

POLAND: AMBITIOUS ACHIEVERS

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Poland ‘can offer economic recipe’ to the EU

Poland has proven it is possible to sustain economic growth without relaxing fiscal discipline, MEP Jacek Saryusz-Wolski told EurActiv.

2014 is a special year for Poland, as the country marks 10 years of EU accession, 15 years of NATO membership and 25 years since the fall of communism (see background).

In honor of the occasion, EurActiv asked Polish commentators to describe the country’s economic and social renaissance .

Asked if Poland, a country with many low points in its history was at its peak today, Saryusz-Wolski, who is also Vice President of the centre-right European Peoples’ Party (EPP), said that his country had rather returned where its place should normally be.

“Poland’s position in Europe and in the wider transatlantic world is consolidating, but I wouldn’t call that a novelty or an extraordinary situation, because we are just coming back to the situation which would be the reality without the tragic decisions from Yalta,” said Saryusz-Wolski, referring to the conference in Crimea of February 1945 where Stalin obtained a free hand in Poland from Roosevelt and Churchill.

The Polish MEP stated that in the



16th century, Poland had already been “a great country in Europe”.

“It was Polish commonwealth in which today’s Lithuania, Ukraine and Belarus were a kind of pioneer of federal Europe. It was a multinational community based on the will of being together, on tolerance and democracy,” he said.

Good practices

EU membership has benefited Poland, and even before the country’s accession, there was a steady flow of economic support from Brussels – not only in terms of money transfers, but also investment and, last but not least, good practices and regulatory requirements.

According to official data, Polish GDP in 2013 was almost twice as big as it was in 2003, at €390 and €201 billion, respectively.

The Polish economy has also grown faster than that of the EU, by 49% since 2003, while the average figure for the rest of the Union is only 11%. The slow growth in the rest of the EU was due, among other things, to the economic crisis – which Poland has successfully managed to avoid.

But even when compared with the other nine countries that joined the Union in 2004 (the Czech Republic, Slovakia, Hungary, Slovenia, Estonia, Latvia, Lithuania, Malta and Cyprus), Poland was still outperforming the EU – their economies grew on average by 27%, twice as good as the EU as a whole, but twice as little as Poland.

According to Saryusz-Wolski, there are two explanations to Poland’s economic miracle, which account for the fact that the country didn’t experience recession during

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the Eurozone crisis.

First, he said that this was thanks to the “very healthy fundamentals of the economy”.

“We owe it to the very radical and extremely painful ‘shock therapy’ of Leszek Balcerowicz’s economic transformation program in the 1990s. This is something we paid a high price for, but it pays off now,” he said. At that time, Balcerowicz was Deputy Prime Minister in the government of Tadeusz Mazowiecki.

The second reason, Saryusz-Wolski argued, was the principle of fiscal health, of fiscal balance, which in his words was observed, to various degrees, by successive Polish governments over the last two decades.

“Those two factors made it possible to reconcile the two major postulates of the Eurozone recipe against the crisis: how to have both growth and fiscal consolidation. Without being tempted toward fiscal relaxation, and without overplaying fiscal rigour that kills growth. That’s probably what we can try to offer to the EU, as an example. How to combine growth and jobs, versus fiscal rigour, is one of the possible contributions of Poland to the economic philosophy of the Union,” he said.

Communist refrigerator

The wealth gap between Polish citizens and the EU average is closing. While in 2003, GDP in Poland was less than a half the EU average (48.8%, to be exact), 10 years later it was more than two-thirds (68%).

Saryusz-Wolski admits that the benefits of EU integration are visible for Polish citizens, but, inequalities have risen, and the rise of poverty is also a fact.

“Poland had the same level of wealth at the end of WW II as Spain. Now the distance is at least double, so we have a lot of catching up to do. This is the price for having been in the communist refrigerator,” he said.

One of the measurements of improved living condition is life expectancy, which in

1989 was 75.5 years for women and 66.7 years for men, while in 2013 it is 81.1 years for women, and 73.1% for men.

Asked if the reasons of this rise in life expectancy was due to the fact that Poles today drink less vodka, preferring wine or beer, Saryusz-Wolski joked that “possibly they will drink more cider” now, referring to the apple surplus following the self-imposed Russian ban of imported foods from the West.

Since EU accession, between 2003 and 2013, unemployment in Poland almost halved, from 20% to 13.4%. Not all of that decrease was an effect of the EU membership. But the Polish Ministry of Regional Development in 2010 attributed a 1.5-3.5% rise in employment to funds from the EU. Overall, 800,000 more people are being employed after 10 years in the Union.

Infrastructure investments are also helping improving the quality of life in Poland. New water treatment plants (almost 700 were built, expanded or modernised) allow the water in Polish rivers be cleaner. Poles can now drink tap water in places where it was inadvisable 10 years earlier.

Despite such investment, there are claims that Polish economy lacks innovative capacity. Asked what is the biggest economic challenge that Poland will have to face in the near future, Professor Witold Orłowski, the director of Warsaw Technical University’s School of Business, acknowledged that if Poland wants to catch up with the West, it should also invest in knowledge-based growth.

“Low innovation is actually understandable in a country that still has a lot of room to grow thanks to the ‘standard’ methods: investments, technology imports, better organisation of labour, more efficiency on the world markets. But in the long term, if Poland wants to catch up with the West and not just shorten the distance, it has to focus on three aspects: cooperation, entrepreneurial skills in the population, and the knowledge-based growth. The ‘standard’ reserves will not be enough,” Orłowski argued.

