0	0.3	0.9
Norway	1.9	2.2	0.3	9.2	14.1
Sweden	3.1	5.3	2.2	2.8	3.6

Source: *Rocznik Statystyczny Handlu Zagranicznego 2017*, <https://danepubliczne.gov.pl>.

According to Statistics Poland (GUS), 2016 saw an increase in Poland's exports to all its top 10 export markets, including Sweden. Moreover, Sweden was the country with which Poland recorded the highest increase in trade (12.2%).<sup>40</sup> Poland's trade balance remained positive and its exports continued to exceed its imports. The value of trade with the Scandinavian countries stood at around €20 billion. The value of Poland's trade with the Baltic States was much lower in nominal terms, but due to the size and limited resources of Lithuania, Latvia and Estonia, it was no less important, and Poland was among their main trade partners. This was particularly true for Lithuania, for which Poland was the third (after Russia and Germany) import market. In the analysed period, the largest

<sup>38</sup> *Minister Waszczykowski z wizytą w Szwecji i Finlandii*, Ministerstwo Spraw Zagranicznych, 25 November 2015, [www.msz.gov.pl](http://www.msz.gov.pl).

<sup>39</sup> A record inflow of investments happened in 2011 and stood at €3.2 billion at that time. See: *Polsko-skandynawska współpraca gospodarcza. Inwestycje, wymiana handlowa i skandynawscy inwestorzy w Polsce*, Scandinavian Chamber of Commerce, 2016, p. 28.

<sup>40</sup> "GUS: nadwyżka w handlu zagranicznym w 2016 r. wyniosła 4 mld 760 mln euro," *Onet Biznes*, 15 February 2017, <http://biznes.onet.pl>.

Polish investments were carried out in the petroleum products and petroleum processing sector (PKN Orlen and Grupa Lotos), the wholesale and retail trade, and the finance and insurance sector (PZU).

In the analysed period, companies from Scandinavia were not among the top five foreign investors. However, they were important partners for private companies and public institutions mainly at the local government level.<sup>41</sup>

Table 2

**Foreign Direct Investments (FDI): Poland and the Baltic Sea Region States  
(in EUR millions)<sup>42</sup>**

2016	Denmark	Estonia	Finland	Lithuania	Latvia	Norway	Sweden
Foreign FDI in Poland	-71.8	3.6	-38.5	13.7	10.5	188.7	17.4
Polish FDI abroad	257.2	14.4	-2.8	219.7	21.8	-107.5	894.4

Source: data compiled by the National Bank of Poland.

At the same time, the government administration reshuffle and the creation in 2016 of the Ministry of Maritime Economy and Inland Navigation were clear manifestations of priorities in Poland's northern policy, mainly the development of ports and efforts to increase the navigational potential of rivers.<sup>43</sup> Work was launched on the Programme of Development of Polish Maritime Ports to 2020 with a perspective until 2030, which aims to improve maritime ports' competitiveness, boost their share in Poland's socio-economic development and raise their prestige in the international transportation network.<sup>44</sup> Other goals included boosting the competitiveness of maritime transport as the most environmentally friendly type of transport, which is particularly important in the context of the fact that the Baltic Sea is among the most exploited seas globally (the annual increase in the number of vessels used for cargo transport is around 2,000).<sup>45</sup>

<sup>41</sup> *Polsko-skandynawska współpraca gospodarcza. Inwestycje, wymiana handlowa i skandynawscy inwestorzy w Polsce*, Scandinavian Chamber of Commerce, 2016, pp. 22–23.

<sup>42</sup> “+” denotes the inflow of capital to Poland and “-” denotes capital withdrawal from Poland.

<sup>43</sup> “Zarządzenie nr 10 Prezesa Rady Ministrów z dnia 20 stycznia 2016 r. w sprawie nadania statutu Ministerstwu Gospodarki Morskiej i Żeglugi Śródlądowej,” *Monitor Polski. Dziennik Urzędowy Rzeczypospolitej Polskiej*, 22 January 2016, item 81, <https://mglm.gov.pl>.

<sup>44</sup> *Bałtyk dla wszystkich*, UN Global Compact. Network Poland, 2016, p. 19, <http://ungc.org.pl>.

<sup>45</sup> *Ibidem*, p. 126.

The year 2016 saw a record high number of trans-shipment operations performed by Polish maritime ports, and the annual volume of goods exceeded 80 million tonnes.<sup>46</sup> Gdańsk remained the most important port as it serviced more than 37 million tonnes of goods. At the same time, Poland became the largest container market in the Baltic Sea, slightly outstripping Russia. Moreover, the Ministry of Maritime Economy and Inland Navigation launched efforts to build a canal across the Vistula Spit.<sup>47</sup> The planned waterway linking the Vistula Lagoon and Gdańsk Bay was viewed as a strategic initiative from the point of view of Poland's national security and of the prospective economic development of north-eastern Poland.<sup>48</sup>

In 2016, investments and innovations were expected to be the drivers of growth, which is why the government formed the Council for Innovation<sup>49</sup> and other similar bodies. In the European Innovation Scoreboard, Sweden, Denmark and Finland were ranked second, third and fourth (right after Switzerland), whereas Poland was ranked 29<sup>th</sup> (Norway was 17<sup>th</sup> out of 36 countries). Innovation ratios recorded for the most innovative countries were considerably higher than the EU average (around 0.7 versus 0.52). The innovative nature of Scandinavian companies and states translated into their competitive advantage. According to the Global Competitiveness Index 2015 to 2016, Scandinavian states were among the world's 15 most innovative economies (Finland was ranked eighth, Sweden ninth, Norway 11<sup>th</sup> and Denmark 12<sup>th</sup>).<sup>50</sup> In this Index, Poland was ranked 41<sup>st</sup>.

Poland saw the potential of innovation, which was evidenced by the development of economic cooperation with Scandinavia, mainly in the private sector. The potential of the Polish ICT sector was assessed as very high at that time. Poland had one of Europe's best LTE networks, and its competitive advantage resulted from excellent ICT competence of the workforce. Around that time, Ericsson took over the company Ericpol, as a result of which 2,000 programmers became employees of the Swedish company, working, for example, on cutting-edge software for radio systems.<sup>51</sup>

<sup>46</sup> M. Matczak, "Polskie porty w 2016 r. Podsumowanie i perspektywy na przyszłość," *Port Monitor* 2017, pp. 2–3.

<sup>47</sup> *Exposé premier Beaty Szydło*, 18 November 2015, [www.premier.gov.pl](http://www.premier.gov.pl).

<sup>48</sup> *Bałtyk dla wszystkich*, *op. cit.*, p. 19.

<sup>49</sup> The composition of the body which was intended to stimulate the Polish economy's innovativeness included three deputy prime ministers: Minister of Development Mateusz Morawiecki, Minister of Culture and National Heritage Piotr Gliński and Minister of Science and Higher Education Jarosław Gowin. The council responsible for the "Start in Poland" programme's implementation also included Treasury Minister Dawid Jackiewicz, Minister of Digitisation Anna Streżyńska and secretaries of state in the ministries of national defence and finance.

<sup>50</sup> K. Schwab (ed.), *Global Competitiveness Index 2015–2016*, World Economic Forum, 2015, p. 7.

<sup>51</sup> P. Brzózka, "Szwedzki Ericsson przejmuję łódzkiego Ericpola," *Dziennik Łódzki*, 17 October 2015, [www.dzienniklodzki.pl](http://www.dzienniklodzki.pl).

In addition, cooperation in the region was being carried out at the province level, frequently under EU programmes. Polish institutions were mainly involved in INTERREG programmes for the South Baltic, the Baltic Sea Region and Central Baltic, as well as INTERACT programmes. During the Polish presidency of the Council, a meeting of entities interested in economic cooperation was held in Gdańsk, co-organised by the Polish Ministry of Development.<sup>52</sup> The INTERREG programme, for example, fosters internationalisation of the SME sector, the development of green technologies, and the spread of innovation in traditional sectors of the economy.

Funds available under the INTERREG South Baltic programme were mainly used to support the innovativeness of companies in the international arena, to protect natural and cultural heritage, to transfer green technologies, and to promote sustainable transport. For example, in April 2016, following a call for proposals, 10 projects were selected and received co-funding worth around €11.4 million, which accounted for 15% of the programme's total budget. In all, 19 Polish partners took part in the programme. EU funding was offered for example to the CleanTech International project focused on clean technologies. The purpose of this initiative, which was carried out by eight partners from Poland, Lithuania, Germany and Sweden, whose budget amounted to around €1.4 million, was to boost the competitiveness of entrepreneurs in this sector. SBOIL was another project that received funding. This involved the creation of a management system and tools to react in the event of an oil spill at sea.<sup>53</sup> The DAIMON project (whose budget amounted to around €3.5 million) involved the preparation of methods for investigating the threat related to specific types of weapons dumped in the Baltic Sea, and for their removal.<sup>54</sup>

### The Socio-Cultural Aspect

Cultural and social issues are important elements of Baltic cooperation. Poland strove to use the social potential of the region. This meant carrying out a wide array of activities, from humanitarian security issues (combating human

<sup>52</sup> The conference *INTERREG changes the Baltic Sea Region. Stories that inspire* was held on 23 May 2016, at the European Solidarity Centre. Almost €347 million was earmarked for cooperation under the EU's Interreg programmes in the 2014 to 2020 financial perspective. For more, see *Region Morza Bałtyckiego – współpraca w ramach programów Interreg*, Ministerstwo Rozwoju, 23 May 2016, [www.mpit.gov.pl](http://www.mpit.gov.pl).

<sup>53</sup> The project participants include three partners from Poland, Sweden and Germany. The cost of project implementation is €1.2 million.

<sup>54</sup> The project groups 13 institutions from Poland, Lithuania, Sweden, Finland, Germany, Norway and the Netherlands.

trafficking and preventing social threats) to development of the education and training system and boosting the importance of culture. A major portion of cooperation in these fields was carried out via the CBSS, which focused on social affairs. Sometimes it even directly subordinated its other activities to the social aspect of cooperation.

During the Polish presidency of the Council, the Ministry of Culture and National Heritage was responsible for this area of cooperation. It defined the main vectors of cooperation as collaboration at the political and expert level, organisation of cultural events and supporting scholarship programmes promoting culture in the region. The meeting of culture ministers from the Baltic Sea states,<sup>55</sup> held in Gdańsk on 16 September 2015, as part of the Baltic Culture Forum, was the most important initiative and the first such meeting in seven years.

In addition, the Ministry of Culture and National Heritage organised two conferences dedicated to the peculiarities of the video game sector and to the protection of intellectual property. The meeting entitled *Mastering the Game: Business and Legal Issues for Video Games Developers. Baltic Sea Region Perspective* was held in Kraków (from 4 to 5 November 2015) and was a major attraction for representatives of the video game market. The other conference, entitled *Extended Collective Licensing*<sup>56</sup> was held in Warsaw from 16 to 17 March 2016 and was dedicated to extended collective management related to the protection of copyright. The main purpose was to analyse this unique model of copyright management.

Moreover, as part of the programme entitled *Promotion of Polish culture abroad*, the Ministry of Culture and National Heritage defined a priority for the Baltic Sea region states involving the promotion of culture and development of cultural projects in the Baltic Sea Basin, including the exchange of knowledge, experience, and contacts. Two editions of the programme have been organised to date. Under the first one, carried out in 2015/2016, more than 30 projects were implemented, and the total amount of funding was more than PLN 2.7 million. The Adam Mickiewicz Institute, which implemented around 40 projects, played an important role in the promotion of the region's culture, including during the Polish presidency. A special programme called the *Baltic Project* was launched during Poland's presidency of the Council.<sup>57</sup> Alongside this, the University of

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<sup>55</sup> *Program ministra kultury i dziedzictwa narodowego 2017. Promocja kultury polskiej za granicą 2018 – Promesa*, MKiDN, Departament Współpracy z Zagranicą, [www.mkidn.gov.pl](http://www.mkidn.gov.pl).

<sup>56</sup> See *Conference on Extended Collective Licensing organized by the Polish Ministry of Culture and National Heritage*, Council of the Baltic Sea States, 12 February 2016, [www.cbss.org](http://www.cbss.org).

<sup>57</sup> See *Projekt Bałtyk*, Instytut Adama Mickiewicza, <https://iam.pl>.

Gdańsk inaugurated a post-graduate study curriculum dedicated to the protection of the Baltic Sea region's cultural heritage.

### Assessment

An assessment of the northern direction of Polish foreign policy leads to the conclusion that the goals were partly attained. Most importantly, cooperation in the field of security was successfully boosted, which was facilitated by the 2016 NATO summit in Warsaw. As a result of decisions made during the summit, the region's states became involved in the process of strengthening the Eastern Flank. Efforts in the energy sector should also be assessed as positive. The launch of the LNG terminal in Świnoujście and efforts to build the Baltic Pipe contributed to increased diversification of gas supplies and boosted Poland's energy security.

In addition, the Polish presidency of the CBSS was assessed as positive by the Council itself. Alongside other initiatives, a CBSS ministerial meeting was organised, which the Council members viewed as an important attempt to change how the Council operates and to break its institutional monopoly. This is why initiatives intended to intensify the Council's work and boost its efficiency were welcome. Poland successfully strove to launch structural dialogue in the framework of joint meetings of representatives of regional formats. Alongside this, Hungary was granted CBSS observer status during the Polish presidency.

Although the Polish presidency of the CBSS did result in measurable results, certain ambitious goals regarding Poland's role in the region were not attained. The development of the situation within the EU, alongside the aggravating migration crisis and Brexit, caused the region's states to revise their priorities. As a consequence, Poland was clearly focused on the activity of the Visegrad Group. This resulted in the reduced effectiveness of its northern policy. To a limited degree, Poland tightened its cooperation in the B3 and V4 formats.

Moreover, there was limited progress in supporting the development of innovative economy dominated by the private sector. It also seems that cooperation opportunities in the new technology sector were missed. Ambitious plans for the development and reinforcement of the maritime economy, especially as regards efficient communication facilities in inland navigation, remain a major challenge for Poland. Although the potential of Polish maritime ports and their rising trans-shipment statistics have been confirmed, considerable financial outlays are necessary to boost their competitiveness.



**III.**  
**SELECTED PROBLEMS**  
**OF POLAND'S FOREIGN POLICY**



# Poland's Energy and Climate Policy

MAREK WĄSIŃSKI\*

## Background

The most important factors determining Poland's energy and climate policy include the structure of energy production (the energy mix) which is dominated by coal. At the same time, insufficient domestic natural gas and oil makes Poland dependent on imports, which in turn exposes the Polish economy to price fluctuations on global markets and political decisions of exporters. Moreover, as an EU Member State, Poland struggles with emission reduction and energy mix transformation requirements as well as the need to use more renewable energy sources. Similar trends have been recorded globally, and increasingly greater emphasis has been placed on preventing climate change, which resulted in the adoption of the Paris Agreement in 2015.

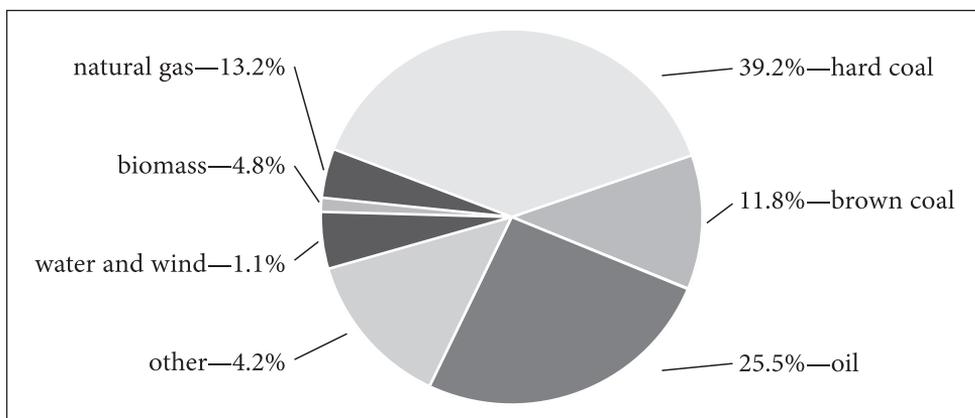
Fossil fuels led the field among Poland's energy sources in 2015,<sup>1</sup> accounting for 90% of the total. In the first place was hard coal (39%), followed by oil (26%), natural gas (13%) and brown coal (12%). Among renewable energy sources (RES), biomass was the most prominent (5%). The share of hydroelectricity and wind energy was negligible (1% in total). This energy balance means that the Polish economy's transition into a low-carbon economy is a costly and time-consuming process. Moreover, excessively quick moves in this field could have a negative impact on its competitiveness. According to the Directive on the Promotion of the Use of Energy from Renewable Sources (Directive 2009/28/EC), Poland is obliged to reach a 15% share of renewable energy sources in its final gross energy consumption by 2020. To meet this target, an increase of more than 3 p.p. from the present 11.8% would be necessary.

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<sup>1</sup> The use of primary energy is the use of primary sources of energy, for example hard coal and solar radiation energy. See *Energy statistics in 2015 and 2016*, Główny Urząd Statystyczny, 2017.

Figure 1

**Primary Energy Use in 2015**

Source: own calculations based on data compiled by Statistics Poland (GUS).

In August 2015, the government prepared a plan entitled Poland's Energy Policy to 2050, which contained three possible scenarios of this policy's development. However, this project was discontinued at its public consultation stage. As a consequence, Poland's energy and climate policy was not determined by any long-term strategy in 2016.

Global price fluctuations of raw materials and devices also impacted Polish energy and climate policy. At the beginning of 2016, the Polish mining sector was affected by the consistently low price of coal (in January it stood at \$48 per one tonne of hard coal). However, in the second half of the year, prices began to rise. They reached \$86 per tonne at the end of 2016, which to some extent came as a relief to Polish coal companies.<sup>2</sup> Moreover, increasing competitiveness of renewable technologies, mainly wind turbines and photovoltaic panels, heralded better investment prospects for these technologies and put pressure on the Polish energy sector.<sup>3</sup>

As regards the security of fuel supplies, 2016 brought an improvement in the situation. Once the LNG terminal in Świnoujście was opened in 2015, it became possible to carry out activities to achieve a genuine diversification of sources of imported natural gas. In 2015, 72% of imported gas was purchased from Russia.<sup>4</sup> Due to a long-term contract with Gazprom, Poland will have to import around

<sup>2</sup> Hard coal prices according to the ARA index of 4 January 2016 and 30 December 2016.

