

International Conference on Performance Budget

Prospects of fiscal policy in Poland

Following documents determinate fiscal policy in Poland:

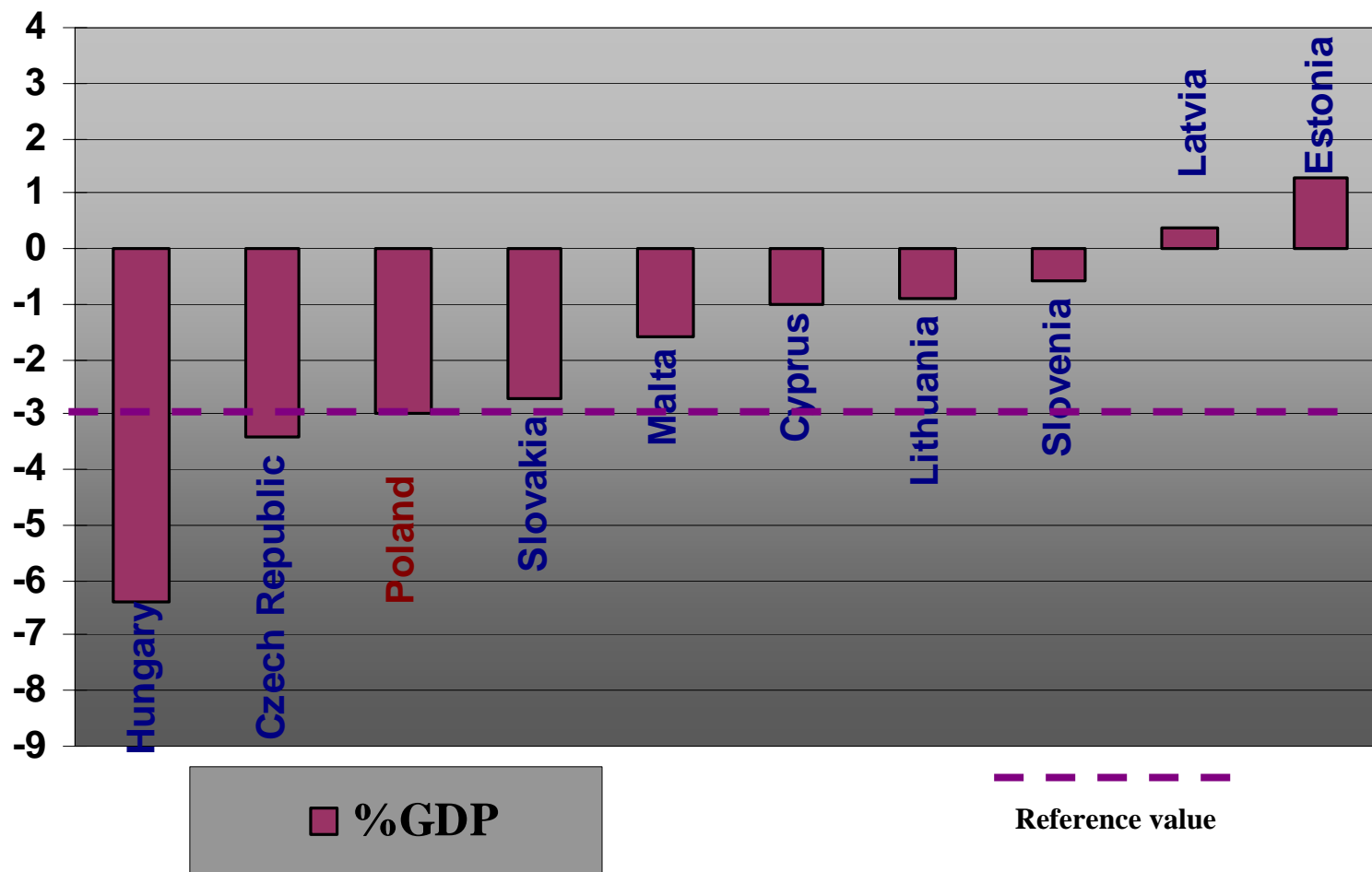
- **Constitution of Poland (Second April 1997)**
- **Act of Public Finance from the 30 of June 2005**
- **Treaty on European Union and Treaty Establishing the European Community Dz. Urz. UE 2006 C 321E**
- **Stability and Growth Pact (resolution of European Council from Amsterdam and Council's regulations 1466/97 and 1467/97 with reforms of march 2005)**
- **European Union Council Opinion of 27 February 2007 the cause updated Convergence programme (CP) for 2006-2009**