Regional improvements

Reality speaks stronger than statistics. By walking around any city, town, or even a small village in Poland, one will encounter something funded, at least partially, with EU funds: be it a new water treatment plant, a new road or a renovated historical monument.

These improvements are part of the excellent record Poland has in efficient use of the EU resources. And it will have an opportunity to prove it once more. Poland has managed to secure €82 billion in the EU budget for the years 2014-2020, a quarter of all the funds the EU has earmarked for the convergence policy.

Orłowski pointed out the many changes brought by the EU. “Legal harmonisation with the EU has allowed Poland to become more attractive for the investors” is one of the examples quoted by him. Indeed, while in 2003 foreign direct investment (FDI) barely reached €50 billion, it has grown steadily ever since, reaching €152 billion in 2013.

But, as Orłowski emphasised, “there were many cases of synergy between aspects of the EU membership. For example, improvements in infrastructure have made Poland more attractive to the investors”. And that, in turn, has resulted in even higher investment.

The negatives

Yet despite all these positive changes, Poland still has a lot of catching-up to do. Certain regions in Poland are among the poorest in the EU, with only parts of Bulgaria and Romania scoring lower.

Furthermore, not all changes brought by EU membership are necessarily positive for the Polish economy. The last year has witnessed a significant campaign in the Polish media criticizing the new Tobacco Directive. Its introduction threatens the strong tobacco industry in Poland – a sector that employs 50,000 people, and contributes billions of euros to the state budget.

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Even more controversial are regulations regarding energy and environment. Coal is – and will be for the foreseeable future – the primary source of energy in Poland. While successive Polish governments do not actively want the climate to change, they nevertheless have to oppose more ambitious climate regulations, as a rapid departure from coal would destabilize the country: almost 90% of power generated in Poland comes from coal sources.

Moreover, coal power plants and mining provide numerous employment opportunities. In some regions, they are the only major employer in town. That is why any departure from the coal-based energy generation requires a slow evolution, rather than a revolution.

Having said that, Poland is not unaware of the benefits of alternative energy sources. The renewable energy share in the Polish energy mix has been growing steadily over the years. Currently, 12% of the energy sold on the Polish market is from renewable sources.

Past and future

Despite the issues created by EU regulations, the balance of the past 10 years (or 25, if one includes the pre-accession period), is overall very positive. Without the EU, and the perspective of membership, Poland would not be able to complete its economic transformation.

As Orłowski noticed, the promise of membership “was a key motivating factor during the post-communist transition period. This goal had provided the direction for transformation. It was a great help during the times of economic difficulties in the 1990s, when the temptation of alternative, superficially ‘easier’ solutions was there”, he stresses.

Without the EU, Poland would not be where it is now – a strong regional player with a potential to achieve even more. As long as it keeps working as hard, the future for this European state will be very bright, Orłowski said.

Analysts: Weimar Triangle key for Poland’s new role in EU

Warsaw needs to articulate more clearly its expectations and policy interests in the context of the Weimar Triangle, a format grouping three large members of the EU, France, Poland and Germany, in order to maximise its political leverage in the Union and beyond, analysts told the EurActiv network.

Tomorrow (10 September) Chancellor Angela Merkel will take part in the Bundestag’s memorial service on the occasion of the beginning of World War II on 1 September 1939. Polish President Bronisław Komorowski will take part as guest speaker. Komorowski’s attendance in Berlin comes in a long line of mutual high-level visits between the German and Polish government putting a spotlight on the excellent relations both countries maintain.

Views from Berlin

“One can truly say: German-Polish relations are as good as they have never been,” Cornelia Pieper told EurActiv Germany. Since mid-August 2014, Pieper has been working as Consul General of Germany in Gdańsk on behalf of the Federal Foreign Office. In the last four years, Pieper was Coordinator of the Federal Government for German-Polish relations. From 2001 to 2005 she served as Secretary General and from 2005 to 2011 as Deputy National Chairman of the FDP.

“Over the years, I have watched the German-Polish relations grow and consolidate,” says Pieper. This was also

reflected in very practical work. “If you think about the Polish EU Presidency [second half of 2011], there were many joint projects with Germany, which were also then realised,” mentioning among them the debt ceiling of 60% of GDP, which became part of the Stability and Growth Pact.

Paweł Tokarski, expert on European Integration and Polish foreign affairs from the German Institute for International and Security Affairs (SWP), also emphasises the excellent relations between the two countries. “The current state of the German-Polish relationship is quite perfect, especially after the election of Donald Tusk as prime minister,” Tokarski told EurActiv Germany. According to Tokarski, Merkel and Tusk have been working together very closely. “After the election of Tusk to the post of Permanent President of the European Council, Poland is aware that close relations with Germany are a precondition of his leverage on Brussels politics,” Tokarski explains.

A closer relationship

Tusk and Merkel have a close working relationship, which many describe as a genuine friendship. Both of their mothers were born in Gdańsk, and a biography of the German chancellor gives details of her Polish ancestry and distant relatives.

Are there no points of criticism concerning the cooperation between the two countries? “There are certainly different views on one topic or another that are being discussed. But this is quite normal”, says Pieper. This would apply for example for infrastructure projects or energy policy. “Take [the fact that] Germany that set forth the ‘Energiewende’ [the German energy transition, the term describing a to shift to clean energy, reducing the country’s dependence on gas, coal and nuclear energy]. Poland is still very much thinking about fossil fuels. They are thinking of building a new nuclear power plant or about introducing fracking.” These are “clear differences” in energy policies, says Pieper. “It is necessary to discuss this.”