<sup>3</sup> E.J. Ritchie, "The Cost of Wind and Solar Intermittency," *Forbes*, 24 January 2017, [www.forbes.com](http://www.forbes.com).

<sup>4</sup> Natural Gas Information, IEA.

10 bcm of gas from that source by 2022. With its capacity of 5 bcm of natural gas annually, the LNG terminal enables Poland to cover around a third of its domestic demand with gas imported from sources other than Russia.

In 2015, Poland remained largely (87%) dependent on oil imported from Russia.<sup>5</sup> However, unlike in the case of natural gas, the existing infrastructure (the Naftoport terminal in Gdańsk) enabled increased imports of oil from other sources.<sup>6</sup>

Processes on the European market were also important determinants of Polish foreign policy in the field of energy. In collaboration with European energy companies (Uniper, Wintershall, Shell, OMV and Engie), Gazprom continued to construct the second line of the undersea gas pipeline Nord Stream, bypassing transit states (Ukraine and Poland) to supply gas directly to Germany. A doubling of Nord Stream's transmission capacity would hinder actions intended to make Central and Eastern European markets independent of Russian gas. In addition, the European Commission launched an antitrust investigation focused on Gazprom applying different prices to European companies and on the utilisation of the OPAL pipeline (that transmits gas imported via Nord Stream further down to southern Germany).

European Council conclusions adopted in October 2014, and the plan to build an energy union, devised in February 2015, were the main guidelines for talks on the EU's energy and climate policy. The EC conclusions provide for limiting emissions by 40% by 2030 versus 1990 (including by 43% in sectors covered by the emissions trading system, or ETS, and 30% in non-ETS sectors<sup>7</sup>). The energy union is to guarantee increased transparency of energy markets (including intergovernmental gas agreements) and to enable the creation of a low-carbon economy. Another factor that impacted the ongoing talks focused on the energy and climate policy was the decline in political relations between the European Commission and the Polish government in connection with the launch of the rule of law procedure.<sup>8</sup>

<sup>5</sup> Oil imports in December 2015 reported in a communique of the Ministry of Energy: *Monitorowanie bezpieczeństwa zaopatrzenia rynku w paliwa*, Ministerstwo Energii, January 2016.

<sup>6</sup> M. Duszczyk, "Polska znacznie zwiększa import ropy naftowej spoza Rosji," *Rzeczpospolita*, 5 September 2016.

<sup>7</sup> The emission trade system covers the following sectors: electricity and heat generation, energy-intensive industries (oil refineries, iron- and steelworks, aluminium and other metal smelting plants, facilities manufacturing cement, lime, ceramics, cellulose mass, paper and cardboard, acids and organic chemicals) and civil aviation. Non-ETS sectors include transportation, agriculture, housing, services, public utility and waste management.

<sup>8</sup> For more, see J. Szymańska, P. Toporowski, "Poland in the European Union 2016," *Yearbook of Polish Foreign Policy 2016*, *op. cit.*, see p. 48.

At the end of 2015, the Paris Agreement became the new basis for devising climate policy. It was concluded during the 21<sup>st</sup> United Nations Framework Convention on Climate Change (UNFCCC).<sup>9</sup> The target set by the Paris Agreement involves reducing the temperature increase to less than 2°C at the end of the century (compared with the period from before the industrial revolution) and making efforts to reduce it to 1.5°C. In addition, the Paris Agreement obliged its signatories to declare what actions they would take to curb climate change.<sup>10</sup> The Paris Agreement came into effect on 6 November 2016, but Donald Trump's victory in the U.S. presidential election two days later threw its future into uncertainty, as the Republican Party candidate had announced that the U.S. would withdraw if he won the election.<sup>11</sup>

### Goals and Assumptions

In 2016, the Polish government's most important goals in its energy and climate policy were (1) to ensure energy security by continued diversification of fuel supplies and cooperation at the regional and EU level in this field, (2) to ratify the Paris Agreement and become involved in devising the EU's climate policy until 2030 without any additional reduction in emissions, (3) to maintain the significant importance of the Polish coal sector in energy policy, and (4) to support research and development activities focused on new technologies in the RES sector and as regards conventional sources of energy.

In the Strategy for Responsible Development (to 2020), devised by the Ministry of Development in July 2016, energy security is defined as stability, diversification and reliability of energy supplies.<sup>12</sup> Such circumstances are to be created by modernising the energy sector, "creating solutions fostering modernisation and expansion of the network used for energy generation, transmission and distribution," carrying out investments and finding new sources of energy, including renewable ones. The Strategy emphasises the 15% target regarding

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<sup>9</sup> For more on the content of the agreement, see M. Wąsiński, "The Historic Paris Climate Agreement and Its Significance for Poland and the EU," *PISM Bulletin*, no. 115 (847), 15 December 2015, [www.pism.pl](http://www.pism.pl).

<sup>10</sup> Due to the fact that the EU is not a party to UNFCCC or to the agreement, Poland did not submit a separate national commitment. Poland was covered by the common EU target of a 40% reduction in emissions by 2030.

<sup>11</sup> A. Dąbrowski, M. Wąsiński, "Probable U.S. Policy Directions under President Trump," *PISM Bulletin*, no. 73 (923), 10 November 2016, [www.pism.pl](http://www.pism.pl).

<sup>12</sup> *Strategia na rzecz Odpowiedzialnego Rozwoju*, Ministerstwo Rozwoju 29 July 2016, [www.mr.gov.pl](http://www.mr.gov.pl). At that time, the Strategy was sent for public and inter-ministry consultation, and formed an element of a mid and long-term vision of the country's development (such as is prepared by the government every four years).

the share of energy generated from renewable sources. It also announces that a strategy for the economy's transition to a low-carbon economy would be devised by 2020.<sup>13</sup> Despite these announcements, the government's priority was to protect the coal sector, which was emphasised by Prime Minister Beata Szydło in her policy statement that “energy security is tantamount to maintaining Polish coal as a source of energy.”<sup>14</sup>

Both the government and the government-controlled bodies and companies recognised the necessity to diversify Poland's fuel import markets. Szydło referred to the launch of the LNG terminal in Świnoujście as a “breakthrough” and announced a continuation of efforts intended to diversify gas supplies by expanding the present terminal and considering investing in the construction of another terminal located near the Tri-city.<sup>15</sup> In addition, the Polish government wished to cooperate more closely with its Visegrad Group partners in the field of energy security, and to block the planned construction of the Nord Stream 2 gas pipeline, which it viewed as a politically-motivated project rather than a business undertaking, and therefore as incompatible with the EU's energy policy goals.<sup>16</sup>

In his Information on Polish foreign policy goals presented in the lower house (the Sejm) in January 2016, Foreign Minister Witold Waszczykowski mentioned the international dimension of energy policy:

“In the field of international economic cooperation, we will attach special importance to energy policy ... A significant advance in the diversification of gas supplies does not in any way suggest that the Republic of Poland will attach less importance to energy policy in Europe. Polish strategy assumes a two-track approach to investment projects at home and to measures undertaken at the EU level. The Energy Union project should move from the conceptual stage to the implementing stage. Following the December [2014: author's note] conclusions of the European Council, we expect in the next few weeks an ambitious legislative package in the area of security of gas supplies.”<sup>17</sup>

Moreover, there were indications that the government intended to abandon long-term gas contracts with Gazprom. This was announced by the government's plenipotentiary for strategic energy infrastructure Piotr Naimski.<sup>18</sup>

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<sup>13</sup> *Ibidem*.

<sup>14</sup> *Exposé premier Beaty Szydło*, 18 November 2015, [www.premier.gov.pl](http://www.premier.gov.pl).

<sup>15</sup> *Ibidem*.

<sup>16</sup> *Ibidem*.

<sup>17</sup> “Government Information on Polish Foreign Policy in 2016 (presented by Foreign Minister Witold Waszczykowski at the Sejm meeting on 29 January 2016),” see p. 11 in this volume.

<sup>18</sup> M. Wąsowski, “Polska nie przedłuży umowy gazowej z Gazpromem,” *Business Insider Polska*, 31 May 2016, <http://businessinsider.com.pl>.

Active involvement in devising climate policy was expected at the UNFCCC level (ratification of the Paris Agreement) and in the EU forum. According to the government, there were no grounds for tightening the greenhouse gas emission reduction targets at the EU level. In his speech to the Sejm, Waszczykowski stressed that “at the EU level following the COP21 conference, our priority is to negotiate legal regulations that would be beneficial for Poland in the scope of the earlier agreed gas emissions by 2030.”<sup>19</sup>

### Energy Security

In 2016, the activity of Polish public administration bodies in the field of diversification of sources of fuel supplies involved a) a return to conceptual work and talks with partners on the planned construction of the Baltic Pipe gas pipeline,<sup>20</sup> b) negotiations of supplies in order to meet the capacity of the LNG terminal in Świnoujście as well as energy cooperation with the United States, c) efforts to find potential new suppliers of oil to Polish refineries, d) attempts to block the Nord Stream 2 initiative, and e) talks regarding the energy union.

In the EU forum, the government solicited for favourable legislative proposals regarding the energy union. On 16 February 2016, the European Commission published its proposed reform of the EU’s rules on the security of gas supplies.<sup>21</sup> As a result of discussions on two of the proposed legislative acts, by 7 December 2016, a compromise was reached between the EU Council and the European Parliament regarding the regulation on the transparency of intergovernmental gas agreements, in which Poland was particularly interested. According to the new legislation, agreements will be checked for compliance with EU regulations prior to signing, however, the review performed by the European Commission will not cover non-binding agreements such as memorandums.<sup>22</sup> Efforts to end the negotiations of the amended wording of the directive on the security of gas supplies were not completed in 2016. Poland proposed the adoption of provisions regarding obligatory cooperation at the regional level and solidarity in case of emergency.<sup>23</sup>

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<sup>19</sup> “Government Information on Polish Foreign Policy in 2016...,” *op. cit.*

<sup>20</sup> A. Gawlikowska-Fyk, J.M. Godzimirski, “Gas Security in the Pipeline—Expectations and Realities,” *PISM Policy Paper*, no. 2 (155), August 2017, [www.pism.pl](http://www.pism.pl).

<sup>21</sup> *Commission proposes new rules on gas and a heating and cooling strategy*, a European Commission press release, 16 February 2016, <https://ec.europa.eu>.

<sup>22</sup> K. Strzępka, “Jest porozumienie ws. międzyrządowych umów gazowych,” *Money.pl*, 7 December 2016, [www.money.pl](http://www.money.pl).

<sup>23</sup> *Informacja dla Sejmu i Senatu RP o udziale Rzeczypospolitej Polskiej w pracach Unii Europejskiej w okresie lipiec-grudzień 2016 r.*, Ministerstwo Spraw Zagranicznych, 16 January 2017, [www.senat.gov.pl](http://www.senat.gov.pl).

Communicating Poland's opposition to the planned construction of the Nord Stream 2 gas pipeline was another element of the Polish government's actions intended to decrease dependence on the import of gas from Russia and to demonstrate solidarity with Ukraine as a transit state. Government representatives carried out diplomatic actions and stressed, in the EU institutions forum and in bilateral talks with Germany, the political (rather than business-oriented) reasons for the pipeline's planned expansion and its harmful impact on the EU's energy solidarity.<sup>24</sup> In March 2016, alongside eight other leaders of the region's states, Szydło sent a letter to the president of the European Commission asking him to check the planned pipeline's compliance with EU law.<sup>25</sup> In addition, on 22 July 2016, the Polish Office of Competition and Consumer Protection (UOKiK) published its reservations to the application submitted at the end of 2015 by Gazprom and five European companies for consent to create a consortium. The reservations mainly related to restrictions of competition on the Polish market that would happen should the planned joint venture be established.<sup>26</sup> In connection with this decision, on 12 August 2016, the consortium withdrew its application from UOKiK, thereby forcing its constituent companies to seek another form of cooperation and project funding.<sup>27</sup>

In the EU forum, another two issues regarding Gazprom's activity in the EU, which were of major interest to the Polish government, were being discussed. The first one involved the European Commission's anti-trust investigation into Gazprom's alleged use of its status as a dominant supplier to offer different prices to partners representing different markets. In 2016, the investigation was still ongoing, although at the end of the year Gazprom submitted its settlement proposal in order to avoid being fined.<sup>28</sup> The other issue was the application submitted to the European Commission by the German energy regulator regarding the use of the capacity of the OPAL pipeline, which is the onshore leg of Nord Stream. In October 2016, the European Commission issued a decision that de facto enabled Gazprom to increase its use of the pipeline from 50% to 80%, which Poland was

<sup>24</sup> "Premier w Berlinie: Nord Stream 2 dzieli Europę," *Polskie Radio*, 22 June 2016, [www.polskieradio.pl](http://www.polskieradio.pl).

<sup>25</sup> P. Malinowski, "'Nord Stream II grozi Europie.' List do KE," *Rzeczpospolita*, 18 March 2016, [www.rp.pl](http://www.rp.pl).

<sup>26</sup> *Zastrzeżenia wobec koncentracji – Nord Stream 2*, Urząd Ochrony Konkurencji i Konsumentów, 22 July 2016, [www.uokik.gov.pl](http://www.uokik.gov.pl).

<sup>27</sup> "Gazprom zrywa umowę z zachodnimi koncernami. Kto sfinansuje budowę Nord Stream 2?," *Forbes*, 12 November 2016, [www.forbes.pl](http://www.forbes.pl).

<sup>28</sup> V. Soldatkin, "Russia's Gazprom files proposals to EU aimed at ending antitrust case," *Reuters*, 27 December 2016, [www.reuters.com](http://www.reuters.com).

opposed to. At the same time, the pipeline's full capacity was limited until 2023 and has not been made available to a single company.<sup>29</sup>

Moreover, the Polish government carried out actions intended to increase the number of gas interconnectors with the neighbouring states of Lithuania, Ukraine, Slovakia and the Czech Republic.<sup>30</sup> To support the expansion of these interconnectors, mainly the North-South corridor, Croatia's President Kolinda Grabar-Kitarović collaborated with Polish President Andrzej Duda to organise a Three Seas Initiative in Dubrovnik in August 2016.<sup>31</sup> The goal of the initiative is to integrate the energy policy of states in the Baltic, Adriatic, and Black seas region. During the first summit, a declaration was adopted regarding infrastructural cooperation, and a decision was made to organise another meeting of heads of state and government in 2017, in Poland.<sup>32</sup>

Due to the fact that the state treasury holds a majority stake in energy companies, activities carried out by these companies should be viewed as activities carried out as part of the government's policy. Polskie Górnictwo Naftowe i Gazownictwo S.A. and gas transmission operator Gaz-System are particularly important. It was predominantly these two companies that conducted talks on the Baltic Pipe gas pipeline expected to connect the Polish and Danish transmission systems. This pipeline was to serve as an element of the Northern Gate or a connection with the Norwegian Continental Shelf, which is where PGNiG is extracting natural gas. After winning support from PGNiG, expressed by the company's CEO Piotr Woźniak,<sup>33</sup> Gaz-System S.A. collaborated with Danish operator Energinet.dk to prepare a feasibility study into the connection.<sup>34</sup> This resulted in the 2016 conclusion that the project could be profitable if the pipeline's capacity was 10 bcm of natural gas annually. Launching operations in 2022 would allow Poland to replace Russian gas completely with gas from other sources, and even to achieve the potential to re-export gas to regional markets. It is worth noting that 2022 is the year in which the PGNiG's long-term gas supply contract with Gazprom is due to expire.

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<sup>29</sup> A. Łoskot-Strachota, "The European Commission enables increased use of the OPAL pipeline by Gazprom," *OSW Commentary*, 9 November 2016, [www.osw.waw.pl](http://www.osw.waw.pl).

<sup>30</sup> *Integracja z europejskim systemem przesyłowym*, Gaz-System, [www.gaz-system.pl](http://www.gaz-system.pl).

<sup>31</sup> *Wspólna deklaracja w sprawie Inicjatywy Trójmorza*, 25 August 2016, [www.prezydent.pl](http://www.prezydent.pl).

<sup>32</sup> The declaration announced that another summit would be held in Wrocław. However, in the end, the meeting was held in Warsaw.

<sup>33</sup> "Kowalski: PGNiG zbuduje gazociąg do Norwegii," *Energetyka24*, 27 January 2016, [www.energetyka24.com](http://www.energetyka24.com).

<sup>34</sup> *Gaz-System S.A. i Energinet.dk badają możliwości budowy połączenia pomiędzy systemami przesyłowymi*, *Gaz-System*, 15 March 2016, [www.gaz-system.pl](http://www.gaz-system.pl).

In 2016, the LNG terminal in Świnoujście became fully operational. The first supply effected on the basis of a spot transaction was received from Statoil on 26 June.<sup>35</sup> From mid-2016 onwards, regular liquefied gas supplies from Qatar were delivered under a long-term contract. To facilitate its spot transactions on the stock exchange, PGNiG decided to open its LNG trading office in London, which was expected to happen at the beginning of 2017.<sup>36</sup>

On 6 May 2016, PKN Orlen S.A. signed its first long-term contract for the supply of 200,000 tonnes of oil monthly (2.4 million tonnes annually) with Saudi Aramco.<sup>37</sup> In November 2016, the contract was extended until the end of 2017.<sup>38</sup> As a result of the contract, Saudi Arabia accounted for around 10% of total oil supplies to Poland. In November 2016, the share of supplies from the Russian Federation was 76%<sup>39</sup> (versus 87% in December 2015). Aside from its long-term contract, PKN Orlen purchased oil from Saudi Arabia using spot contracts. Grupa Lotos carried out a transaction of this type with Iran, with a test supply of oil arriving in Poland in August 2016.<sup>40</sup>

### Climate Policy

As regards climate policy, in 2016 the most important activities carried out by the Polish government included a) ratification of the Paris Agreement and promotion of solutions contained therein, and b) discussions on four EU's legislative initiatives. These initiatives were reform of the ETS system post-2020 according to the energy-climate framework agreed in October 2014,<sup>41</sup> a directive on national emission ceilings, a package of draft legislation regarding non-ETS issues, and proposals to regulate electricity markets under the so-called winter package.