In accordance with Treaty on European Union (Protocol on the excessive deficit procedure) the reference values referred to in Article 104c are:

- a) 3% for the ratio of the planned or actual government deficit to gross domestic product at market prices**

- b) 60% for the ratio of government debt to gross domestic product at market prices**

Comparison between new European Union member countries - general government balance planned in 2007



*Source: „Main Results of The October 2007 Reporting of Government Deficit and Debt Levels”
Luxemburg 29 October 2007r. ESTAT/C-3/MW/mgD(2007) 30364*

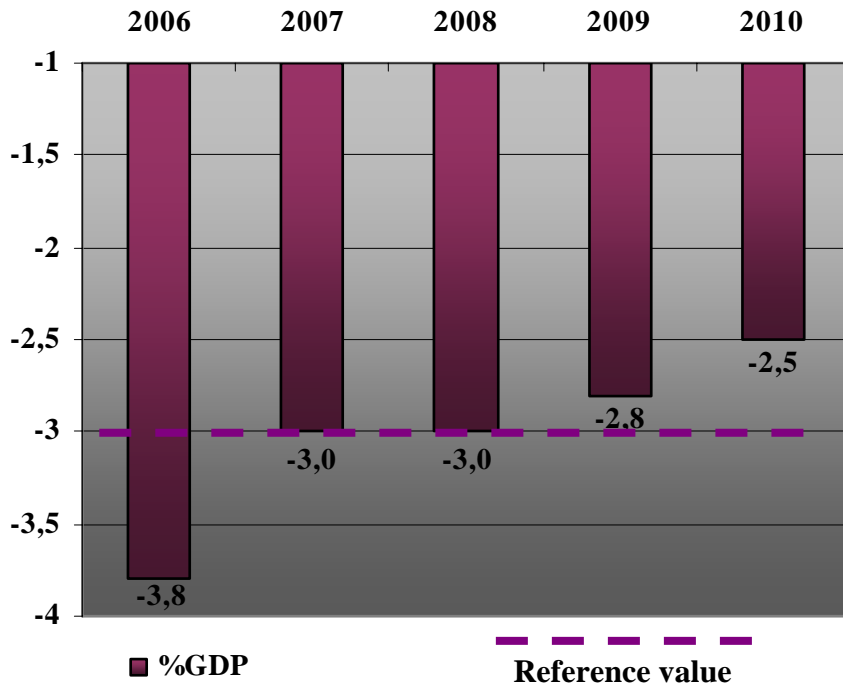
Index of nominal convergence in Poland:

	HICP Inflation(%)	Long-term interest rate	General government balance (%GDP)	Government gross debt (%GDP)
2003	0,7	5,8	-6,3	47,1
2004	3,6	6,9	-5,7	45,7
2005	2,2	5,2	-4,3	47,1
2006	1,3	5,3	-3,8	47,6
Reference values 2006	2,8	6,2	-3,0	60

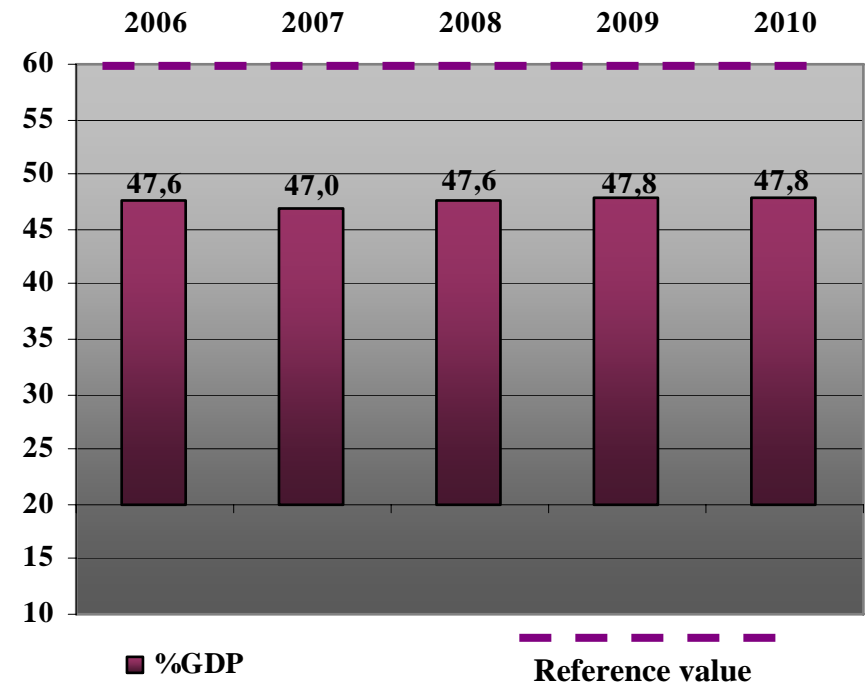
Sources: Convergence programmes of Poland, Updates 2004-2007 Ministry of Finance