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“Both countries have different approaches on energy policy, climate change and some issues around the internal market, but most of the interests are shared,” Tokarski adds. “Germany can also count on Poland in counterbalancing the anti-austerity coalition built by Paris and Rome. Poland knows not only the price of painful structural reforms but also the outcome. Currently it is one of the fastest growing EU economies.”

Germany too has carried out painful economic reforms initiated under former Chancellor Gerhard Schroeder, and Merkel’s government is reaping the benefits.

The challenges of the Ukraine conflict

Tokarski sees the conflict in eastern Ukraine as challenging for the relationship between Poland and Germany. “Poland is pushing for a more offensive role of Germany in the conflict resolution, including tougher sanctions on Russia and weapons delivery to Ukraine. Germany instead sees diplomatic negotiations as the only possible way to end the conflict. Polish public opinion is also disappointed by a decision of not moving the NATO bases to the East, which to a large extent was caused by German fear of provoking Russia.”

In this context, Pieper is very much counting on the Weimar Triangle, which she says can play a key role in resolving the crisis. “For me, however, the emphasis on the question of Ukraine and better relations with Russia lies with Poland. Poland is the bridge to the countries east of its borders. Poland historically has been very affected by these countries, especially Russia - also in a negative sense.”

“The outcome of the Weimar Triangle meetings could be greater,” Tokarski says. “While for Poland the Triangle is the key instrument to influence European politics, there is an impression in Warsaw that Germany and France are not always attaching greatest importance to the forum. On the other hand, Poland has to articulate its expectations and policy interests in the context of the Triangle more clearly in order



to increase its policy output.”

Tokarski presumes the Weimar Triangle will stay a priority for Polish foreign policy - even after Tusk steps down as Prime Minister, no matter who will be in power. “However, the departure of Tusk poses a risk of a period of political instability in Poland, since the ruling party is concentrating solely around its leader Tusk and lacks a charismatic successor. When leaving for Brussels, Tusk leaves a power vacuum that may challenge Poland’s visibility abroad. But it is rather unlikely to have an adverse influence on relationship between Germany and Poland,” she said.

Since 1991, Poland has been working together closely with Germany and France as part of the Weimar Triangle. Within this framework, regular meetings are held at different levels. Deemed by some as “presumed dead” at one time or another, the Weimar Triangle experienced something of a revival in February 2014, when foreign ministers Frank-Walter Steinmeier, Laurent Fabius and Radosław Sikorski struggled to find a solution for the Ukrainian crisis in Kyiv.

‘A miracle’

After taking office in March 2012, Germany’s Federal President Joachim Gauck’s first trip abroad took him to Warsaw - unlike most of his predecessors whose first destination regularly was France. According to Sikorski, Poland valued this gesture very highly. “A country that elects a freedom fighter known for his resistance to communism as its head of state is not a threat to us Poles. That our bilateral relations are so excellent now certainly also has to do with the fact that the chancellor and the president are both from the former East Germany - they shared our experiences and can understand and sense

what we are talking about.”

On 1 September of this year, Gauck took part at a meeting at the Westerplatte near Gdansk in Poland commemorating the outbreak of the Second World War when Hitler’s regime launched an attack on Poland 75 years ago. “If the relations between nations are marked so profoundly by injustice and pain, by arrogance and humiliation as they were between Germans and Poles, it is by no means inevitable that enmity will be transformed into reconciliation. I therefore regard the close ties which have developed between our two nations as a miracle,” Gauck said.

A French perspective

According to Vincent Pertusot, head of the Brussels office of the French Institute for International Relations IFRI, before joining the EU, Poland was seen by Paris as an “outrageously Atlanticist country.” Also, the strong relationship with Germany was an impediment to a bilateral relationship with Paris.

Under the presidency of Nicolas Sarkozy [2007-2012], the relations between Paris and Warsaw passed through even more difficult times. “The French president showed a total lack of consideration for Poland, which has been very hard for relations between the two countries,” said Vincent Pertusot.

However, the two countries have strengthened their relationship for the past two years, starting when François Hollande was elected a president of the Republic in May 2012. The French President has already visited the Polish capital twice, and ministers of both countries have held many bilateral meetings.

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Last week, French minister of defence, Jean-Yves Le Drian, was in to Poland for the Kielce Armament Show, in order to promote the French defence industry. Poland remains one of the only markets in Europe where there the French industry still finds major opportunities.

The revision of the EU posted workers directive has consolidated the Franco-Polish relations as political partners in Brussels. In 2011, 19% of posted workers in France were of Polish nationality, according to the labour ministry in Paris. By supporting a revision of the directive, Warsaw allowed Paris and Berlin to build a sufficient majority to get the deal done, despite opposition from the UK and other Eastern European countries.

At the diplomatic level, the relationship of France and Poland within the Weimar Triangle is experiencing some turbulence. "Behind the statements of intent, there are few promising initiatives and some differences of opinion," Pertusot says. In his view, Poland needs to change its image of "junior partner", and the Weimar triangle should weight more vis-à-vis the traditional Franco-German tandem.

On the diplomatic front, France and Poland are increasingly traded positions to achieve bigger goals. Lately, Hollande is said to have helped Tusk to win the Council President job. But in exchange, Poland has reportedly committed to stop putting the brakes on climate talks and contribute to the success of the 2015 United Nations Climate Change Conference in Paris.