<sup>35</sup> S. Zadrozna, "Terminal LNG w Świnoujściu: dziś pierwsza dostawa," *Polskie Radio*, 17 June 2016, [www.polskieradio.pl](http://www.polskieradio.pl).

<sup>36</sup> *PGNiG otwiera w Londynie biuro handlowe LNG*, PGNiG, 28 June 2016, [www.pgnig.pl](http://www.pgnig.pl).

<sup>37</sup> *Pierwszy długoterminowy kontrakt z Saudi Aramco*, PKN Orlen, 6 May 2016, [www.orken.pl](http://www.orken.pl).

<sup>38</sup> P. Apanowicz, "Orlen przedłużył kontrakt z Saudi Aramco," *WNP.pl. Portal gospodarczy*, 2 November 2016, <http://nafta.wnp.pl>.

<sup>39</sup> Oil imports in November 2016 reported in a communique of the Ministry of Energy: *Monitorowanie bezpieczeństwa zaopatrzenia rynku w paliwa*, Ministerstwo Energii, December 2016.

<sup>40</sup> "Irańska ropa dla Lotosu dotarła do Gdańska. Litwa nie chce pomóc PKN Orlen w dostawach na Łotwę," *BiznesAlert*, 21 August 2016, <http://biznesalert.pl>.

<sup>41</sup> Draft Directive amending Directive 2003/87/EC to enhance cost-effective emission reductions and low-carbon investments (ETS Directive).

Alongside 160 other states, on 22 April 2016, Poland signed the Paris Agreement at the UN Headquarters in New York.<sup>42</sup> This was followed by the ratification procedure which, for the Agreement to come into effect, had to be completed by 55 signatory states accounting for 55% of global emissions. To be able to ratify the Agreement at an EU Council meeting, the EU needed to obtain consent from all its Member States. Discussions were held on 20 June during the Environment Council meeting in Luxembourg. The Polish delegation, which included Jan Szyszko, environment minister, and Paweł Sałek, the secretary of state for climate policy, argued that the EU Council declaration should stress the role of the sustainable development policy and the protection of biodiversity in the implementation of the climate agreement.<sup>43</sup> In this way, the minister strove to decrease the importance of reducing emissions by emphasising the fact that forests absorb carbon dioxide. Yet his efforts were to no avail. When China and the U.S. (the largest emitters) ratified the Paris Agreement, the EU agreed to adopt it during the Environment Council on 30 September. Due to the fact that the EU as a whole and several specific Member States ratified the Agreement (on 5 October), it came into effect 30 days later, on 4 November 2016. The Polish government passed the relevant ratification law on 28 September, and the Sejm enacted it on 6 October. A day later, Duda ratified the Agreement,<sup>44</sup> as a result of which Poland became a party to it on 6 November, a day ahead of the beginning of the COP22 climate summit in Marrakesh.

The Polish government views the Paris Agreement as a basis for negotiations over the EU's climate policy until 2030. The document does not propose a coal phase-out, which would be tantamount to the complete elimination of emissions, and points to "zero net emissions," understood to mean balancing emissions with carbon dioxide absorption. By making references to sustainable development and carbon dioxide absorption possibilities offered by expanding areas of forest, the Polish government promoted solutions alternative to RES. In addition, Poland was the coordinator of the EU's bilateral talks regarding methods for measuring the absorption.<sup>45</sup> During COP22, the Ministry of the Environment organised an event focused on the initiative involving the creation of forest coal farms. Due to the fact that Poland was the only Central and Eastern European state to have

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<sup>42</sup> *Porozumienie paryskie podpisane*, Ministerstwo Ochrony Środowiska, 22 April 2016, [www.mos.gov.pl](http://www.mos.gov.pl).

<sup>43</sup> "Minister Szyszko rozmawiał na Radzie UE o reformie systemu ETS," *BiznesAlert*, 21 June 2016, <http://biznesalert.pl>.

<sup>44</sup> Dz.U. [Polish Journal of Laws] of 2017, item 37.

<sup>45</sup> *Informacja dla Sejmu i Senatu RP o udziale...*, *op. cit.*

volunteered to organise the conference of partners, it will assume the presidency for the fourth time (previously in 1999, 2008, 2013) at COP24 in 2018.

The European Commission presented its proposed ETS system reform in July 2015. It provided, for example, for increasing the linear reduction factor (LRF)<sup>46</sup> from the present 1.74% to 2.2% post-2020, creating a modernisation fund based on 2% of all emission certificates<sup>47</sup> and a 10% solidarity pool.<sup>48</sup> The Polish government intended to protect the coal-based energy mix for example by recognising carbon dioxide absorption in its emission reduction policy. It also emphasised that the European Commission's proposal had been prepared based on a wrong legal basis (the standard procedure in which decisions are made by majority voting rather than by way of consensus).<sup>49</sup> Polish MEPs criticised the opinions that emerged especially in the European Parliament suggesting that the LRF should be increased above the 2.2% threshold. Due to the emergence of conflicting opinions, neither the EP nor the EU Council managed to formulate its stance in 2016, and postponed the decision regarding the reform until the next year.

Following a legislative procedure which had been ongoing since 2013, on 8 December 2016, the European Parliament and the Council of the European Union adopted the National Emission Ceilings Directive (NEC).<sup>50</sup> A preliminary agreement between the EU Council and the EP had been reached on 30 June.<sup>51</sup> It provided for excluding methane emissions from the directive. This was an important solution from the point of view of the Polish agricultural sector, which is a major emitter of this greenhouse gas.

In July 2016, the EC proposed a package of draft legislation focused on activities intended to transform the present economy into a low-carbon economy in non-ETS sectors.<sup>52</sup> The Polish government assessed the proposed legislation

<sup>46</sup> It sets the percentage by which the supply of emission certificates on the ETS market is reduced.

<sup>47</sup> The fund is intended to support low-carbon investments and modernisation of installations and facilities in order to boost the economy's energy efficiency in 10 states of Central and Eastern Europe (including Poland) to a large extent.

<sup>48</sup> Emission certificates from this pool would be allocated to the EU's less affluent states, in addition to the remaining pool of certificates allocated on the basis of verified emissions. For more, see A. Gawlikowska-Fyk, J. Michalak, "The Domino Effect: Impact of the Global Climate Agreement on Post-2020 EU Emissions Trading Scheme Reform," *PISM Bulletin*, no. 13 (863), 10 February 2016, [www.pism.pl](http://www.pism.pl).

<sup>49</sup> *Informacja dla Sejmu i Senatu RP o udziale...*, *op. cit.*

<sup>50</sup> *Biuletyn europejski*, no. 12 (35)/2016, p. 3.

<sup>51</sup> K. Strzępka, "Jest kompromis w sprawie limitów emisji zanieczyszczeń powietrza," *Money.pl*, 1 July 2016, [www.money.pl](http://www.money.pl).

<sup>52</sup> *Energy Union and Climate Action: Driving Europe's transition to a low-carbon economy*, European Commission press release, 20 July 2016, <http://europa.eu>.

negatively in the context of national emission reduction targets (Poland was expected to reduce its emissions in non-ETS sectors by 2030 by 7% compared to 2005 levels), land use, land-use change and forestry (LULUCF), and flexibility mechanisms applied to the calculation of emissions.<sup>53</sup> In 2016, the negotiations did not lead to the adoption of final solutions.

In November, the European Commission proposed the winter package of draft legislation regarding electricity, entitled Clean Energy for all Europeans.<sup>54</sup> It contained solutions concerning energy efficiency, RES, electricity markets, the security of supplies and Energy Union management. During the EU's Energy Council, at which new solutions were presented, Deputy Energy Minister Grzegorz Tobiszewski offered particularly harsh criticism of the proposed reduction of the generation capacity emission limit under the available capacity market mechanisms to 550g CO<sub>2</sub>/kWh. The proposal eliminated even modern coal-fired units from participation in this mechanism.<sup>55</sup> Negotiations of the proposed legislation's wording were postponed until 2017.

### Protection of Coal

The year 2016 saw work on short and mid-term goals.<sup>56</sup> The government suspended its work on the Energy Policy for Poland to 2050,<sup>57</sup> which had been sent for public consultation in July 2015. The most important decisions and events included a) plans regarding support for the mining sector, b) the capacity market project, c) amendment to the RES law blocking the development of the wind energy sector, and d) preparation of the Strategy for Responsible Development alongside the initiative regarding the production of Polish electric cars.

In April 2016, with the support from the government and the financial sector, energy companies formed Polska Grupa Górnicza (Polish Mining Group) as part of the programme of rescuing the almost insolvent Kompania Węglowa.<sup>58</sup> Due to the fact that the state offered subsidies intended for closing the company's mines

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<sup>53</sup> "Szyszko: propozycje KE ws. redukcji CO2 szkodliwe dla Polski," *TVN24BiS*, 30 July 2016, <http://tvn24bis.pl>; *Informacja dla Sejmu i Senatu RP o udziale...*, *op. cit.*

<sup>54</sup> *Clean Energy for All Europeans—unlocking Europe's growth potential*, a European Commission press release, 30 November 2016, <http://europa.eu>.

<sup>55</sup> *Ministrowie Tchórzewski i Kurtyka na posiedzeniu Rady UE ds. Energii w Brukseli*, 16 December 2016, Ministerstwo Energii, <http://uepa.gov.pl>.

<sup>56</sup> J. Michalak, "Polish Energy Policy by 2050' in light of the EU's Long-term Low Greenhouse Gas Emission Development Strategy," *PISM Bulletin*, no. 54 (904), 29 August 2016, [www.pism.pl](http://www.pism.pl).

<sup>57</sup> *Polityka energetyczna Polski do 2050*, Ministerstwo Gospodarki, 10 August 2015.

<sup>58</sup> "Górnictwo: porozumienie powołujące PGG podpisane," *Portal Górniczy*, 26 April 2016, <http://nettg.pl>.

and paying out social security benefits to dismissed employees, it was necessary to devise a transformation plan for the company and present it to the European Commission.<sup>59</sup> On 18 November 2016, the Commission approved the restructuring plan, which was tantamount to approving public aid.<sup>60</sup> The simultaneous increase in the price of coal on global markets and the record-high demand for energy, combined with the concurrent reduction in the co-combustion of biomass and brown coal, came as a relief to hard coal mines.<sup>61</sup>

To ensure appropriate financial conditions for the coal energy sector, and at the same time to carry out investments in the modernisation of existing power plants and construction of new ones, the Ministry of Energy devised a capacity market project and presented it to the public in December 2016.<sup>62</sup> The project provided for basing the capacity market on auctions that do not formally exclude any electricity generation technology. In addition, it was to be funded from a capacity fee added to electricity bills. In this way, it would make it possible to subsidise the operation of coal-fired units. Once it is approved by the Polish parliament, the capacity market project will have to be sent for negotiations with the European Commission as a form of public aid which, in line with the proposed winter package, was to be ruled out.

Moreover, the government launched actions to reduce the pressure of RES, which are competitive sources of energy compared to coal-based energy generation. On 23 June 2016, Duda signed a parliamentary draft law on investments in wind power stations (the distance law or anti-wind turbine law). It proposes a ban on establishing wind power stations at a distance of less than 10 times the height of a single wind turbine from any residences. The law limited the possibility of carrying out planned, albeit not yet approved, new investments. In addition, the oversupply of green certificates, which were intended as incentives to investing in renewable energy sources, resulted in the inefficiency of this support system and reduced the profitability of the use of renewable sources in Poland.<sup>63</sup>

<sup>59</sup> R. Zasuń, "Czy PGG ma szansę na przeżycie?" *WysokieNapięcie.pl*, 28 April 2016, <http://wysokienapięcie.pl>.

<sup>60</sup> R. Zasuń, "Dlaczego nie znamy treści decyzji Brukseli w sprawie górnictwa," *WysokieNapięcie.pl*, 5 January 2017, <http://wysokienapięcie.pl>.

<sup>61</sup> B. Derski, "Węgiel kamienny (chwilowo) wrócił do łask," *WysokieNapięcie.pl*, 8 August 2016, <http://wysokienapięcie.pl>.

<sup>62</sup> B. Derski, R. Zasuń, "Ustawa o rynku mocy—wprowadzamy, ale nadal nie wiemy, ile ma kosztować," *WysokieNapięcie.pl*, 30 September 2016, <http://wysokienapięcie.pl>.

<sup>63</sup> J. Piszczatowska, "Kogo w praktyce dotknieła ustawa antywiatrakowa?" *WysokieNapięcie.pl*, 29 July 2016, <http://wysokienapięcie.pl>; B. Derski, "Załamanie wsparcia dla OZE," *WysokieNapięcie.pl*, 1 June 2016, <http://wysokienapięcie.pl>.

The Strategy for Responsible Development, prepared by the Ministry of Development and sent for consultation in July 2016, not only provided for the development of the renewable energy sector (especially in the context of the 15% target regarding the share of RES in the energy mix) and of the nuclear energy sector but also contained a plan for the electrification of transport. The e-mobility project was prepared jointly by the Ministry of Development and Ministry of Energy. It involves the development of industry, infrastructure and the investment incentive system to enable the use of one million electric cars in Poland by 2025. In August 2016, the ministries established an electromobility centre to implement this policy and continued their work on a package of draft laws. The electromobility plan was one of few activities the Polish government launched to support the low-carbon economy.

### **Assessment**

As regards energy and climate policy, 2016 was overshadowed by the events of 2015 including the launch of the LNG terminal in Świnoujście, which was a breakthrough investment from the point of view of diversification of natural gas supplies, and the signing of the Paris Agreement, which created a framework for devising a climate policy. In many areas, this was a period of transition as regards efforts to attain the assumed goals and to negotiate the decisions in the EU forum.

The commercial launch of the LNG terminal in Świnoujście, the purchase of gas not only under long-term contracts but also under spot contracts, and the planned opening of a PGNiG branch office in London were proof of the efficiency of using the available infrastructure. Successful efforts were made to build inter-system connections expected to result in increased energy security in case of crises and in an opportunity to create a regional gas trade market with a simultaneous reduction in gas import from Russia. The greatest emphasis was placed on the Baltic Pipe project, which may enable Poland to become fully independent of Russian gas. Southern partners' interest in obtaining gas from this source will be of crucial importance for the profitability of this undertaking. This is why the Three Seas Initiative became increasingly important for the Polish energy policy. The first meeting of leaders of the region's states, held in Dubrovnik, was only a moderate success because the partners treated the project with reserve, fearing that the resulting cooperation would be more politically than economically-oriented. In addition, UOKiK's reservations to the consortium composed of several European companies and Gazprom hindered the construction of Nord Stream 2, but neither these actions nor the attempts to open political talks have resulted in a suspension of this investment.

Short-term goals connected with granting aid to the Polish mining sector and maintaining the important status of coal in the Polish economy have been attained. Support was granted to this sector at the cost of the reduced financial standing of Polish energy companies. In 2016, the government did not present any long-term energy policy plans, which prevented the creation of a predictable investment framework, a very important factor in the energy sector due to delayed return on investment. The actual blocking of the construction of new wind farms and the absence of intervention (or even announced intervention) on the green certificate market affected the RES sector and cast doubt on the plan to obtain 15% of energy from RES by 2020. In addition, these actions have a negative impact on the situation of the Polish green technology sector, which should operate in favourable conditions to be able to develop domestically and successfully compete on global markets, where the demand for such technologies is constantly growing.<sup>64</sup> The pursued policy did not take into account the broadly understood energy security which is attainable by way of diversifying the sources of electrical energy. The technical parameters of coal-fired units make coal a non-flexible fuel in terms of energy generation (the pace of shutting down and heating up the boilers is too slow to take into account the changes in energy generation with the use of RES). Moreover, this energy structure makes the economy dependent on global coal price fluctuations (and partly on the import of coal) and fails to take account of social and environmental costs connected with the operation of coal-fired power stations.

In 2016, no final decisions were made about many energy and climate-related issues, which makes an assessment of the state's policy in this field difficult. Due to its role as the COP24 host country, Poland stressed the importance of the Paris Agreement as the most significant point of reference for climate policy issues. Based its activities on the plan to achieve zero net emissions and biodiversity, contained in the Paris Agreement, Poland was opposed to any type of coal phase-out, not only a partial one. Poland's focus on attempts to block the implementation of the legislation setting emission standards and reduction targets had a negative impact on the possibility of implementing a positive programme in the field of clean technology that would promote the solutions most likely to be applied in Poland. From the point of view of foreign policy, Polish climate policy was another contentious issue in Poland's relations with the European Commission.

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<sup>64</sup> The International Energy Agency estimates that, in 2017 to 2022, renewable electricity capacity will increase by 43%. See *Renewables 2017*, IEA, 4 October 2017, [www.iea.org](http://www.iea.org).

# Economic Diplomacy in Poland's Foreign Policy

DAMIAN WNUKOWSKI\*

In Poland's economic diplomacy,<sup>1</sup> 2016 was a year of changes in the system of support for Polish companies operating on foreign markets. The Law and Justice (PiS) government carried out its reform plan intended to boost the system's centralisation and efficiency. Changes to the economic diplomacy system and support for foreign operations of Polish companies were included in the Responsible Development Strategy devised by the Ministry of Development. The Strategy contained the most important guidelines to be implemented in socio-economic policy. The changes were meant as a response to challenges the Polish economy was facing, including a high degree of dependence on trade with the EU and efforts to avoid the middle-income trap.

## Background

Following the transition of the Polish economy from a centrally-planned system to a free-market economy in the early 1990s, Poland's exports rose steadily, albeit slowly. However, barriers to access to foreign markets, especially in the geographically close European countries, prevented Polish companies from expanding their activities. A breakthrough happened following Poland's EU accession in 2004 and the opening of Western European markets to Polish goods and services. Since then, Poland's exports have dynamically increased. In 2004 to 2016, they rose more than threefold, from €60 billion<sup>2</sup> to almost €185 billion<sup>3</sup> (see Fig. 1).