Fiscal criteria in Poland

General government balance (%GDP)

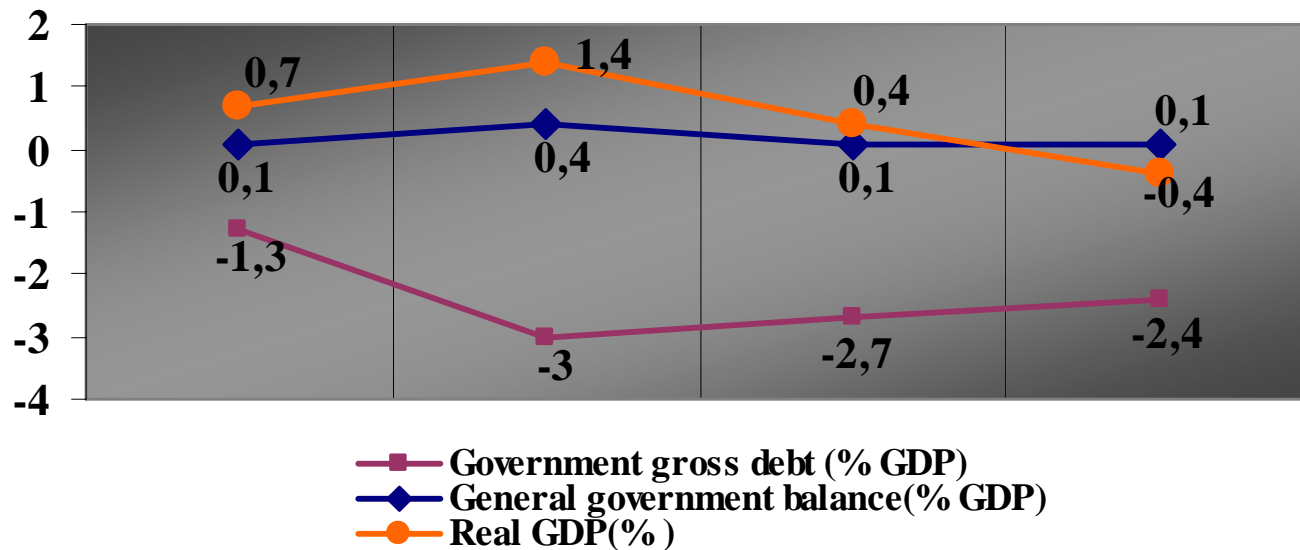


Government gross debt (%GDP)



Source: Convergence programme of Poland 2007 Update, Ministry of Finance

Changes in forecasts of basic indicators concerning result of general government 2006 and 2007



Sources: Comparison between convergence programmes of Poland, Updates 2006-2007

Ministry of Finance

Conditions of effective fiscal policy:

- **Well constructed and developed tax system**
- **Effective taxation authorities**
- **Well developed public institution**
- **Operative legislative procedures**

Good transparency practices for financial policies:

- a) Clarity of roles, responsibilities and objectives of financial agencies responsible for financial policies**
- b) Public availability of information on financial policies**
- c) Open process for formulating and reporting of financial policies**
- d) Accountability and assurances of integrity by financial agencies**

Transparency and reliability of public finance:

- **Clear rules of fiscal policy,**
- **System of accumulations, transformations and distributions of public finance details allow to achieve reliable complete clear public finance situation and influence this sector on all economy.**

(Code of Good Practices on Transparency in Monetary and Financial Policies– IMF)