Polish views regarding Germany...

Before 2004, when Poland joined the EU, the enlargement was a unifying goal for both Poland and Germany, which has allowed them to cooperate despite certain divisive issues, such as the compensations for the Germans exiled from Poland after WWII.

Yet, as Dr Sebastian Płóciennik, Head of the Programme European Union at Polish Institute of International Affairs (PISM), noticed: "after completing the great, unifying goal of accession, a mundane reality has

arrived, with its differing goals and interests".

There have been attempts to find a new goal, yet often they only revealed the differing political objectives in Warsaw and Berlin. A test case has been the relations with the countries in Europe's east, especially with Russia and Ukraine. "In this field, especially vis-à-vis Russia, the differences between Poland and Germany are clear," Płóciennik says. And he does not believe that the eastern policy of both countries could be harmonised soon, as their interests, including economic interests are significantly different.

Both countries also differ significantly on the energy policy. Poland depends on coal, and so it is much less enthusiastic towards carbon limits and renewable energy sources. Płóciennik explains that Poland considers the German energy transition strategy as "unrealistic and threatening the economic growth in the EU".

There are still many shared interests, though. Poland and Germany are very closely tied economically. Poland has provided cheap and skilled labour for the German companies while Germany is the most important market for Polish exports – one fourth of all the goods exported from Poland go to its Western neighbour

Poland, as opposed to Germany, has not adopted the EU's common currency and thus stays out of many debates of crucial importance to Germany. Płóciennik sees it as a great hindrance in the mutual relations, as "staying outside the Eurozone means that Poland does not have a greater say in the debates about the macroeconomic stability, the banking union or helping to foster growth. This makes mutual relations less intense than many would wish", he emphasized.

... and France

According to Warsaw, Polish-French relations have grown colder over the last two decades. The terms of Jacques Chirac and Nicolas Sarkozy are regarded as the lowest point in Franco-Polish relations in modern history.

Yet, the election of François Hollande, though currently very unpopular in France, has brought a thaw in the mutual relations,

says Mikołaj Dowgielewicz, former Secretary of State for European Affairs in the Ministry of Foreign Affairs of Poland, and currently Vice-Governor for Target Group Countries at Council of Europe Development Bank.

According to Dowgielewicz, Poland is not yet important enough to be noticed by France. Germany and the UK are the most important among the EU countries and Poland simply does not warrant that much interest in Paris.

Dowgielewicz also points out important policy differences between Paris and Warsaw. "The map the both countries see is completely different. For example, while for Poland, Russia is a significant point of focus for its foreign policy, for France it is primarily a source of energy resources and sometimes other economic contracts. But it is not main concern of Paris, nor a primary area of focus," explains Dowgielewicz.

There are still some ties and shared goals between the two countries. For example, the economic ties are growing. French FDI in Poland has been valued in July 2014 as almost €25 billion. Furthermore, 97% of representatives of these companies would recommend Poland as a place to invest in.

One of the initiatives that is supported by both Warsaw and Paris is the Polish project of an Energy Union. While Hollande was careful in avoiding presenting the idea as a defence mechanism against Russian pressures, the Polish side was still happy in securing the support of France for the initiative.

Poland is also planning a new nuclear power plant which can offer an area of cooperation between the two countries, given the significant French dependence on this source of energy. Yet, for Dowgielewicz, the easiest way of Poland increasing its influence in relationship vis-à-vis France would be joining the Eurozone, as in his words most of the issues important to France are related to the euro.

"If Poland could impact these issues, it would make it much more interesting to France," Dowgielewicz said.

Poland could join the eurozone faster, if the requirement for the zloty to be in the ERM-2 exchange rate mechanism were waived.

Poland hopes Tusk will create an EU Energy Union

In his capacity of Prime Minister of Poland, Donald Tusk has spearheaded the idea of an EU energy Union, and leading Polish politicians expect him to continue to do so as Council President, when he will take up the job from Herman Van Rompuy on 1 December.

Last April, Tusk said the EU should pay up to 75% of the bill for the gas infrastructure needed to be able to create an efficient network, including pipelines and interconnectors between member states. He also advocated more effective mechanisms of “gas solidarity” in the event of crisis in deliveries and common purchasing of gas from outside suppliers.

Speaking to EurActiv, Jerzy Buzek, MEP from Poland and former President of the European Parliament, said that Tusk will move forward the idea of a European Energy Union, aimed at achieving more independence from Russia, as in his words it is difficult to imagine a more devoted advocate of progress in this crucial area than him.

In fact, Buzek can claim to be the father of the idea of a European Energy Union, together with former Commission President Jacques Delors. Back in December 2009, Buzek told the leaders gathered for a summit that a ‘European Energy Community’ could become the next big EU project, similar to the European Coal and Steel Community, which played a major role in the Union’s history sixty years ago.

Since, the name of the project has changed to ‘Energy Union’, but the essence has remained the same. On 5 May 2010 Delors, who is often referred to as one of the ‘fathers of Europe’, was hosted by Buzek



Donald Tusk [L] will have to work hand-in-hand with Jean-Claude Juncker. [European Commission]

in his capacity of European Parliament President, with whom he issued a common statement which explained the concept of energy community.

In a passionate speech, Delors referred to Shakespeare and blasted EU members for behaving like “Montagues and Capulets” vis-à-vis Russia and for negotiating gas purchases individually.

More than four years later, Buzek confirmed that the most difficult issue to be achieved remained the joint purchasing of energy, not only gas, but also electricity, from the Union’s external suppliers.