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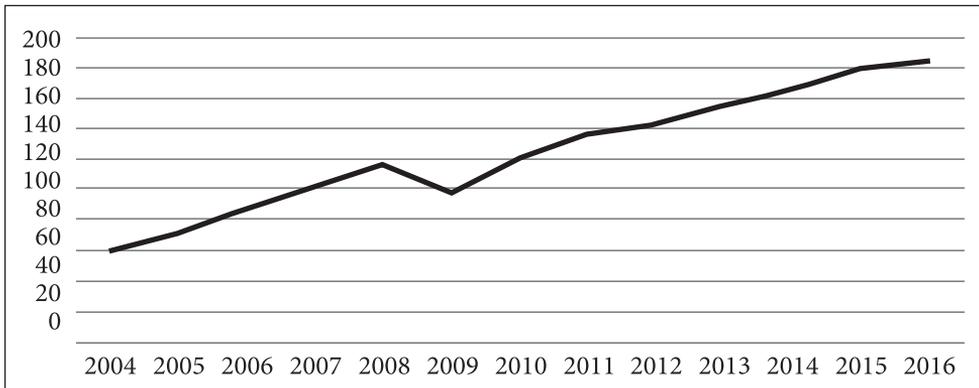
<sup>1</sup> Economic diplomacy can be defined as the activity of specialised state structures for the implementation of the state's foreign economic policy involving the promotion of broadly understood economic and political interests. Economic diplomacy includes a) diplomacy focused on the economy or "diplomacy connected with the pursuit of economic policy goals carried out by the foreign ministry and other ministries co-responsible for the state's international policy," and b) commercial diplomacy or "the activity carried out by the state's official diplomatic posts to promote economic cooperation between the sending state and the hosting state." In this article the terms "economic diplomacy" and "diplomacy focused on the economy" are used interchangeably. See R. Hryniewiecki, K. Borońska, "Dyplomacja gospodarcza jako nowe narzędzie polityki zagranicznej państwa," in: J. Rymarczyk (ed.), *Problemy globalizacji*, Wydawnictwo UE, 2010, [www.academia.edu](http://www.academia.edu).

<sup>2</sup> *Rocznik Statystyczny Handlu Zagranicznego 2009*, Główny Urząd Statystyczny, October 2009, [www.stat.gov.pl](http://www.stat.gov.pl).

<sup>3</sup> *Syntetyczna informacja o eksporcie i imporcie Polski styczeń-grudzień 2016 roku w mln EUR (dane ostateczne)*, Ministerstwo Rozwoju, August 2017, [www.mr.gov.pl](http://www.mr.gov.pl).

Exports became an important element of Poland's dynamic economic growth at an average rate of 3.9% annually<sup>4</sup> in 2004–2016. Moreover, in 2003–2015, the ratio of exported goods and services to GDP rose by around 17 percentage points (p.p.), from around 33% to around 50%.<sup>5</sup> In addition, exports generated an increasingly larger portion of Polish companies' income and contributed to the creation of new jobs.

Figure 1  
The Value of Poland's Exports in 2004 to 2016 (in EUR billions)



Source: Statistics Poland (GUS), Ministry of Development.

At present, the fact that Poland is highly dependent on the EU Member States in economic relations is a major challenge for the country and for Polish companies. In 2016, around 80% of Poland's exports and 60% of its imports were connected with the EU market.<sup>6</sup> At the same time, the presence of Polish business on the dynamically developing and frequently less saturated non-European markets remains insignificant. In 2016, the total share of these markets in the structure of Poland's exports was less than 12%, with Asian countries at the top with 6% (see Fig. 2).

Poland's favourable economic performance in recent years combined with improving conditions for doing business<sup>7</sup> to attract an increasing number

<sup>4</sup> The author's own calculations based on: World Economic Outlook Database, International Monetary Fund, April 2017, [www.imf.org](http://www.imf.org).

<sup>5</sup> *Strategia na rzecz Odpowiedzialnego Rozwoju z akceptacją rządu*, Ministerstwo Rozwoju, 14 February 2017, [www.mr.gov.pl](http://www.mr.gov.pl).

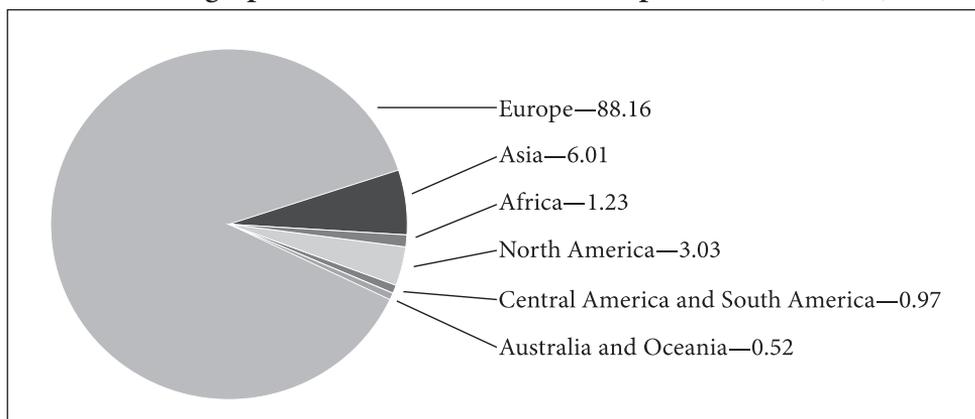
<sup>6</sup> *Syntetyczna informacja o eksporcie i imporcie...*, *op. cit.*

<sup>7</sup> In the World Bank's report *Doing Business 2007*, Poland was ranked 75<sup>th</sup> globally on the list of countries with the biggest economic freedom to do business, whereas in the *Doing Business 2018*

of foreign direct investments (FDI). In 2016, their value stood at €176 billion, which indicated an almost fourfold increase versus 2003 (€45.8 billion<sup>8</sup>). However, companies from EU Member States, mainly the Netherlands, Germany, Luxembourg, France and Spain, accounted for more than 90% of the FDI value (more than €160 billion, see Fig. 3). At the same time, in 2016 the value of Polish FDI stood at €27.7 billion globally, with EU countries accounting more than 70% of this (or more than €20 billion).<sup>9</sup> It is worth noting that a mere 0.6% of Polish companies invest abroad, which suggests that the degree of internationalisation of Polish business continues to be insignificant and that Polish companies prefer to focus on simpler forms of cooperation (mainly involving commercial activity).<sup>10</sup>

Figure 2

**The Geographical Structure of Poland's Exports in 2016 (in %)**



Source: *Syntetyczna informacja o eksporcie i imporcie Polski styczeń-grudzień 2016 roku w mln EUR (dane ostateczne)*, Ministry of Development, August 2017, [www.mr.gov.pl](http://www.mr.gov.pl).

Due to the global economic crisis which strongly affected the EU countries from 2008 onwards, efforts to increase the diversification of Poland's export markets and investment relations are becoming important elements of Polish economic policy. They may bring measurable economic benefits in the form of increased exports, profitability and productivity (which is a feature typical of

edition it moved up to 27<sup>th</sup> place (which nonetheless indicated a drop compared with 2017, when it was ranked 24<sup>th</sup>). See selected editions of *Doing Business*, [www.doingbusiness.org](http://www.doingbusiness.org).

<sup>8</sup> *Zagraniczne inwestycje bezpośrednie w Polsce w 2004 roku*, Narodowy Bank Polski, p. 10, [www.nbp.pl](http://www.nbp.pl).

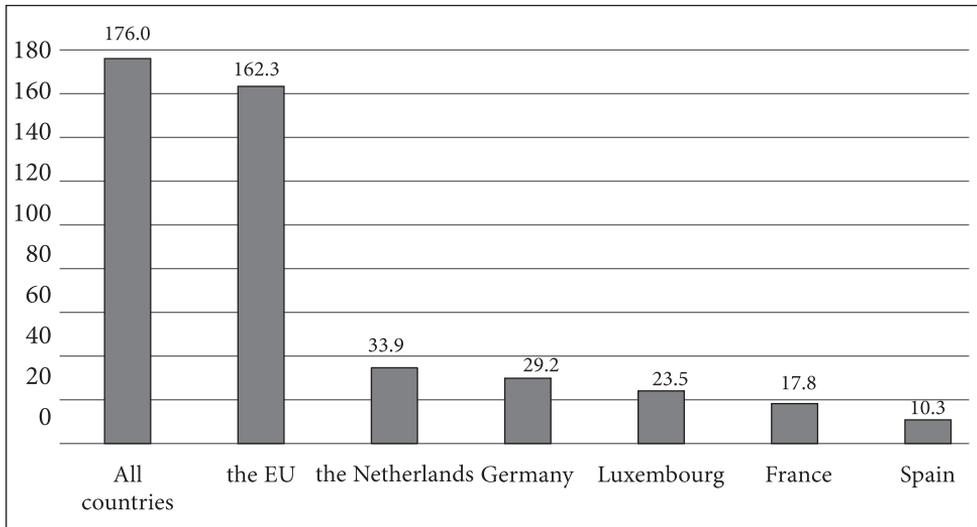
<sup>9</sup> The author's own calculations based on: *Inwestycje bezpośrednie-polskie*, Narodowy Bank Polski, [www.nbp.pl](http://www.nbp.pl).

<sup>10</sup> *Strategia na rzecz Odpowiedzialnego Rozwoju z akceptacją rządu*, *op. cit.*

exporters as opposed to companies that operate locally), and have a positive impact on the stability of the Polish economy by making it less dependent on EU market fluctuations. In addition, increased internationalisation of Polish business should in the longer term trigger an improvement in its competitiveness and financial performance, thereby having a positive impact on the job market, for example. Economic diplomacy, which the state administration has been developing for around a dozen years now, is expected to play a significant role in this field.

Figure 3

### Poland's Largest Foreign Investors in 2016 (in EUR billions)



Source: *Inwestycje bezpośrednie-zagraniczne*, Narodowy Bank Polski, [www.nbp.pl](http://www.nbp.pl).

Economic diplomacy had become an important element of foreign policy during the rule of the PO-PSL government.<sup>11</sup> This was reflected in the document entitled *Priorities of Polish Foreign Policy in 2012 to 2016*, which listed the development of the Polish economy, including in particular the promotion of exports and of the country itself in order to attract investors and tourists, as

<sup>11</sup> Although the issue of economisation of Polish foreign policy did emerge before, its official goals and methods of implementation were set in February 2006 as a result of an agreement on establishing economic diplomacy, signed by the minister of economy (ME) and the minister of foreign affairs (MFA). The agreement emphasised the special role of these two institutions in pursuing economic diplomacy with the minister responsible for economic affairs as the supervisory body. See *Promocja gospodarcza Polski. Informacja o wynikach kontroli*, Najwyższa Izba Kontroli, August 2016, [www.nik.gov.pl](http://www.nik.gov.pl).

important tasks to be carried out by the MFA,<sup>12</sup> Despite the fact that decision-makers began to place greater emphasis on issues of economic diplomacy and the creation of the foundations of a system of support for Polish companies operating on foreign markets, activities carried out in this field should be assessed as not particularly effective. This was confirmed in the report compiled by the Supreme Audit Office (NIK) in August 2016, covering the years 2010 to 2015. It pointed to the absence of a coherent system for Poland's economic promotion resulting from, for example, inefficient cooperation between the MFA and the Ministry of the Economy<sup>13</sup> in this field, the absence of coordination of the activity of at least a dozen state-controlled organisations involved in the promotion of Poland and the absence of a separate national strategy.<sup>14</sup> Although the powers of specific institutions involved in promotional activities were formally separated, in practice they frequently overlapped. One example of this is the concurrent foreign market activity of the Department of Trade and Investment Promotion (WPHI, which was supervised by the then Ministry of the Economy and was tasked with offering practical support to Polish companies) and of the Economic Department of the relevant embassy, supervised by the MFA, whose main tasks involved preparing macro-economic analyses and reports regarding Poland's economic relations with that particular country. This division likely disoriented the entrepreneurs who were looking for support and diluted the responsibility of public services. Sometimes, these institutions failed to consult each other as regards their promotional activities and plans.<sup>15</sup> Moreover, funds earmarked for supporting Polish companies and promoting Poland were scattered, with spending frequently ineffective. These arguments encouraged the government formed following the October 2015 election to introduce changes to the system for the promotion of the Polish economy.

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<sup>12</sup> *Priorytety polskiej polityki zagranicznej 2012–2016*, Ministerstwo Spraw Zagranicznych, March 2012, p. 6, [www.msz.gov.pl](http://www.msz.gov.pl). In 2009, basic forms of diplomatic support were defined alongside rules to be followed when engaging in contacts with representatives of business circles. Employees of diplomatic posts were obliged to protect industrial secrets, prevent the emergence of conflicts of interests etc. See [http://www.mfa.gov.pl/pl/polityka\\_zagraniczna/zagraniczna\\_polityka\\_ekonomiczna/promocja\\_polskiej\\_gospodarki/](http://www.mfa.gov.pl/pl/polityka_zagraniczna/zagraniczna_polityka_ekonomiczna/promocja_polskiej_gospodarki/).

<sup>13</sup> At present, it operates as the Ministry of Development.

<sup>14</sup> *Promocja gospodarcza Polski...*, *op. cit.*

<sup>15</sup> *Funkcjonowanie wybranych wydziałów promocji, handlu i inwestycji ambasad i konsulatów RP. Informacja o wynikach kontroli*, Najwyższa Izba Kontroli, 8 May 2017, [www.nik.gov.pl](http://www.nik.gov.pl). The inspection covered the activity of WPHIs in Bern, Paris, Jakarta and Abu Dhabi in 2015 to 2016.

## Goals of Economic Diplomacy

The overall goals of economic diplomacy include contributing to the growth of Poland's exports and foreign investments, as well as attracting foreign investors to Poland. More detailed goals pursued by Polish state institutions in 2016 included, in particular, creating a positive image of Poland as a stable trade and investment partner and supporting Polish entrepreneurs and their export offers.<sup>16</sup> To achieve this, they use a wide array of instruments (including information, promotion and financial instruments) that enable Polish companies to operate on global markets more actively and safely. This is particularly important for non-European markets on which the activity of Polish companies is hampered by geographical distance, frequently unstable conditions for doing business and poor access to reliable information. Support offered as part of economic diplomacy is also important in states where the role of government administration in making economic contacts and boosting the reliability of potential contractors is of key importance (for example in Africa and Asia).<sup>17</sup> Moreover, the Polish MFA also views increasing Polish entrepreneurs' participation in calls for tenders announced by international organisations and ensuring the state's energy security (with special emphasis on diversification of sources of fuel supplies) as goals of economic diplomacy.<sup>18</sup>

The Polish authorities attach major importance to supporting domestic companies on international markets, which was evidenced for example by the content of Prime Minister Beata Szydło's policy statement delivered in November 2015. Szydło stressed "building mechanisms of a consistently pursued economic diplomacy"<sup>19</sup> as an important area of Poland's foreign policy. These activities were planned to be carried out in cooperation with Poland's president, who had recognised economic diplomacy and support for Polish companies on foreign markets as one of the most important goals of his presidency.<sup>20</sup>

A more detailed presentation of the government's approach to economic diplomacy was offered by Foreign Minister Witold Waszczykowski in his January 2016 speech to the lower house (the Sejm). Waszczykowski emphasised the rising importance of economic issues in international politics, including their impact on the state's security and on efforts to build its position in the global arena. He also pointed to the high degree of dependence of Poland's foreign trade on the EU

<sup>16</sup> *Czym jest dyplomacja ekonomiczna?*, Ministerstwo Spraw Zagranicznych, [www.msz.gov.pl](http://www.msz.gov.pl).

<sup>17</sup> *Ekonomiczne zadania dyplomacji*, Ministerstwo Spraw Zagranicznych, [www.msz.gov.pl](http://www.msz.gov.pl).

<sup>18</sup> *Czym jest dyplomacja ekonomiczna?*, *op. cit.*

<sup>19</sup> *Exposé premier Beaty Szydło*, 18 November 2015, [www.premier.gov.pl](http://www.premier.gov.pl).

<sup>20</sup> *Dyplomacja gospodarcza jednym z priorytetów polityki zagranicznej Prezydenta*, 10 July 2016, [www.prezydent.pl](http://www.prezydent.pl).

market and announced the plan to tighten the relations with non-EU partners. This is to be facilitated by “improving the instruments of economic diplomacy” in cooperation with “the Ministry of Development, the Ministry of Agriculture and other central offices.” Support will take multiple forms, including that of training events connected with Polish entrepreneurs’ participation in calls for tenders and projects carried out by international organisations and in technological collaboration with businesses from other countries. The minister also announced his willingness to cooperate with entrepreneurs and business organisations and to implement a system to survey the satisfaction of enterprises to better identify the needs and preferences of Polish businesses.<sup>21</sup>

In addition, the economic expansion of Polish companies has been listed as one of the most important areas of the government’s activity in the framework of the Responsible Development Strategy,<sup>22</sup> also known as the Morawiecki plan.<sup>23</sup> Among its main goals, the Strategy mentions “durable economic growth based increasingly firmly on knowledge, data and organisational excellence,” and points to the foreign expansion of Polish businesses as one of the five areas that are indispensable to achieve this. Among the numerous activities planned in this field, “building an integrated, internally coherent system of the promotion of the economy, which would form an element of activities carried out in the framework of economic diplomacy”<sup>24</sup> was recognised as a matter of key importance.

### **Changes to the System for the Promotion of the Polish Economy**

In the new system of support for companies (especially small and medium-sized enterprises, SMEs) and the promotion of Poland abroad, a leading role is to be played by the Polish Development Fund Group (PFR), established in 2016 and supervised by the Ministry of Development.<sup>25</sup> A particularly important role

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<sup>21</sup> „Informacja Ministra Spraw Zagranicznych o zadaniach polskiej polityki zagranicznej w 2016 roku,” Ministerstwo Spraw Zagranicznych, 29 January 2016, [www.msz.gov.pl/](http://www.msz.gov.pl/)

<sup>22</sup> It became Poland’s official development plan in February 2017, when it was adopted by the Council of Ministers, although its assumptions had been presented back at the beginning of 2016 and in subsequent months. The Strategy’s main goal is to foster Poland’s sustainable development in the economic, social, environmental and territorial aspect. See *Strategia na rzecz Odpowiedzialnego Rozwoju z akceptacją rządu, op. cit.*

<sup>23</sup> It was named after Mateusz Morawiecki, deputy prime minister and minister of development, and from September 2016 also finance minister, who is considered the main author of the government’s economic policy. In December 2017, he was appointed prime minister.