Buzek commended current Council President Herman Van Rompuy and Commission President José Manuel Barroso for having helped put in place a series of measures and ensure financing for interconnectors and research. He emphasised that in his new capacity of Council President, Tusk would “move things forward”.

“I can hardly imagine a more devoted advocate of progress in this crucial area than him, to lobby for the idea under its new brand of European Energy Union”, Buzek said. He insisted that the Union’s relations with Moscow had changed dramatically over the Ukraine crisis.

“I’m quite sure that the future European Council President will take note about all the changes and all the necessary actions from the point of view of the

European Union”, Buzek said.

However, the election of Tusk is not seen from all quarters as good news for the EU’s climate change policy.

A senior European Commission official has told EurActiv.fr that the election of Tusk as Council President represents a “challenge for climate negotiations,” as Poland has systematically tried to hold back European climate policy.

Asked to comment, Buzek said that the decisions of European Council summits depend on the decisions of the leaders of the member states, not of the European Council President.

On the same issue, Polish MEP Jacez Saryusz-Wolski told EurActiv that Poland is in favour of climate policy, provided it leads to the expected results.

“European climate policy should be as ambitious as possible, provided it is followed by others worldwide. Overambitious policies where the world’s biggest economies and polluters do not follow doesn’t make sense”, he said.

He added that the Polish support to the mainstream EU climate policies was conditional to global commitments, and that climate ambitions should not be at the expense of growth and jobs, meaning that energy in the EU should be cheaper.

Regarding the proposed Energy Union,

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Saryusz-Wolski said that the bottom line was that the Polish position that the EU's energy market "should be one and not divided" and that the individual countries should not be subject to "energy pressure" was more and more shared by all member countries.

Across the EU, some question Polish ambitions regarding the Energy Union. Warsaw is suspected by some countries of pushing forward its own political agenda, disguised as EU policy, a source who asked not to be named told EurActiv.

Poland is also suspected to seek EU funding up to 100% for energy projects such as LNG terminals, something for which the Union has no budget.

Asked to comment on the project for an Energy Union, Samy Andoura, Senior Research Fellow at Jacques Delors' institute 'Notre Europe' said that the main issue was that it should be built as a community project, and not as an intergovernmental one. This means that the decision-making for the proposed project should be entrusted to the Union's institution, and not stay with the governments, he stressed.

Andoura, who is Professor and Chairholder of the European Energy Policy Chair at the College of Europe in Bruges, said that what matters is to achieve a common energy policy, with sufficiently clear and ambitious objectives, with effective instruments and a governance that allows to integrate all actors and to make them advance in a coordinated way and in the same direction.

This, he adds, implies the recourse to the community method, dear to Jacques Delors.

"The Energy Union was proposed by Polish Prime Minister Donald Tusk as a political idea about the future of the EU, but which also concern issues of typical Polish nature. Today the real challenge for Mr. Tusk is to take the necessary height and distance to transform its position into a real European project in all its diversity", he said.

Notre Europe will publish a report based on the ideas of Jacques Delors on the matter in November.

Buzek: Energy independence is the best sanction against Russia

New Council President Donald Tusk is a proponent of a European Energy Union, aimed at achieving more independence from Russia. It is difficult to imagine a more devoted advocate of progress in this area than Tusk, Jerzy Buzek, MEP and former President of the European Parliament, told EurActiv in an exclusive interview.



Jerzy Buzek [Georgi Gotev]

An engineer by training, Jerzy Buzek is one of Poland's best-known politicians. He was a Solidarność movement activist before 1989 and Prime Minister of Poland from 1997 to 2001. Buzek has been a member of the European Parliament since 2004 and was the President of the European Parliament between 2009 and 2012.

He was speaking to EurActiv's Senior Editor Georgi Gotev.

If my records are right, you first told EU leaders that a 'European Energy Community' could become the next big EU project, similar to the European Coal and Steel Community in December 2009. I'm not sure you were taken very seriously at that time, but now setting up an Energy Union appears to be very high on the EU agenda for the next few years. How would you comment?

You are absolutely right. In 2009, I was fighting for the Lisbon project, our new form of constitution [at that time the Irish referendum and the position of the then Czech President Vaclav Klaus were seen as a possible obstacle for the adoption of the Lisbon Treaty]. Because there is a text about solidarity in the energy field, and that was the basis of my initiative for a European Energy Community.

So I went to Ireland before the referendum, as President of the European Parliament, advocating for the 'yes' vote. I also did it with Vaclav Klaus. He's actually a friend of mine. We have met so many times. And I raised the idea – it's actually very simple – of a single energy market, with all the cross-border connections for electricity and gas and open trade in the European Union. Second, I was also an author of the so-called Strategic Energy Technology plan, the SET plan for the EU, and thirdly, of the joint purchasing of gas, and possibly of electricity, from outside the EU.

If you look at the plans for an EU energy Union, its elements are the same. I can say that the European Energy Community was supported three times by the European Parliament by resolutions that were adopted. It was also supported by [Commission President José Manuel] Barroso and [Energy Commissioner Günther] Oettinger as a good political idea. I was also rapporteur for the Single Market for energy, and in September 2013, I presented my report [Making the European Energy Market Work] to the European Parliament.

Now we can say that the Energy Union has the same goals as the Energy Community.

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But the name is changed?