<sup>24</sup> *Strategia na rzecz Odpowiedzialnego Rozwoju do roku 2020 (z perspektywą do 2030 r.)*, Ministerstwo Rozwoju, 2017, pp. 135–145, [www.mr.gov.pl](http://www.mr.gov.pl).

<sup>25</sup> The Ministry of Development was formed by way of transforming the Ministry of Infrastructure and Development and dissolving the Ministry of the Economy. See *Rozporządzenie Rady Ministrów z dnia 7 grudnia 2015 r. w sprawie utworzenia Ministerstwa Rozwoju oraz zniesienia Ministerstwa*

is to be played by the Polish Investment and Trade Agency (PAIH), which is a component of the PFR. The year 2016 saw the process of its creation by way of transforming the Polish Information and Foreign Investment Agency (PAIiIZ).<sup>26</sup> Compared with its predecessor, the PAIH received a considerably wider array of tasks. Aside from promoting Poland in the global arena and attracting foreign investments, it was expected to offer support and advice to Polish companies operating abroad and coordinate operational instruments, including the organisation of trade missions and promotional programmes for specific markets or sectors.<sup>27</sup> The system for the promotion of the Polish economy became more centralised and was modelled on the systems established by many other countries (for example the United Kingdom, France and South Korea) in order to improve its efficiency.<sup>28</sup>

The PAIH is to have a network of Foreign Trade Offices (ZBH) at its disposal to offer substantive help to Polish companies. The ZBHs are to replace Departments of Trade and Investment Promotion (WPHI), which are to be gradually closed down by 2019. Ultimately, around 70 ZBHs will be created (there were 49 WPHIs in 2016).<sup>29</sup> They are to be more pro-active and business-oriented than the WPHIs and will place greater emphasis on performance, for example by implementing incentive systems based on performance targets such as an increase in exports and foreign investments.<sup>30</sup> Unlike WPHIs, which operated at Poland's embassies,<sup>31</sup> PAIH offices will operate pursuant to local commercial laws and their employees will not have the status of diplomats. Support for companies operating in states where no trade office will be established will be offered by the PAIH's head office. In order to finance the expanded scope of the agency's tasks, its budget will be

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*Gospodarki*, Dz.U. [Polish Journal of Laws] 2015, item 2076, <http://prawo.sejm.gov.pl>. The government order came into effect on the day of its publication, retroactive to 16 November 2015.

<sup>26</sup> The institution has operated under the name PAIH since February 2017.

<sup>27</sup> "Ważna rządowa agencja znika. Zastąpi ją nowy twór," *TVN24 BiŚ*, 3 February 2017, <http://tvn24bis.pl>.

<sup>28</sup> See D. Wnukowski, "Export Promotion Agency: The Experience of Selected European Countries," *PISM Bulletin*, no. 18 (868), 24 February 2016, [www.pism.pl](http://www.pism.pl).

<sup>29</sup> By mid-April 2018, 29 offices were opened: in Amsterdam, Astana, Bogota, Budapest, Buenos Aires, Dubai, Jakarta, Frankfurt, Helsinki, Ho Chi Minh City, Kyiv, London, Los Angeles, Milan, Mexico City, Nairobi, Oslo, Paris, Prague, San Francisco, Singapore, Sofia, Shanghai (by way of transforming the existing PAIiIZ office), Tehran, Tel Aviv, Tokyo, Toronto, Washington and Vienna. See [www.paih.gov.pl](http://www.paih.gov.pl).

<sup>30</sup> *Program wspierania ekspansji międzynarodowej polskich przedsiębiorstw*, Ministerstwo Rozwoju, 6 September 2016, [www.mr.gov.pl](http://www.mr.gov.pl). ZBHs will be authorised to offer paid services to specific companies and to serve as a venue in which entrepreneurs will be allowed to organise meetings with their potential business partners.

<sup>31</sup> These are supervised by the minister responsible for the economy (at present, the minister of development).

increased (to PLN 100 million in 2017 and PLN 200 million in 2018, compared with the PAIIZ budget of PLN 12 million).<sup>32</sup>

In addition, public financial institutions that support export and investment activity (Bank Gospodarstwa Krajowego (BGK) and Korporacja Ubezpieczeń Kredytów Eksportowych (KUKE)) were included in the PFR. Their offers complement each other. BGK offers export development loans while KUKE offers insurance for these loans.<sup>33</sup> In the upcoming years, the PFR Group's offer in the field of export financing will be worth around PLN 60 billion.<sup>34</sup> KUKE will receive a capital injection of around PLN 200 million.<sup>35</sup> Access to the financing of export and investment activities in recent years should be viewed as insufficient, with entrepreneurs criticising the costs of using financial instruments and the limited risk-readiness on difficult non-European markets (which is what these instruments should offer). Financial instruments offered by BGK and KUKE are complemented by other tools, for example, Fundusz Ekspansji Zagranicznej FIZAN, operating as a component of BGK TFI and intended to carry out investments, as a minority stakeholder, in foreign projects of Polish companies (with the option enabling a private partner to buy the stake). The fact that the PFR gathers the most important institutions offering support to Polish businesses abroad should facilitate coordination of their activities and preparation of a comprehensive offer for Polish companies.<sup>36</sup>

Plans were announced to create an IT system to enable exporters and investors to gain access to resources used by the public administration and containing, for example, lists of calls for tenders and certificates required on a specific market.<sup>37</sup> This will be an extended version of the trade.gov.pl website, which has been in place since 2015 (it was created by way of combining the websites www.trade.gov.pl, www.coie.gov.pl and www.eksporter.gov.pl) and which contains information of interest to entrepreneurs operating abroad.

In 2016, as part of the changes to the system, an Inter-ministry Team for the Promotion of Poland abroad was established, composed of representatives

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<sup>32</sup> *Program wspierania ekspansji międzynarodowej polskich przedsiębiorstw, op. cit.*

<sup>33</sup> See D. Wnukowski, "Financial Support for Polish Businesses Abroad," *PISM Bulletin*, no. 14 (954), 7 February 2017, www.pism.pl.

<sup>34</sup> For comparison, in 2015 the BGK granted loans worth around PLN 1.3 billion in total. See D. Wnukowski, "Financial Support for Polish Businesses Abroad," *op. cit.*

<sup>35</sup> *Program wspierania ekspansji międzynarodowej polskich przedsiębiorstw, op. cit.*

<sup>36</sup> Government loans granted as part of tied aid can be viewed as another instrument used for the promotion of Polish companies. In 2016, no agreements were signed. The value of transfers under the previous agreements was \$77 million. See, in this volume: P. Kugiel, "Poland's development cooperation," p. 230.

<sup>37</sup> *Program wspierania ekspansji międzynarodowej polskich przedsiębiorstw, op. cit.*

of a dozen crucial ministries, for example, the ministries of the economy, energy and culture. The Team's mission is to coordinate the activities of government institutions in the field of promoting Poland abroad and defending Poland's good name.<sup>38</sup> Specific task forces were formed to deal with the POLSKA brand, management of information on Poland, promotion of culture, promotion of Polish food, historical diplomacy and the policy of remembrance, and with the issue of using the potential of the Polish community abroad. In practice, the Team is expected to replace the former Council for the Promotion of Poland at the MFA. Adam Lipiński, a minister in the Chancellery of the Prime Minister, was appointed the Team's head, and Deputy Foreign Minister Jan Dziędziczak was made deputy.<sup>39</sup> In December 2016, one of the results of the Team's work was the publication of the document Unified Rules of the Polska Brand Communication.<sup>40</sup>

The Polish National Foundation (PFN) is another organisation tasked with the promotion of Poland's image abroad. It was established by 17 companies<sup>41</sup> in which the State Treasury holds a majority stake. In July 2016, representatives of these companies signed a letter of intent regarding the Foundation's creation.<sup>42</sup> PFN's planned budget is PLN 100 million annually.<sup>43</sup> However, in 2016 the activity of the PFN has been insignificant.

Efforts to open diplomatic posts in non-European countries have been part of the reform and a significant element of Poland's presence abroad, as well as a manifestation of the implementation of its economic interests. In 2016, Poland opened its embassy in Dakar (Senegal) and resumed the operation of its embassy in Baghdad (Iraq). In addition, decisions were made to open embassies in Dar es Salaam (Tanzania) and Panama, and general consulates in Belfast (the United

<sup>38</sup> "Zarządzenie nr 43 Prezesa Rady Ministrów z dnia 31 marca 2016 r. w sprawie Międzyresortowego Zespołu do spraw Promocji Polski za Granicą," *Biuletyn Informacji Publicznej*, <https://bip.kprm.gov.pl>.

<sup>39</sup> See A. Bartkiewicz, "Rząd tworzy zespół ds. promocji Polski," *Rzeczpospolita*, 14 July 2016, [www.rp.pl](http://www.rp.pl).

<sup>40</sup> *Ujednolicone zasady komunikacji marki Polska*, Załącznik nr 2 do uchwały nr 5 Międzyresortowego Zespołu do spraw Promocji Polski za Granicą z 15 grudnia 2016 r., [www.msz.gov.pl](http://www.msz.gov.pl).

<sup>41</sup> These include Enea, Energa, Giełda Papierów Wartościowych (Warsaw Stock Exchange), Grupa Azoty, Grupa Lotos, KGHM, PKN Orlen, PGE, Polska Grupa Zbrojeniowa (Polish Armaments Group), Polska Wytwórnia Papierów Wartościowych (Polish Security Printing Works), PGNiG, Polski Holding Nieruchomości (Polish Property Holding), Polskie Koleje Państwowe (Polish State Railways), PKO BP, PZU, Tauron, and Totalizator Sportowy. See: Polish National Foundation, [www.pfn.org.pl](http://www.pfn.org.pl).

<sup>42</sup> *Premier Beata Szydło: promocją Polski za granicą zajmie się Polska Fundacja Narodowa*, 13 July 2016, [www.premier.gov.pl](http://www.premier.gov.pl). Officially, the PFN launched operations at the end of 2016.

<sup>43</sup> "Polska Fundacja Narodowa ma promować Polskę za granicą, budżet 100 mln zł rocznie," *Onet Biznes*, 13 July 2016, <http://biznes.onet.pl>.

Kingdom) and Houston (the U.S.).<sup>44</sup> Moreover, in 2016 no Polish diplomatic post was closed down.<sup>45</sup> However, it should be noted that no annual meeting of Poland's ambassadors, an important forum for discussing economic diplomacy issues, was held.

## Review of Selected Economic Diplomacy Instruments

**Foreign visits and economic missions.** In 2016, organisation of the economic components (business forums, participation in fairs and networking sessions for entrepreneurs) during foreign visits of Polish state officials and foreign delegations' stays in Poland was a frequently used economic diplomacy instrument. This may indicate that these activities were treated as a natural element of foreign visits. This was not always so obvious, and it was not so long ago that criticism emerged regarding the absence of results of this type of economic missions ("leisure trips") and excessively close ties between the authorities and business circles. In 2016, economic missions were mainly organised in cooperation with various ministries (development and foreign affairs), the embassy and WPHI in a specific country, government agencies (such as the Polish Agency for Enterprise Development (PARP)) and economic self-government bodies (for example, the National Chamber of Commerce (KIG)).

In 2016, economic missions with the participation of government representatives, mainly officials from the Ministry of Development and the MFA, were carried out on all continents. In Africa, they were organised in Senegal and Ivory Coast (March), Algeria (May to June), Kenya and Tanzania (July), Angola (July) and Zambia (November). In Asia, Polish delegations visited Japan (January), India (two missions in February), Bangladesh (February), Iran (March and October), China (June and November), Taiwan (October), the Philippines and Saudi Arabia (October). Missions to Latin America were also organised (to Cuba, in September), to North America (to the United States, in March) and to Australia (in July). During foreign trips organised in 2016, a total of around 500 seminars, business forums and other promotional events were attended by Polish entrepreneurs.<sup>46</sup>

The promotion of Polish business was also an important element of foreign visits paid by President Andrzej Duda in 2016. Examples include his visits to

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<sup>44</sup> These posts launched their operations in 2017.

<sup>45</sup> In 2007 to 2014, a total of 39 embassies and consulates general were closed down mainly for economic reasons (Poland's embassies in Senegal and Tanzania were closed down in 2008). In mid-2016, Poland had embassies in 89 states, and 36 consulates general in 19 states. See A. Gajcy, "Polska znów będzie mieć ambasadę w Tanzanii," *Rzeczpospolita*, 15 June 2016, [www.rp.pl](http://www.rp.pl).

<sup>46</sup> Information obtained from the MFA's Department of Economic Cooperation in October 2017.

Switzerland (November) and to Sweden (December), during which Duda was accompanied by a group of entrepreneurs from the new technology sector (start-ups). Other major events included the trips to Jordan (November) and Denmark (June), and his meetings with representatives of Polish companies during his trips to Canada (May), Hungary and the Czech Republic (March). Economic missions were also organised at the local government level, mainly by voivodships and cities. Łódzkie voivodship, for example, organised trips for entrepreneurs to Austria.

Visits paid by foreign delegations were another important element of the promotion of Poland and Polish companies. A number of seminars and business forums were organised on those occasions. Examples include the Polish-Azerbaijani Business Forum organised during the visit of Azerbaijani Energy Minister Natig Aliyev to Poland in December, and the Polish-Greek Trade Meeting held during the Greek Deputy Foreign Minister Dimitras Mardas's visit to Poland in November 2016. Several major events of this type, including the International Silk Road Forum and the fourth Polish-Chinese Forum of Regions, were organised during Chinese President Xi Jinping's visit to Poland in June 2016.

**Diplomatic support and interventions in cases of discrimination against Polish companies and violation of their rights.** In 2016, Polish diplomatic posts answered around 6,900 inquiries submitted by entrepreneurs, and around 4,600 companies received various forms of diplomatic support.<sup>47</sup> In particularly difficult cases involving discrimination against Polish companies and violation of their rights, Polish diplomats intervened with the local authorities. Such activities can be carried out both on behalf of single companies and on the initiative of a specific ministry whenever it appears that the problem is universal and is affecting a larger group of entrepreneurs. In 2016, the MFA carried out more than 300 successful interventions.<sup>48</sup> Activities in this field were also carried out by the Ministry of Development, one example being Morawiecki's intervention regarding the sale of Polish tractors in Germany, which happened when their producer, the company Ursus, reported the problem.<sup>49</sup> This intervention received much media attention in 2016. The Polish government reacted in other cases as well, for example, to counter the problems with selling Polish foodstuffs in the

<sup>47</sup> Information obtained from the MFA's Department of Economic Cooperation in October 2017. The number of companies that received support is the number of diplomatic actions launched because some companies received support several times.

<sup>48</sup> Information obtained from the MFA's Department of Economic Cooperation in October 2017.

<sup>49</sup> The problem was caused by difficulties with obtaining certification enabling the sale of those tractors in Germany. See "Interwencja Morawieckiego przyniosła skutek. Ursus podbija Niemcy," *Forsal.pl*, 11 August 2016, <http://forsal.pl>.

Czech Republic. Polish companies received support in the EU forum, as when legislative solutions favourable to Poland were being pushed through.

**Promotional programmes.** In 2016, efforts were made to create new promotional programmes to support Polish companies abroad. Established initiatives were also continued. The new programmes included projects financed from EU funds (which is connected with the utilisation of funds allocated in the financial perspective until 2020), for example, 12 sector-specific promotional programmes to be implemented in 2018 to 2019 (the project Promotion of the Economy on the Basis of Polish Product Brands: Brand of the Polish Economy, Sub-measure 3.3.2 of the Smart Growth Operational Programme or SG OP). The programmes will offer support to companies operating in the sectors of furniture, fashion (including jewellery), yachts and leisure boats, cosmetics, medical equipment, biotechnology and pharmacy, construction and finishing works, machines and devices, car and aircraft parts,<sup>50</sup> the food industry,<sup>51</sup> IT/ICT,<sup>52</sup> and the healthcare sector.<sup>53</sup> Moreover, general promotional programmes were prepared for five overseas markets considered the most promising for Polish companies (Algeria, India, Iran, Vietnam and Mexico).<sup>54</sup> Companies that participate in both general and sector-specific promotional programmes can receive EU funding under the newly-created Sub-measure 3.3.3 of the SG OP Support for SMEs in the Promotion of Polish Product Brands: Go to Brand, implemented by the Polish Agency for Enterprise Development (PARP).<sup>55</sup> Other initiatives included programmes promoting the Polish economy during major international events, for example during the Cosmoprof 2016 cosmetic fair in Bologna. In 2016, programmes regarding the promotion of events scheduled for 2017 were prepared, for example, the Hannover Messe 2017 and the EXPO 2017 International Exhibition in Astana. All the activities carried out as part of these projects are intended to help build the POLSKA brand and foster its positive reception on international markets.<sup>56</sup>

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<sup>50</sup> The PAIH is responsible for the implementation of these nine sector-specific programmes.

<sup>51</sup> The National Support Centre for Agriculture will coordinate the programme.

<sup>52</sup> The Polish Agency for Enterprise Development (PARP) will coordinate the programme.

<sup>53</sup> The Polish Tourism Organisation will be responsible for this programme's implementation.

<sup>54</sup> In previous years, the Ministry of the Economy had carried out a similar programme in which seven promising markets were identified (the initial five, Canada, Brazil, Algeria, Kazakhstan and Turkey, were later joined by the United Arab Emirates and Mexico).

<sup>55</sup> The call for applications was announced in December 2016 and carried out at the beginning of 2017. For more, see <https://poir.parp.gov.pl>.

<sup>56</sup> See *Promocja gospodarki w oparciu o polskie marki produktowe*, Ministerstwo Rozwoju, 19 January 2017, [www.mr.gov.pl](http://www.mr.gov.pl).

As regards special promotional programmes, in 2016 three new projects were launched. These were GoIndia, GoASEAN and GoIran. Several current programmes supervised by the PAiIZ and the Ministry of Development were continued, for example, GoChina (in place since 2012), GoAfrica (since 2013) and GoArctic (since 2015).<sup>57</sup> Polish entrepreneurs received support in the form of market-specific information (regarding legal issues and the situation in specific sectors) and recommendations regarding interesting fairs, exhibitions and training initiatives (on business culture and the protection of intellectual property). In 2016, the most intensive activities related to spreading information and organising promotional events were carried out under the two oldest programmes (GoChina and GoAfrica).