It's a new brand for the same great idea. I can say that we have been able to overcome a lot of problems during the last four years, thanks to the efforts of the European Parliament and the European Commission. We now have €6.5 billion for new interconnections in the EU. For my country, Poland, this covers twelve different gas and electricity connections with our partners. So we solved a lot of problems, also by adopting the Third Energy Package, and preparing legislation for the coordination by the European Commission of the purchase of energy. Now it's up to the European Council to implement everything.

[Council] President [Herman] Van Rompuy dedicated three European Council meetings for energy. The first, in January 2011, was dedicated to the Single Energy Market. Now I can say that the new President of the European Council [Donald Tusk] will move things forward. I can hardly imagine a more devoted advocate than him, to lobby for the idea under its new brand of European Energy Union.

The new European Commission also signals that the Energy Union would be a major priority. It looks like former Latvian Prime Minister Valdis Dombrovskis will be Vice President for Energy Union. And I imagine that Mr. Dombrovskis's political thinking is very close to Mr. Tusk's and to yourself...

Yes. I'm sure it's probably the same point of view.

And you used the tribune you had a President of the European Parliament to call for an Energy Community. But Jacques Delors also fought this battle...

Yes, we raised the issue together. With Jacques Delors, the former European Commission President, on 5 May 2010, on the occasion of the 60th anniversary of the Schuman Declaration, we raised the

issue in the European Parliament [EurActiv coverage here]. And we adopted a one-page declaration which explained what we mean by energy community.

In your capacity of re-elected MEP, what are your personal ambitions in this field? What do you expect to happen until the end of your mandate?

I expect that the EU will have a truly working energy market that all member states will enjoy security of supply, and I hope – cheaper energy, thanks to the competition in a big open market. And I hope there will be freedom of choice for consumers as to which supplier of gas and electricity to subscribe. And environmental-friendly technologies, to the benefit of our citizens, new technologies in renewables, in energy efficiency, in nuclear safety, and for minimizing emissions from fossil fuels. Because we will still use fossil fuels, as will China or India. But the goal to minimize emissions will remain, and I expect technological progress not for low-carbon economy, but for low-emission economy. And we should achieve a broad, comprehensive agreement at the [2015 United Nations] Climate Change Conference in Paris. That would be a great success.

What will be the most difficult in the Energy Union?

The same as it was in the Coal and Steel Community: joint purchasing. Because joint coordination is fulfilled, the European Commission is responsible for that. The Single Energy Market will encourage member states to go forward, because it depends on them, on national governments. Research: we got more than €6 billion for research in the EU in the next few years, almost three times more compared to the last seven-year period. This is fantastic progress. But what is lacking is joint purchasing, and this is probably the most important goal of the energy Union. It will be very difficult to be achieved, but we should start.

We've been talking a long time, and you haven't once mentioned Russia. Why are you so diplomatic? I would like also to ask you about the May 2013 EU summit which was aimed at bringing down energy prices and make the European economy more competitive. But then we had another summit in June 2014 and the priority this time was to reduce energy dependence on Russia. The problem is, energy independence has a price. So how will we square the circle?

It is not by accident that I didn't mention Russia. Not even once. Because everything we've been doing, starting from joint financing of technology and research, to the energy single market, and also interconnectors and coordination of gas and electricity purchasing, means more independence from Russia, more independence and more security for our energy supply.

What could help is also our TTIP negotiations [the Transatlantic Trade and Investment Partnership negotiated between the EU and the USA]. We cannot imagine signing TTIP with the USA without opening the borders for energy. It means shale gas from the USA should be available on our continent. Liquid natural gas, LNG terminals in the USA, in the EU, should work with great capacity and help bring down our energy prices, and especially the price of gas. We should also develop our cooperation with Norway, Algeria, Qatar, other Arab countries. We should use a lot of possibilities to make ourselves more independent from Russia. Because this could be the most important sanction we could implement against Russia. And we know that in the existing situation, we should protest as strongly as possible against aggression in Europe, and fight for the integrity of Ukraine, for a free and democratic Ukraine.

If gas from Russia to the EU stops flowing this winter because of the Ukraine crisis, what should we do?

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We've got reserves in our gas storages and reservoirs. We could also import more gas from North and South, because both directions still hold reserves. Let us go in this direction. Energy efficiency is also very important and we should step by step change our habits, because the world's reserves are not infinite, and this is a good moment to achieve energy efficiency and use efficiency.

Some sources say that some big countries have insisted that as a condition

for the election of Donald Tusk as Council President, Poland should become more climate-friendly and stop blocking EU efforts in that sense. How would you comment?

The decisions of European Council summits depend on the decisions of the leaders of the member states, not of the European Council President. He proposes the summits' agenda and helps in the negotiations to achieve good, clear conclusions, which is not easy. I think

Donald Tusk would have the possibility to formulate some important issues regarding our positions vis-à-vis Russia. Our relations with Russia have changed dramatically in the last seven-eight months. And we should draw clear and proper conclusions from this situation. I'm quite sure that the future European Council President will take note about all the changes, and will undertake all the actions necessary from the point of view of the European Union.

Poland's stake in the Ukraine crisis: hawkish or insightful?

Observers generally agree that Warsaw plays a major role in the EU's handling of the Ukraine crisis. Some call it hawkish, while others say that Poland is simply more insightful, and that the rest of the Union should attach more value to its understanding of Russia, and Eastern Europe.

As the Ukraine crisis is becoming the game-changer of the post-Cold War period, Poland, the largest EU member to border Ukraine, is watched with increased interest by the world's major players.