The GreenEvo programme is also worth noting. In 2010 to 2015, it supported Polish companies from the environmental technology sector in their expansion into foreign markets. The programme had been very well received by entrepreneurs, however, in 2016 it was discontinued for procedural reasons,<sup>58</sup> which came as a major loss to the Polish economic diplomacy system. The programme's advantages included not only professional advisory support and organisation of dedicated economic missions but also a comprehensive offer of training events for entrepreneurs in the field of marketing and business culture. A new programme entitled Clean Energy Hub is to be created on the initiative of the Ministry of Energy to support innovation in the energy sector. Its launch is planned for 2017.

**Training events for entrepreneurs.** As part of the business support system, various training events for entrepreneurs were organised in 2016. They formed part of specific programmes (such as GoChina) or were held as separate events. A major role was played by training events focused on participation in tender procedures carried out by international organisations<sup>59</sup> such as the World Bank, the European Bank for Reconstruction and Development and the Asian Infrastructure Investment Bank (in 2016 Poland officially became a member of this bank). Information on these issues was offered, for example, by the Centre for Information on International Calls for Tenders at the PARP. The MFA issued

<sup>57</sup> The PAIH will manage all these programmes.

<sup>58</sup> A. Ptak, "Zlikwidowano najlepszy program wspierania polskich firm, mimo że był niesłuchanie tani. Tak zadecydowała urzędniczka NIK," *INN:Poland*, 26 May 2016, <http://innpoland.pl>.

<sup>59</sup> For example, in calls for tenders organised by the UN, the value of public procurement contracts performed by Poland in 2015 was a mere \$2.19 million or around 0.01% of all projects worth more than \$17 billion. See *Zamówienia publiczne i projekty organizacji międzynarodowych. Przewodnik dla polskiego przedsiębiorcy*, Ministerstwo Spraw Zagranicznych, 2016, [www.msz.gov.pl](http://www.msz.gov.pl).

publications regarding participation in calls for tenders and projects carried out by international organisations.<sup>60</sup>

### Assessment

In 2016, the basic goals of economic diplomacy, i.e. contributing to the growth of Poland's exports and foreign investments, as well as attracting foreign investors to Poland, were attained. Poland's exports continued to rise to reach a bumper result of nearly €185 billion.<sup>61</sup> The year 2016 also saw an increase in the value of Polish FDI (to €27.7 billion from €25.3 billion in 2015)<sup>62</sup> and in the value of foreign capital invested in Poland (to €176 billion from €170.3 billion in 2015).<sup>63</sup> However, the export dynamic declined to 2.9% year-on-year versus 8.3% in 2015. In addition, as regards the diversification of directions of Polish exports, no major progress was made because the EU's share in Poland's exports in 2016 slightly increased compared with 2015 (from 79.4% to 79.8%). Poland's exports to non-European markets were maintained and stood at around €37 billion, and these markets' share in Poland's total exports fell to 20.2% from 20.6% in 2015.<sup>64</sup> It is difficult to clearly define the impact of economic diplomacy activities on Poland's trade and investment indicators. External economic factors, mainly the favourable situation in the global economy, as well as development strategies pursued by Polish companies, were decisive.

It should be noted that 2016 was a period of transition in the creation of the new system for supporting Polish businesses operating on global markets. The completion of the PAIIZ's transition into PAIH planned for the beginning of 2017 will mark a symbolic beginning of a new stage in Polish economic diplomacy. However, the changes will be implemented over another couple of years (for example the completion of the ZBH network is planned for 2019). This is when it will be possible to better assess the effects of the reform. Its assumptions, including one of the goals of the PiS government involving the creation of a single institution to coordinate actions promoting the Polish economy (PAIH as a component of the PFR Group), should be assessed positively. In recent years, the absence of such a centre was a major drawback of the system and had a negative impact on its efficiency. The announced greater flexibility in how economic diplomacy functions, the focus on non-European markets that are less popular with Polish

<sup>60</sup> See *Zamówienia publiczne i projekty organizacji międzynarodowych...*, *op. cit.*

<sup>61</sup> *Syntetyczna informacja o eksporcie i imporcie Polski...*, *op. cit.*

<sup>62</sup> *Inwestycje bezpośrednio-polskie*, *op. cit.*

<sup>63</sup> *Inwestycje bezpośrednio-zagraniczne*, Narodowy Bank Polski, [www.nbp.pl](http://www.nbp.pl).

<sup>64</sup> *Syntetyczna informacja o eksporcie i imporcie Polski...*, *op. cit.*

companies (such as by establishing ZBHs there at the cost of closing WPHIs in EU Member States), and the plan to increase outlays on the entrepreneur support system are positive developments as well.

Despite the introduced changes, there may emerge a certain rivalry between the major institutions involved in the system for the promotion of the Polish economy, these being the Ministry of Development,<sup>65</sup> the PFR<sup>66</sup> and the MFA. One reason for this may be that the Department of Economic Cooperation was maintained in the MFA's structure alongside economic departments in selected Polish diplomatic posts. It is unclear what the relations between the ZBHs and the embassies will be,<sup>67</sup> how the division of tasks allocated to specific posts will be implemented in practice, and how this will influence contacts with entrepreneurs. Moreover, the fact that the PAIH's Foreign Trade Offices will have no diplomatic status may hinder their contacts with the host country's central and local authorities, and thereby stimulate closer cooperation with Polish embassies in selected instances. The suspension of the GreenEvo programme and the fact that no Polish ambassadors' meeting was held in 2016 should be assessed negatively.<sup>68</sup>

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<sup>65</sup> As a result of a government reshuffle in January 2018, the Ministry of Development was split into two separate ministries: the Ministry of Enterprise and Technology (MPiT) and the Ministry of Investments and Development (MIiR). The MPiT will be responsible for supporting Polish companies on foreign markets.

<sup>66</sup> Since January 2018, the PFR has been supervised by the Chancellery of the Prime Minister.

<sup>67</sup> W. Warski, "Dyplomacja gospodarcza 2.0," *Rzeczpospolita*, 21 November 2016, [www.rp.pl](http://www.rp.pl).

<sup>68</sup> The annual meeting of ambassadors was resumed in 2017.

## Poland's Development Cooperation

PATRYK KUGIEL\*

The Polish system of granting assistance to developing countries has been subject to major reforms in recent years. The law on Poland's development cooperation enacted in September 2011 created a legal framework for this cooperation, provided a definition of it and enshrining main goals, principles and forms of aid delivery.<sup>1</sup> The year 2012 saw the first attempt to adopt a more strategically-oriented approach to Poland's development assistance and to define its mid-term strategy for 2012 to 2015.<sup>2</sup> A permanent development assistance organisational structure was established as well. The job of planning, implementing and evaluating Official Development Assistance (ODA) was assumed by the Department of Development Cooperation (DDC) at the MFA, and Solidarity Fund PL was tasked with the implementation of some of the projects focused on supporting democratisation. Coordination of Poland's development assistance as a whole is the task of the Ministry of Foreign Affairs, with the minister assisted by the Development Cooperation Council, composed of representatives of other ministries and of civil society. As a result of these changes, the assistance system became much more efficient than in its initial stage in 2004 to 2009.<sup>3</sup>

For Poland's development cooperation, 2016 was exceptional for a number of reasons. First, at the international level, the pursuit of new Sustainable Development Goals (SDGs) for 2016 to 2030 (Agenda 2030) was launched, and in Poland, the second Multiannual Development Cooperation Programme for 2016 to 2020 considerably altered the geographical and thematic priorities of Poland's development assistance.<sup>4</sup> Second, in 2016, Polish development assistance was highly influenced by the migration crisis which began in Europe in 2015. Third, the change of power which happened in Poland at that time prompted

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<sup>1</sup> According to legislation, development cooperation is composed of development assistance, humanitarian aid and global education. *Ustawa z dnia 16 września 2011 r. o współpracy rozwojowej*, Dz.U. [Journal of Laws] 2011, no. 234, item 1386.

<sup>2</sup> "Wieloletni program współpracy rozwojowej na lata 2012–2015, przyjęty przez Radę Ministrów w dniu 20 marca 2012 r.," *Polska Pomoc*, [www.polskapomoc.gov.pl](http://www.polskapomoc.gov.pl).

<sup>3</sup> For more on this initial stage, see P. Kugiel, "Poland's Development Cooperation in 2004–2009," *Yearbook of Polish Foreign Policy 2010*, Polski Instytut Spraw Międzynarodowych, 2012, pp. 241–261.

<sup>4</sup> "Wieloletni program współpracy rozwojowej na lata 2016–2020, przyjęty przez Radę Ministrów w dniu 6 października 2015 r.," *Polska Pomoc*, [www.polskapomoc.gov.pl](http://www.polskapomoc.gov.pl).

questions regarding its impact on development cooperation policy. Finally, in 2016, Poland agreed, for the first time, to have its development assistance evaluated by peer review performed by the OECD's Development Assistance Committee (DAC-OECD), which it had joined in 2013.

The review included an assessment of Poland's progress in this field until 2015 and set the directions for further reforms. In April 2016, delegations of experts from DAC-OECD, Austria and Portugal, which were responsible for the assessment, held meetings in Warsaw with representatives of Poland's state administration, non-governmental organisations and experts. Although the report was ready at the end of 2016, it was not officially presented until February 2017. Its authors appreciated the improvements to Poland's development assistance system, but at the same time, they pointed to a number of weak points and the need for further changes.<sup>5</sup> A total of 15 recommendations were submitted to boost the effectiveness of Polish assistance and harmonise it with international standards. According to these recommendations, Poland should, for example, "allocate more resources to the bilateral budget" (recommendation 3.1), "focus its bilateral aid, including loans and scholarships, on priority countries and themes" (3.2), "bring its ODA in line with the Revised DAC Recommendation on Untying ODA to the Least Developed Countries and Heavily Indebted Poor Countries (2014) and the DAC Recommendation on Terms and Conditions of Aid (1978)" (5.3), and "avoid spreading its humanitarian aid too thinly by focusing on a few priorities where it can play a valuable role during a humanitarian and crisis response" (7.1).

### **The Place of Development Cooperation in Poland's Foreign Policy**

Development cooperation has never been a key element of Poland's foreign policy. In his speech at the lower house of Parliament (the Sejm) on 29 January 2016, on directions of Poland's foreign policy, Foreign Minister Witold Waszczykowski devoted little attention to development cooperation. Moreover, unlike in speeches delivered by previous ministers, he failed to present it as a separate issue. He mentioned development assistance and humanitarian aid in the context of eliminating the sources of the migration crisis. Waszczykowski pointed to Poland's active involvement in "solving the problems of Africa and the Middle East," announced that Poland participates in "delivery of humanitarian aid to the victims of the war against terror," offer assistance to Jordan and Syria, and "continue humanitarian and development projects for war victims in eastern Ukraine."<sup>6</sup>

<sup>5</sup> *OECD Development Co-operation Peer Reviews: Poland 2017*, OECD Publishing, 2017.

<sup>6</sup> "Government Information on Polish Foreign Policy in 2016 (presented by Foreign Minister Witold Waszczykowski at the Sejm meeting on 29 January 2016)," see p. 11 in this volume.

The focus on humanitarian aid in a situation of migration pressure in Europe became the main feature of Poland's development cooperation in 2016 and was strongly emphasised by the Law and Justice (PiS) government. Back in 2015, ahead of the parliamentary election and during a debate at the Sejm focused on the refugee crisis, PiS chairman Jarosław Kaczyński argued that Poland should help resolve this crisis using "a safe, that is, a financial method" and proposed that specific countries should contribute to financing refugee camps in the Middle East proportionally to their share of the EU's GDP.<sup>7</sup> Following the election, the new PiS government refused to take part in the EU relocation programme, arguing, for example, that supporting the affected individuals on the spot and addressing the problem at its root was much more important. This boosted the significance of humanitarian aid.

Following the EU-Turkey summit at the end of November 2015, Prime Minister Beata Szydło announced that EU Member States decided that "the migrant issue should primarily be resolved outside the EU" and that "funds will be allocated for the implementation of this goal."<sup>8</sup> On 4 February 2016, during an international conference in London entitled "Supporting Syria and the region," Szydło announced that, in 2016, her government would earmark more than €4.5 million for humanitarian aid, including €3 million for helping Syria and €1.5 million for supporting refugees in the neighbouring countries.<sup>9</sup> Pointing to Poland's support for the agreement signed between the EU and Turkey, she once again confirmed that "on our part there is openness, just like when it comes to offering humanitarian aid: taking part in it, bearing a portion of the expenses related to helping those who need such help."<sup>10</sup> In a TV interview on 23 March 2016, Deputy Prime Minister Piotr Gliński said that "the government's stance on this issue is that we, Europeans, should be helping those refugees in regions from which they are coming, on the borders which they have reached by now."<sup>11</sup> In a special resolution passed on 1 April, a parliamentary majority expressed its support for the government's policy and stated, among other things, that "the Polish Sejm fully supports the plan to provide and finance humanitarian aid in

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<sup>7</sup> *Sprawozdanie stenograficzne z 100. posiedzenia Sejmu Rzeczypospolitej Polskiej w dniu 16 września 2015 r.*, 2015, <http://orka2.sejm.gov.pl>, p. 14.

<sup>8</sup> *Premier Beata Szydło w Brukseli: sprawa migrantów zostanie rozwiązana poza granicami UE*, 29 November 2015, [www.premier.gov.pl](http://www.premier.gov.pl).

<sup>9</sup> "Beata Szydło: Polska przeznaczy 4,5 mln euro na kryzys humanitarny," *RMF FM*, 4 February 2016, [www.rmf24.pl](http://www.rmf24.pl).

<sup>10</sup> *Premier Beata Szydło: UE zrobiła duży krok w kierunku rozwiązania kryzysu migracyjnego*, 8 March 2016, [www.premier.gov.pl](http://www.premier.gov.pl).

<sup>11</sup> "Wicepremier Piotr Gliński: Pomagajmy uchodźcom tam, skąd pochodzą," *Rzeczpospolita*, 24 March 2016, [www.rp.pl](http://www.rp.pl).

regions affected by armed conflicts and in the neighbouring countries.”<sup>12</sup> When preparing a better-coordinated response to challenges for the next year, on 26 July 2016, the Council of Ministers adopted the “Humanitarian aid package for the Middle East in 2017.”<sup>13</sup> Alongside this, the government declared that “regardless of the extraordinary involvement in providing humanitarian aid in the Middle East, it is necessary to meet the obligations of the UN’s Third International Conference on Financing for Development, which require Poland to spend 0.33% of its gross national income on official development assistance by 2030.”<sup>14</sup> It should also be noted that opposition politicians raised the issue of development cooperation only in the context of the government’s response to the humanitarian crisis in the Middle East.<sup>15</sup>

President Andrzej Duda offered a similar message to the UN General Assembly in September 2016. When presenting three basic principles of sustainable development (responsibility, solidarity and justice), he remarked that “solidarity in international relations mainly involves offering humanitarian aid and development assistance in regions affected by armed conflicts, economic crises and natural disasters,” said that “driven by the feeling of solidarity, we increased our humanitarian aid and development assistance in the Middle East region and the adjacent eastern regions” and added, “we provide financial support to educational projects in African countries.”<sup>16</sup> Duda argued that “my country is and will continue to be an active advocate of the principle of solidarity in the international arena.”

### Priorities, Directions and Assumptions of Polish Assistance

The second Multiannual Development Cooperation Programme for 2016 to 2020 contained a strategic presentation of directions of Polish assistance and its

<sup>12</sup> “Uchwała Sejmu Rzeczypospolitej Polskiej z dnia 1 kwietnia 2016 r. w sprawie polityki migracyjnej Polski,” *Monitor Polski*, www.monitorpolski.gov.pl.

<sup>13</sup> *Pakiet pomocy humanitarnej na Bliskim Wschodzie w roku 2017*, 26 July 2016, www.premier.gov.pl.

<sup>14</sup> *Ibidem*.

<sup>15</sup> See *Interpelacja nr 2219 do prezesa Rady Ministrów w sprawie polskiej pomocy dla uchodźców przebywających w obozach w krajach graniczących z Syrią*, submitted by Marcin Świącicki on 1 April 2016; *Interpelacja nr 5735 do ministra spraw zagranicznych w sprawie pomocy humanitarnej dla ludności cywilnej w Syrii*, submitted by Katarzyna Lubnauer on 23 August 2016; *Interpelacja nr 8824 do ministra spraw zagranicznych w sprawie dramatu ludności cywilnej w Aleppo*, submitted by Paweł Pudłowski and Paweł Kobyliński on 19 December 2016; the following parliamentary question is an exception that raises the issue of Poland’s ODA spending: *Interpelacja nr 2315 do ministra spraw zagranicznych w sprawie polskiej oficjalnej pomocy rozwojowej*, submitted by Marcin Świącicki on 5 April 2016.

<sup>16</sup> *Wystąpienie prezydenta RP Andrzeja Dudy podczas 71. sesji Zgromadzenia Ogólnego ONZ, UNIC* Warsaw, 20 September 2016, www.unic.un.org.pl.

place in Poland's foreign policy. It was adopted on 6 October 2015, ahead of the change of power, but its implementation was the task of the new government. The purpose of the programme was to adapt Poland's development policy to the new international situation (Agenda 2030) and to changes to the EU's Development Cooperation Policy. Among the priority goals of Poland's development cooperation, it listed "supporting the sustainable socio-economic growth of developing countries and their societies." It also stressed that "development cooperation is an element of Polish foreign policy and is coherent with the EU's and global development policy which includes support for the implementation of the Sustainable Development Goals (SDGs)."<sup>17</sup>

The programme introduced several major changes to the previous version of the strategy. It mainly reduced the number of priority countries from 20 to 10. The new 10 priority countries included four Eastern Partnership (EP) states (Belarus, Georgia, Moldova and Ukraine) and six African, Asian and Middle Eastern states (Ethiopia, Kenya, Senegal, Tanzania, Myanmar and the Palestinian National Authority). Armenia, Azerbaijan, Burundi, Rwanda, Somalia, South Sudan, Uganda, Libya, Tunisia, Afghanistan, Kyrgyzstan and Tajikistan were stripped of their priority status, whereas Myanmar and Senegal were included on the priority list for the first time. The reduction in the number of states resulted from the need to focus the limited assistance budget on a smaller group of recipients. This move was a consequence of experience gained during the implementation of the first Multiannual Development Cooperation Programme and was consistent with international principles of development cooperation. The new list of priority countries combined Poland's usual political interests involving offering support to states located in its neighbourhood (the four EP states retained are those in which Poland was most involved) with plans to increase its economic presence in Africa and Asia. The inclusion of Myanmar, one of the world's least developed countries, indicated that Poland attaches greater importance to reducing poverty and to the usual development cooperation goals.

The other change involved a redefinition of thematic priorities, including a departure from focusing the activities on the promotion of democracy and the exchange of experience connected with system transformation. In the new programme, the priorities were redefined and six areas of support were identified. These were 1) good governance, 2) democracy and human rights, 3) human capital investments (such as improvement of healthcare and access to education), 4) enterprise and private sector support, 5) sustainable agriculture and rural development, and 6) environmental protection. Alongside this, tasks connected with thematic priorities of democracy and human rights and good governance

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<sup>17</sup> *Wieloletni program współpracy rozwojowej na lata 2016–2020, op. cit., p. 8.*

were transferred to the Solidarity Fund PL. The requirement to transfer most of the funds for the implementation of these tasks, present in the previous version of the strategy, was dropped. A reservation was made that no more than three thematic priorities could be implemented in one specific state. The new priorities were defined on the basis of experience gained during the implementation of the first strategy and the changes made to the list of priority countries and their different needs. Dissatisfaction with the democratisation agenda following the failure of the Arab Spring and the destabilisation of the Middle East, which contributed to the migration crisis that affected Europe in 2015, was also a significant factor behind these decisions.

Although the changes to the support areas had been prepared by the coalition government of Civic Platform (PO) and the Polish People's Party (PSL), they were consistent with the overall approach of the PiS government to foreign policy and history. PiS politicians showed restraint in their approach to Poland's transformation, emphasised the significance of the sovereignty of individual states, opposed interference in other countries' internal affairs. Although the foreign minister declared that "the promotion of human rights and democracy has been and will continue to be a priority of Polish foreign policy,"<sup>18</sup> these issues played a less prominent role in Poland's development cooperation after 2015. For example, during "The Asia and Pacific Day" conference held at the Sejm on 6 November 2016, Jan Parys, the minister's advisor and Under-secretary of State at the MFA, pointed to different "paths of economic and social development" and expressed his "serious doubts as to whether we should be analysing and criticising various countries from the point of view of our understanding of democracy and our understanding of human rights."<sup>19</sup> Moreover, there was a major reduction in the amount of funding from the development assistance budget offered to Belsat TV broadcasting in Belarus, which some observers interpreted as Poland withdrawing its support for democracy abroad.<sup>20</sup>

The new government assessed the plan to focus on economic priorities and to tie development assistance with Poland's economic interests positively. This approach was consistent with a more comprehensive plan, the government's "Strategy for responsible development," known as the Morawiecki plan. The document, initially adopted in February 2016, pointed to the foreign expansion of Polish companies as one of the five pillars of Poland's socio-economic development. Development assistance became increasingly important as one of

<sup>18</sup> "Government Information on Polish Foreign Policy in 2016..." *op. cit.*

<sup>19</sup> *The Asia and Pacific Day (part 5). Panel discussion: The place of Asia in Poland's foreign policy*, Sejm, 6 November 2016, [www.youtube.com](http://www.youtube.com).

<sup>20</sup> "Drastyczne obcięcie dotacji dla TV Bielsat!" *wPolityce.pl*, 15 December 2016, <https://wpolityce.pl>.

the tools for opening new markets to Polish producers and service providers. The 2016 Development Cooperation Plan announced a “mobilisation of the Polish private sector to become involved in cooperation with the private sector in developing countries for example by carrying out investments, transferring knowledge and technology, and developing trade.”<sup>21</sup>

As regards the operational aspect, the development policy tasks for 2016 were defined in the above-mentioned Development Cooperation Plan.<sup>22</sup> It listed the activities to be carried out via the Polish Ministry of Foreign Affairs and funded from the special-purpose reserve earmarked for development cooperation, from the MFA's budget, from the Counterpart Funds, and from the budgets of other ministries active in this field. The document was approved by the new foreign minister in December 2015, and in 2016 it was repeatedly amended in reaction to the humanitarian crisis in the Middle East. The plan contained more details on the directions, goals and forms of activities carried out as part of development cooperation, as well as on the size and division of funds allocated to partner countries via bilateral and multilateral cooperation instruments. It provided for the allocation of more than PLN 2.8 billion to development assistance, which included PLN 113 million earmarked under a special-purpose reserve managed by the MFA. The rest was mainly made up of funds available to other ministries (primarily the Ministry of Finance and the Ministry of Science and Higher Education) for the purpose of financing bilateral activities and making payments due to international organisations.

### **The Implementation of Development Assistance**

In 2016, the value of Poland's official development assistance (ODA) hit a record high of more than PLN 2.6 billion (\$661.79 million).<sup>23</sup> This indicates an increase of around PLN 1 billion (from PLN 1.662 billion), or 58% compared with 2015. For the first time, there was such a major increase in ODA's share in the economy as a whole (in 2016, it reached 0.15% of Poland's gross national income (GNI)). Although this proportion is still below Poland's international commitments (according to the EU standards, in 2015 ODA was expected to account for 0.33% of GNI), Poland moved up six places from the bottom of the list of DAC OECD members in relation to the ODA to GNI ratio. Countries that

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<sup>21</sup> *Plan współpracy rozwojowej w 2016 r.*, Ministerstwo Spraw Zagranicznych, May 2016, p. 20.

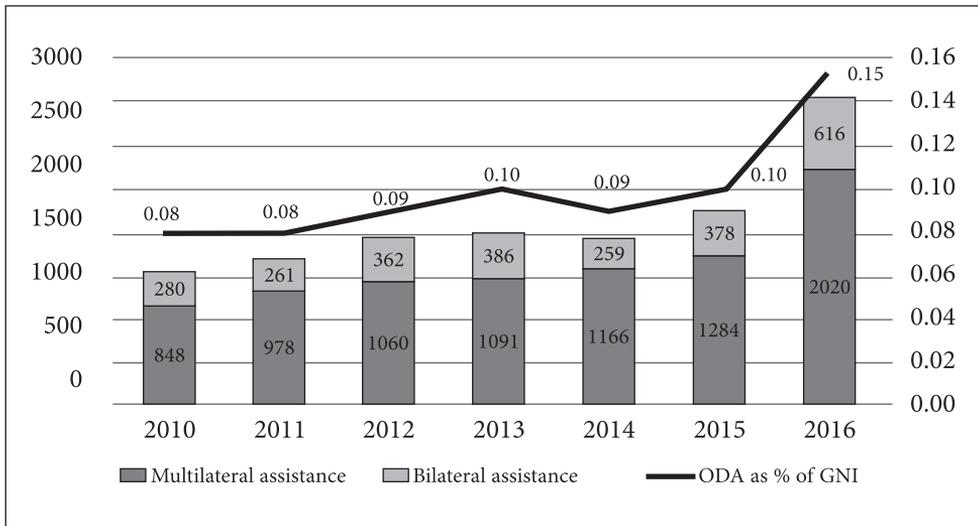
<sup>22</sup> *Ibidem.*

<sup>23</sup> Data (as at 20 July 2017) on the size of ODA in 2016 were compiled by the Department of Development Cooperation at MFA for the purpose of reporting it to DAC OECD. The exchange rate used is \$1 = PLN 3.9441.

ranked lower than Poland included Slovakia (0.12% of GNI), Hungary (0.13% of GNI), the Czech Republic, Greece and South Korea (0.14% of GNI each).<sup>24</sup> In 2016, the average ratio for DAC OECD member states was 0.32% of GNI. There were several reasons behind this unprecedented change. These included 1) an increase in the amount of contributions to the EU's general budget and to the European Development Fund (EDF) from \$296 million in 2015 to \$401 million,<sup>25</sup> 2) the launch of payments to the Asian Infrastructure Investment Bank (AIIB), which were categorised as ODA (around \$56 million), 3) an increase in transfers made in the framework of export loans (from \$41.4 million to \$77 million), and 4) increased humanitarian aid (from \$6.5 million to \$31.9 million).<sup>26</sup>

Figure 1

**Poland's Official Development Assistance (ODA) in 2010–2016  
(in PLN millions and % of GNI)**



Source: the author's own calculations based on data compiled by the Ministry of Foreign Affairs, DAC OECD.

<sup>24</sup> *Net Official Development Assistance from DAC and Other Donors in 2016. Preliminary data for 2016*, OECD, 11 April 2017.

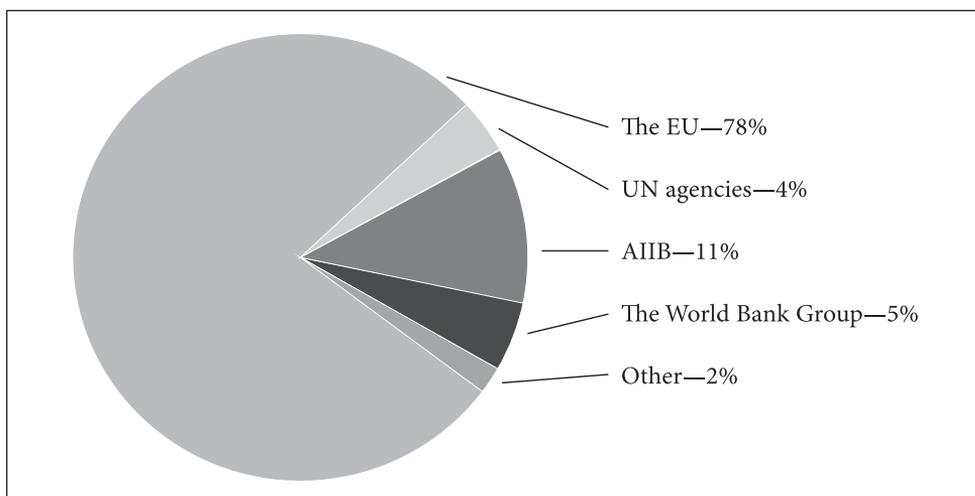
<sup>25</sup> Aside from its contributions to the EU's general budget (around €197 approved as ODA), which have been growing in proportion to the share of Poland's GDP in the EU's GDP, and the record payment to the non-budgetary EDF (€65 million), this year Poland was obliged to provide additional funding between the 10<sup>th</sup> and the 11<sup>th</sup> edition of EDF.

<sup>26</sup> *Creditor Reporting System*, OECD.Stat, data downloaded on 19 July 2017.

The increase in ODA was similar for multilateral (offered via international organisations and institutions) and bilateral assistance. As a consequence, the proportion of the two assistance distribution channels did not change, which means that the vast majority of Polish assistance (77.5%) was offered via multilateral channels. In 2016, the value of this assistance stood at PLN 2.02 billion, whereas the value of bilateral assistance was PLN 616 million. The following had the biggest share in Poland’s multilateral assistance: Poland’s contribution to the EU’s development assistance budget, payments to other EU funds (EDF and IT), and other contributions to international organisations, mainly the AIIB and the World Bank.

Figure 2

**Poland’s Multilateral Assistance in 2016 (in USD millions)**



Source: The author’s own calculations based on data compiled by the Ministry of Foreign Affairs.

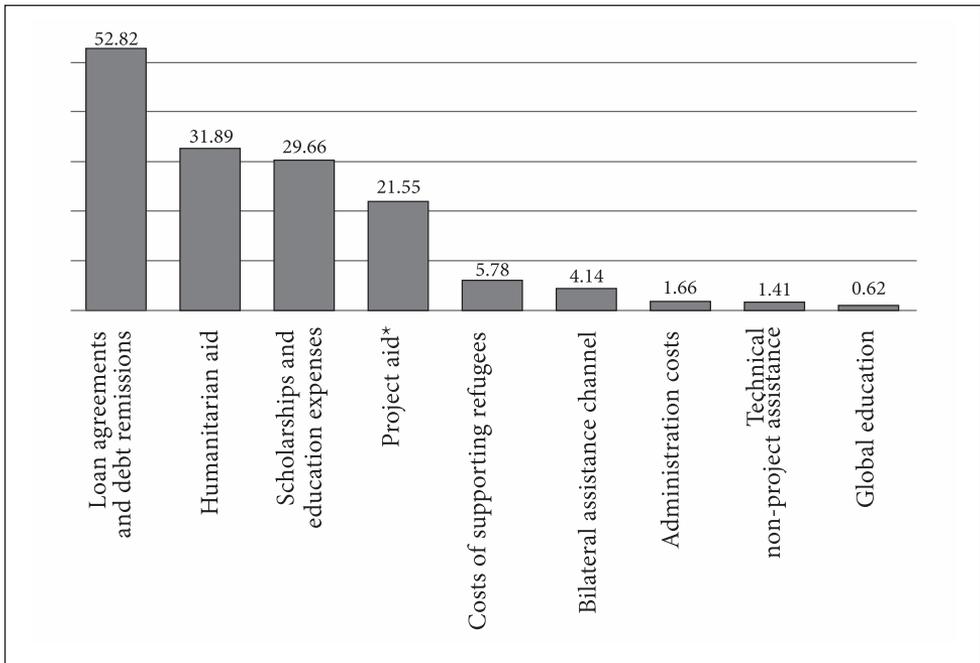
Poland’s bilateral assistance is carried out by the MFA, other ministries and state administration bodies, as well as through the MFA’s partners (non-governmental organisations and other approved entities). Bilateral ODA mainly involved financial assistance (government-sponsored export loans), humanitarian aid, scholarships and project aid (see Figure 3). Although the government signed no new agreements in 2016, the Ministry of Finance transferred funds to the tune of \$77 million on the basis of previously signed agreements.<sup>27</sup> Alongside this,

<sup>27</sup> In 2016, the following loan agreements signed in 2015 as part of tied assistance were in effect: with Ukraine (worth €100 million), Tanzania (\$110 million), Kenya (\$100 million), as well as

recipients of Polish assistance repaid \$25 million under their loan agreements, as a result of which the net value of Polish financial assistance amounted to \$52.82 million. As part of scholarship assistance, the Ministry of Science and Higher Education continued to fund education in Polish universities for several thousand individuals mainly from Ukraine, Belarus and the Commonwealth of Independent States. The MFA continued its Stefan Banach Scholarship Programme, available to students from Eastern Partnership states, and its Ignacy Łukasiewicz Scholarship Programme, targeted at citizens of developing countries who wish to study at technical and engineering departments. The latter programme deserves particular attention due to its strong development-oriented profile (it responds to the needs of the participants' home countries). It is an excellent illustration of positive changes to Poland's development policy as regards scholarship assistance.

Figure 3

**Poland's Bilateral Assistance in 2016 (in USD millions)**



\* excluding humanitarian aid and loan agreements

Source: the author's own calculations based on data compiled by the MFA's Department of Development Cooperation.

agreements signed in 2014 with Kyrgyzstan (€40 million) and Moldova (€100 million). *Informacje dla przedsiębiorców na temat bieżących działań w zakresie kredytów rządowych*, Ministerstwo Finansów, 24 July 2017.

Poland did not offer such forms of assistance as budget support or sectoral support. Due to the significant share of financial and scholarship assistance in Polish ODA, the assistance Poland offers is mainly tied aid, which means that it commits its recipients to buy goods or services in the donor country. According to MFA's calculations, Poland's untied aid in 2016 accounted for 34.9% of its ODA (in 2015 the proportion was 32%). This is much below the DAC OECD states' average (81% in 2015).<sup>28</sup> Some countries (such as Ireland, the United Kingdom and Denmark) offer 100% of its ODA in the form of untied aid. Poland is committed to offering this form of assistance, for example by the OECD recommendations and the Paris Declaration on Aid Effectiveness (2005). This type of aid is more effective and fosters greater aid ownership in the recipient country. The large proportion of tied aid is one of the reasons why Polish assistance repeatedly comes under criticism from non-governmental and international organisations active in this field.<sup>29</sup>

As regards project aid, the MFA's own activities were continued (for example, the Eastern Partnership Academy of Public Administration), alongside actions carried out by other state administration bodies and competitions in the field of development assistance, humanitarian aid, volunteering and global education. Entities eligible to take part in competitions announced by the MFA and to submit proposals included non-governmental organisations, local government bodies, public and non-public higher education institutions, research institutes, and the Polish Academy of Sciences and its organisational units. The co-financing procedure regarding development assistance was closed on 11 March 2016, with 53 projects worth more than PLN 26 million in total being selected for funding. The Polish Aid Volunteering 2016 call for proposals was announced on 9 March, and its results on 6 June 2016. As a result, 14 proposals worth PLN 778,841.00 in total were selected, enabling Polish volunteers to be sent to nine developing countries. In addition, two calls for proposals regarding humanitarian aid were announced (more on this in Humanitarian Aid section below). On 6 July, the Global education 2016 call for proposals closed (it had been announced on 11 May), with 12 projects selected for implementation. Their total co-funding stood at PLN 1.8 million in 2016 and 1.2 million in 2017 (the call for proposals also covered modular activities lasting two years). In addition, Solidarity Fund PL carried out its own call for proposals in the Supporting Democracy 2016 competition, focused on tasks defined by the MFA. In addition, as in previous years, Polish diplomatic posts in developing countries were allowed to implement projects in the small grant system.

<sup>28</sup> *Aid (ODA) tying status [DAC7b]*, OECD.Stat, data downloaded on 27 July 2017.

<sup>29</sup> *Polska współpraca rozwojowa. Raport 2016*, Grupa Zagranica, 2016.