For many years, Poland has tried to be to Ukraine what Germany is to Poland. Back in 2005, EurActiv wrote that Poland and the Ukraine, who were for a long time hostile towards each other, have become much friendlier since the 'Orange Revolution' in the Ukraine, which brought President Viktor Yushchenko to power, and was openly supported by Poland.

The February 2014 Ukraine revolution, which Russia calls a "coup",



Radosław Sikorski (centre) flanked by Catherine Ashton (L) and Carl Bildt (R)

has marked a new stage of rapprochement between Warsaw and the pro-European new leadership in Kyiv. From a Russian perspective, Warsaw has helped orchestrate this 'coup' and Poland fears its security being challenged.

Reality is probably much different.

Poland was largely instrumental in pushing through the EU-Ukraine Association Agreement (AA). The document was ready for signature well before the November 2013 Vilnius summit of the Eastern Partnership. But at that time, Germany insisted that the signature be conditional on the release of Yulia Tymoshenko from prison. Poland was much more flexible in this regard, and was in fact furious at Berlin's shortsightedness. In the meantime, Russia defined its own geostrategic project, then played its cards and made the-then Ukrainian President Viktor Yanukovich back down on the signature.

In the subsequent dramatic events of

the EuroMaidan uprising, Poland tried to provide advice to the pro-European leaders of Ukraine and to prevent them from indulging extremism. On 21 February, Poland's Foreign Minister Radosław Sikorski told opposition leaders that if they don't sign the EU-brokered deal with Yanukovich, "you'll all be dead".

But the same night, the above-mentioned revolution, or coup, as Moscow calls it, took place. Since, Poland has been largely evicted from the diplomatic circles handling the Ukraine crisis. Sikorski was not invited to join his German, French, Russian, and Ukrainian counterparts in the negotiations on conflict resolution held in Berlin in early July and early August, nor is Poland playing a role in the more recent Minsk peace process.

This of course hasn't prevented Polish

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leaders from conducting many bilateral meetings with the country's new leaders, in particular with Prime Minister Arseniy Yatsenyuk and President Petro Poroshenko.

In the meantime, Poland has voiced concerns that its own security, as well as that of the Baltic states may be at risk. Poland wants permanent NATO bases on its territory, although Moscow insists that the West promised not to set up any military bases in the former Eastern Bloc countries that joined NATO after the fall of the Soviet Union. Moscow refers to a 1997 NATO-Russia Act which formally ended the rivalry between Russia and NATO.

A dramatic statement

During the European elections campaign, Polish Prime Minister Donald Tusk said that on 1 September, Polish children may not go to school, hinting that the situation in Ukraine can deteriorate much more than most people imagine. This happened during a dispute over whether children in Poland should begin school at six or seven.

In this context, Tusk said the question wasn't at what age children will go to school, or if they will be able to go to school on 1 September at all.

"For every Pole, 1 September is the break of the 1939 war, when kids didn't go to school, because Poland started to be bombed," Jacek Saryusz-Wolski, a Polish MEP and Vice President of the European People's Party, told EurActiv.

Saryusz-Wolski said "We feel much less secure, we feel threatened, we still believe that NATO and indirectly, EU membership, give us security, but the question is how strong is it?"

Asked about the position of Germany, who insists that a 1997 Russia-NATO agreement prohibits new bases in Eastern Europe, Saryusz-Wolski said the said agreement was not binding.

"Seen from Warsaw, it is not binding, because it was so many times violated by Russia. And the formulation in this document says: no bases, if the conditions

as they are now, continue to be. Poland is asking this agreement to be nullified, because it is not respected by the other side. Inutile de dire comment: a war in Ukraine, not to mention Georgia before," he said, mixing English with French.

Poland: instrumental for the EU sanctions?

But Michael Emerson, A Research Fellow in the Centre for European Policy Studies (CEPS) and former EU ambassador to Moscow, sees things differently.

"I may not be fully informed about what Sikorski is been up to, but it seems that Poland has put itself in the hawkish end of the spectrum of opinions of what to do [regarding the Ukrainian crisis], both in their statements and in their advocacy of sanctions, Emerson told EurActiv.

He admits that Poland is "an important influencer" and "a strong voice among the new member states", adding that the Baltic states "are equally hawkish, if not even more so".

According to Emerson, Poland has concentrated its efforts at the meetings of the Foreign Ministers of the EU, with the objective of pushing through as tough as possible sanctions against Russia.

"An outcome [of the Polish effort] are the sanctions which have gradually developed, but not very impressively so. In the recent high-level diplomacy, Germany has been doing things on her own with France, but not actually with Poland. It seems that Germany sees itself able to work as a mediator, while Poland cannot play such a role, because its position is strongly marked," Emerson said.

'EU is a slow-moving beast'

Christopher A. Hartwell, President of CASE Management Board, told EurActiv Poland that while the EU is a "slow-moving beast", Poland has to pull it and get it moving. CASE, the Centre for Social and Economic Research, is one of the best think tanks in Poland, ranking high among the global think tanks and the best one in

Central and Eastern Europe.

However, Hartwell admits that Poland has its limits in its efforts to influence the rest of the EU.

"Poland needs to continue to advocate for the EU's engagement in the east, but unless the EU is responsive, there is not much more that Poland can do. Let us never forget the fact that it was Poland's Foreign Minister who brokered the deal that Yanukovych eventually ran away from, though, so Poland's interest and activity is unquestionable," he said, confirming the views that a historic chance may have been lost to sign the AA under Yanukovich.