In 2016, the main recipients of Poland's bilateral assistance included Ethiopia (PLN 166.80 million), Syria (PLN 110.81 million), Ukraine (PLN 95.03 million), Tanzania (PLN 90.32 million) and Belarus (PLN 75.65 million) (see Table 1). The high level of support for African countries resulted from the fact that most of the government's export loans were offered to them. Syria ranks highly because it received humanitarian aid. The fact that Polish assistance was largely focused on priority countries defined in the Multiannual Programme is also worth noting. As many as seven priority countries were among the top 10 largest recipients, and 10 of them were among the 20 largest recipients. In total, priority partners accounted for 76% of assistance offered to the 20 largest recipients (PLN 484 million), which was the best result in recent years. The discrepancy in statistics regarding priority countries and the actual recipients of Polish ODA should be interpreted in the context of the term of loan agreements signed in previous years, and of and Syria's extraordinary demand for humanitarian aid.

Table 1

### The Largest Recipients of Poland's Bilateral ODA in 2016

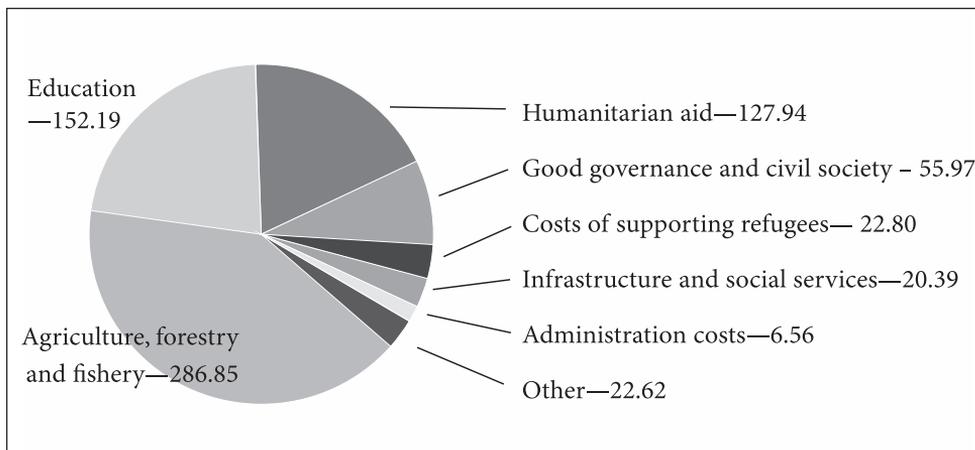
No.	Poland's ODA recipient country	Millions PLN	No.	Poland's ODA recipient country	Millions PLN
1	Ethiopia*	166.80	11	Palestine	4.76
2	Syria	110.81	12	Cambodia*	3.86
3	Ukraine	95.03	13	Kazakhstan	3.35
4	Tanzania*	90.32	14	Kosovo	2.46
5	Belarus	75.65	15	Afghanistan	2.04
6	Kenya*	34.70	16	Senegal	1.11
7	Angola*	17.07	17	Mongolia	1.05
8	Moldova	8.45	18	Myanmar	0.79
9	Georgia	7.25	19	Indonesia	0.71
10	Iraq	6.36	20	Armenia	0.66

\* The provided amounts include payments made under loan agreements to Angola, Ethiopia, Kenya and Tanzania, as well as remission of Cambodia's debt. The highlighted items are priority countries according to Poland's development cooperation plan for 2016 to 2020.

Source: Department of Development Cooperation at MFA.

Figure 4

**Division of Bilateral ODA According to Sectors Receiving Support in 2016 (offered amounts in PLN millions)**



Source: *Creditor Reporting System*, OECD.Stat, data downloaded on 19 July 2017.

The thematic division (see Figure 4) indicates that the largest portion of assistance was offered to sectors such as agriculture, forestry and fishery (41%), education (22%), humanitarian aid (18%), good governance and civil society (8%). The agriculture sector ranks highly because government loans are mainly granted to agricultural initiatives.

### Humanitarian Aid

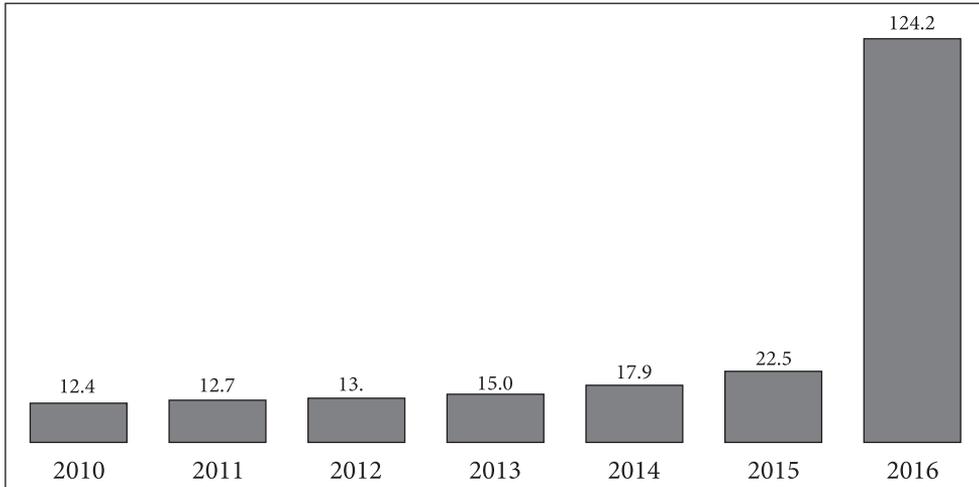
The year 2016 was exceptional for Polish humanitarian aid. According to preliminary estimates, “in connection with the conflicts in Syria and Iraq, the value of Polish humanitarian aid for the Middle East region increased almost fourfold, from PLN 12.8 million in 2015 to around PLN 46 million in 2016.”<sup>30</sup> Final calculations indicated that, in 2016, the total value of Poland’s humanitarian aid was as high as PLN 124.2 million (compared to PLN 22.5 million in 2015), and was almost double the total value of Polish humanitarian aid since 2010 (see Figure 5). This surge in outlays was caused by the migration crisis that affected Europe, and by the intention to respond to the needs of Syrian refugees. As much as PLN 118.4 million (95%) in multilateral and bilateral humanitarian aid was sent to Syria and neighbouring countries. The remaining portion covered

<sup>30</sup> *Odpowiedź na interpelację nr 8824 w sprawie dramatu ludności cywilnej w Aleppo. Odpowiadający: sekretarz stanu w Ministerstwie Spraw Zagranicznych Jan Dziędziczak, 26 January 2017.*

humanitarian aid granted to Ukraine (PLN 3.8 million) and Palestine (PLN 1.5 million) and general contributions to international organisations.

Figure 5

**Poland's Humanitarian Aid in 2010–2016 (in PLN millions)**



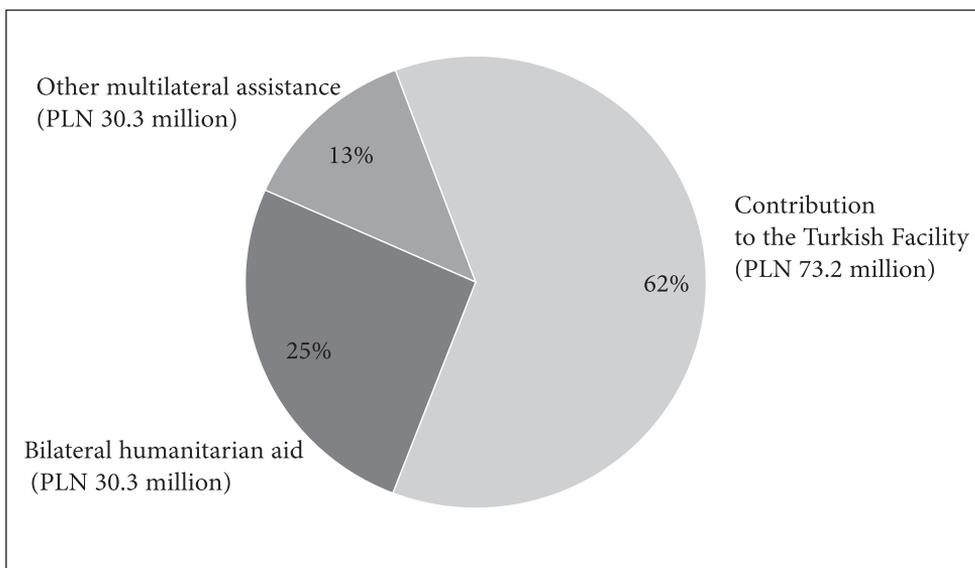
Source: Polish humanitarian aid, Ministry of Foreign Affairs, 2015; data for 2016 from the Department of Development Cooperation at MFA.

The size of the amount offered to help Syrian refugees mainly results from Poland's commitment to pay the first instalment to the tune of PLN 73.2 million to the EU's Refugee Facility for Turkey, a special assistance instrument intended to help refugees in that country. Pursuant to the agreement between the EU and Turkey signed on 29 November 2015, EU Member States committed themselves to transfer €3 billion to this fund in 2016 to 2018. The size of the contribution of specific Member States was agreed on 3 February 2016, in proportion to their share in the EU's GDP.<sup>31</sup> Poland agreed to make €57 million available for this purpose, and in 2016 transferred the first instalment of this amount, to the tune of more than €16 million.

<sup>31</sup> *Refugee facility for Turkey: Member States agree on details of financing*, Council of the EU, 3 February 2016.

Figure 6

**Polish Humanitarian Aid for Individuals Affected by the Syrian Crisis**



Source: The author’s own calculations based on data compiled by the Department of Development Cooperation at MFA.

The second-largest item on the list of refugee support expenses involved other voluntary payments to international organisations active in Syria, Iraq and Jordan, worth PLN 30.3 million in total. A total of six organisations and funds received support from Poland. PLN 13.2 million was transferred to Madad, the EU Regional Trust Fund in Response to the Syrian Crisis. Szydło attended the first global humanitarian summit in Istanbul from 23 to 24 May 2016, where she confirmed Poland’s involvement in humanitarian aid.<sup>32</sup>

The total value of bilateral humanitarian aid offered by Polish entities was PLN 16.4 million. It covered 17 projects worth PLN 14.9 million carried out for the benefit of Syrian refugees and two projects carried out in Ukraine, worth PLN 1.48 million. The Syrian projects were carried out via Polish non-governmental organisations and Polish diplomatic posts in Jordan, Lebanon and Iraq. Other initiatives in this category include the joint Polish-German project involving the reconstruction of Lebanese public schools attended by children of Syrian refugees (PLN 4.5 million in 2016) and the transport of humanitarian aid

<sup>32</sup> “Premier Beata Szydło reprezentowała Polskę na Światowym Szczycie Humanitarnym,” *Polska Pomoc*, 23 May 2016, [www.polskapomoc.gov.pl](http://www.polskapomoc.gov.pl).

to Jordan. A major increase in funds made available to projects carried out by NGOs in Syria, from PLN 2 million in 2015 to almost PLN 10 million in 2016, is also worth noting.

The projects were selected in two calls for proposals. The first one, entitled Humanitarian aid in the Middle East in 2016, closed on 1 February 2016. The other, entitled Humanitarian aid in the Middle East and Ukraine in 2016, closed on 8 August 2016. In the first call, five projects worth almost PLN 4 million were selected, and in the second there were seven projects (including two implemented in Ukraine) with total funding for 2016 standing at PLN 7.2 million (more than PLN 14.4 million was earmarked for funding offered in 2017). The supported projects are being carried out by the Polish Medical Mission, the Polish Centre for International Aid, the Caritas Polska Foundation, the Free Syria Foundation and the Polish Humanitarian Action (the Ukrainian project alone).

In 2016, implementation of modular two-year projects was allowed for the first time. Such projects make the planning of long-term humanitarian activities easier and assistance more predictable. In addition, grant competitions were prepared regarding the co-funding of contributions (up to €1 million) of organisations applying for grants from bigger donors. They were announced in 2017 for the first time. It should be noted that Polish organisations introduced innovative elements to their projects, including cash-based assistance, basing the assistance on an assessment of actual needs, and planning aid in cooperation with local responders. The projects carried out in Ukraine were frequently combined with development assistance projects in line with the trend involving linking relief with reconstruction and development assistance (the Humanitarian-Development Nexus). Similar activities intended to make beneficiaries less dependent on assistance and to boost their resilience to threats are being devised as part of projects carried out in the Middle East.

At the same time, it should be remembered that the crisis in Europe's neighbourhood encouraged many European states to increase their humanitarian aid spending. When compared with other countries, Poland's assistance was less impressive, even though it has increased significantly in recent years. During a conference in London dedicated to supporting Syria and the region, Szydło promised to allocate \$4.9 million for this purpose in 2016 (0.08% of the earmarked \$5.9 billion and less than the amount made available by the Czech Republic (\$6.5 million) and Portugal (\$9 million)).<sup>33</sup> In addition, Poland agreed to pay a voluntary contribution of €3 million to the EU's Madad Fund, identical

<sup>33</sup> The largest amounts were offered by Germany (\$1.3 billion), the European Commission (\$1 billion) and the U.S. (\$891 million), *Co-Host's Statement Annex: Fundraising Supporting Syria and the Region*, 4 February 2016.

to the amount declared by several other countries but lower than the contribution made by the Czech Republic (€5 million) and Italy (€8 million). Excluding multilateral assistance offered via EU channels, Poland's support for UN agencies and the International Committee of the Red Cross in Syria and Iraq amounted to PLN 17.1 million (\$4.3 million). Poland's share in financing international organisations operating in Syria under two UN-coordinated plans was marginal. Poland transferred \$1.191,000 (0.1% of the fund as a whole) to the Syria Response Plan 2016, and \$260,000 to the Syria Regional Resilience and Refugee Plan (out of a total of \$2.7 million in accumulated funds).<sup>34</sup> It also transferred \$3.7 million in addition to these two assistance plans. As a consequence, the weak points typical of Poland's development assistance as a whole (minor share of bilateral assistance, relying mainly on EU channels, and insignificant support for the UN) re-emerged in its humanitarian aid.

### Assessment

The year 2016 saw the launch of the new Multiannual Programme, which marked the beginning of a new stage in Polish development cooperation. This resulted, for example, in a reduction in fragmentation of Polish assistance by limiting the number of partner states and focusing on no more than three thematic areas in each of the countries. Their selection was more focused on responding to the partners' actual needs and contributed to the implementation of the main task of development cooperation, reducing poverty. Moreover, 2016 saw exceptional convergence between priority countries and the actual recipients of Polish assistance.

In 2016, in line with its earlier announcements, the Polish government focused on granting humanitarian aid to the victims of conflicts in Syria and neighbouring countries, and the value of this aid was a record high. This was another reason why 2016 saw an unprecedented increase in ODA spending. Just as during the previous government's rule, the significance of assistance as an instrument to support Poland's economic interest was rising while less attention was devoted to democratisation assistance.

Other issues that deserve appreciation include the continuation and expansion of evaluation activities focused on Polish development projects, greater emphasis on the assessment of outcomes, and continued efforts to boost the coherence of development policy with other policies. The fact that this year's calls for proposals were open to multiannual projects (focused on development, humanitarian aid and global education), which increases the predictability and effectiveness of

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<sup>34</sup> Data according to the Financial Tracking System, 31 July 2017, <https://fts.unocha.org>.

Polish activities, should be assessed positively. Support offered to Polish non-governmental organisations in securing their own contribution when applying for grants from European institutions is another positive development. Finally, a comprehensive approach combining humanitarian aid and development assistance with innovative methods for offering support is proof of Poland's increasing maturity as a donor.

At the same time, several serious problems affecting Polish development cooperation—confirmed in the DAC OECD peer review—remained unresolved. First, the share of bilateral assistance in ODA as a whole was too small. Polish assistance was largely multilateral, which does not foster any improvement in Poland's visibility and its image. This is particularly true for humanitarian aid, 87% of which was carried out by other international entities. The portion of humanitarian aid worth PLN 16 million and offered “under the Polish flag” remained insignificant from the perspective of both the size of the demand and Poland's potential. The increase in funds offered to help Syrian refugees was possible due to the reduction of support to other countries, which limited Poland's potential for action in other crises. Poland's insignificant share in the budgets of international organisations and refugee support funds casts doubt on the claim that Poland mainly offers its assistance “at the root of the problem.” As a consequence, the DAC OECD's request to increase bilateral assistance remains valid.

It should be remembered that the increase in the assistance budget was mainly due to external factors (an increase in obligatory contributions to the EU budget, and the fact that Poland joined the AIIB) and the promotion of Poland's interests (tied loans), and was not a conscious response to the expectations and needs of partner countries. It remains uncertain, however, whether this level of engagement and the upward trend as regards ODA spending will be maintained in the coming years. In spite of political declarations and the readiness to meet the 0.33% of GNI spending target by 2030, the government has so far failed to make a binding decision which would set a realistic schedule enabling Poland to reach the declared target.

The increase in the number of export loans in fact aggravates rather than solves the problem associated with Polish-tied aid. A brief analysis of the amounts specified in binding export loan agreements, and of the negotiations carried out in 2016, suggests that this development policy trend will solidify.<sup>35</sup> This also casts

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<sup>35</sup> In 2017, as part of tied assistance, the government signed loan agreements with Myanmar (€50 million) and Angola (\$60 million). Negotiations are underway with Vietnam (€250 million), Mongolia (€50 million), Liberia (€20 million), Zambia (\$100 million) and Guinea (€50 million). None of these countries belongs to the group of priority countries for development cooperation.

doubt on Poland's readiness to improve the quality of its assistance by reducing the share of tied assistance and highlights both the absence of cohesion and the problem regarding the coordination of development policy pursued by various ministries.

In addition, Poland failed to use the opportunity of the refugee crisis in Europe to explain to Polish society the interdependency between the affluent North and the poor South, as well as the significance of development assistance in the context of boosting security for Poland and Europe as a whole. The development-related issues remained on the periphery of politicians' interest and media attention, with the exception of the refugee crisis context. It is symptomatic that, in 2016, for the first time since 2004, the MFA decided not to commission a nation-wide opinion poll on assistance activities, allegedly for financial reasons. Meanwhile, the popularisation of knowledge on development issues is crucial for winning society's support for increased ODA spending. Increased expenses and continued reforms, alongside Polish society's education, will be necessary if development cooperation is to become an important instrument of the state's foreign policy.

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See *Informacje dla przedsiębiorców na temat bieżących działań w zakresie kredytów rządowych*, Ministerstwo Finansów, July 2017.



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