Vis-à-vis Ukraine, Hartwell advises Poland to focus less on its experience as a EU member, but rather on its expertise in overcoming communism.

"I think the most important thing that Poland has to offer is its experience in overcoming the yoke of Soviet oppression. And by this, I mean by sharing its experience from the early years of transition, 1989 until maybe 1999, rather than focusing on the pre-European Union accession years of 2000-2004. Poland's greatest strides forward came when it was outside of the EU and it was not guaranteed that it would become part of the EU. This is the same situation the neighbourhood countries face today, although they are even more of a stretch to ever enter into the EU than Poland was in 1989," Hartwell said.

'If Poland waits for France, nothing will happen'

Asked what one should expect from the future, Hartwell said that "if the invasion of a sovereign nation on the EU's borders cannot mobilize the EU to take the eastern countries more seriously, nothing will".

"And this is why I think that Poland needs to continue a two-track approach, acting as an ambassador of the east to the EU, but also working to further its own interests in a prosperous and stable Eastern Europe. If Poland waits for France, nothing will happen", Hartwell said.

Sikorski: If Poland is hawkish on Ukraine, is Russia a dove?

If the EU had reacted more strongly to Russia's annexation of Crimea and adopted sanction more quickly, as Poland advocated, the current conflict in Donetsk, Ukraine, would not have happened, Polish Foreign Minister Radosław Sikorski told EurActiv in an exclusive interview.



Radosław Sikorski in Warsaw in January 2014. [140130-M-EV637-318/Flickr]

At the age 18, Radosław (Radek) Sikorski chaired the student strike committee in Bydgoszcz in 1981. In June 1981 he travelled to the UK to study English. After martial law was declared in Poland in December 1981, he was granted political asylum in Britain. He studied at Oxford. In the mid-1980s, he worked as a freelance journalist for publications such as *The Spectator* and *The Observer*. He returned to Poland in August 1989 and since 2007 has served as deputy minister of defence, deputy minister of foreign affairs, minister of defence and foreign minister in Donald Tusk's cabinet.

He spoke to EurActiv's Georgi Gotev and EurActiv Poland's Krzysztof Kokoszczyński.

Poland is one of the countries shaping EU foreign policy during the Ukrainian crisis. How can that influence be maintained and expanded into other areas of common policy?

When we called for a united European energy policy or solidarity in response to Russian trade barriers we were often called "Russia-phobes". Now, after president Putin broke a whole series of international agreements, Europe is starting to understand the value of solidarity and standing together. Not only against Russia. Better coordination among European countries translates into better security and economic position in the long run for all of us.

But our analysis and ideas have been valuable and not only in case of Ukraine. Since it joined the EU, Poland has been actively shaping the European Union's internal and external policy. We undertook several initiatives aimed at strengthening the EU Common European Security and Defence Policy and the Eastern European neighbourhood. Most recently, Poland, together with Sweden and the UK, was among those EU countries that initiated and drove the establishment of the European Union Advisory Mission to Security Sector Reform in Ukraine.

The conflict in Ukraine has reinvigorated NATO, to a certain extent at least. In this new security environment do you foresee any developments in EU security policy or would that area of policy take now a definite back seat to arrangements through NATO?

The Ukraine-Russia conflict has reinvigorated both NATO and the EU. Obviously there are areas one of the latter is more competent than the other. Mutual compatibility between their actions must be assured.

How would you respond to those in the EU who criticise Poland's position on

Ukraine as too hawkish?

If Poland is a "hawk", then how are we to describe Russia? A "dove" of peace? As a neighbour of Russia, we wanted to be a partner with her as much as it is possible. We managed to establish cross-border movement with the Kaliningrad Region. Tens of thousands of Russian citizens may visit Poland without any bureaucratic formalities and trade started to flourish.

However, when Russia decided to take over Crimea and to directly engage militarily in the territory of its neighbour, we had to clearly communicate to Moscow that it has to stop.

Possibly, if the EU's reaction to the Crimea annexation had been vigorous enough and we had pushed forward for more decisive, immediate sanctions, then [the conflict in] Donetsk would not have happened.

Poland aspires to become a regional leader in Central and Eastern Europe. What, in your view as foreign minister, is the current role of Poland in the region? It seems Poland is not – at least not yet – able to truly coordinate policy with the Baltic and other post-communist countries? Most of the time, Hungary, the Czech Republic, Slovakia, for example, cannot be seen as "followers" of Polish policy...?

Countries freely shape their policies – in line with democratic procedures, international commitments and according to their interests. The efforts of our four countries, all with similar backgrounds in terms of recent history, have made possible the creation of the Visegrad Group. It turned out to be an effective and flexible instrument of developing policies in the region. This does not mean however that we must always be unanimous and speak in one voice. Differences in the perception of interests which are at stake, specific circumstances, as well as traditions and the potential of the individual countries come into play.

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Are you optimistic that the EU is warming up to the idea of putting in place a more coherent energy policy? How would you describe the Polish role in this endeavor?

Recent developments in the East proved that EU needs to urgently push forward some of the key aspects of the energy agenda. The main challenge shall be to continue a consequent market integration based on common rules enshrined in the third energy package. Europe needs a well interconnected network of energy infrastructure and more efficient security of supply mechanisms. No member state shall be left alone in case of supply disruptions.

Poland has always been a major proponent of the creation of the Energy Union which Prime Minister Tusk has called for on several occasions. We have the know-how about how the things work in the East and we know the major issues that restrict the development of the internal

market in our region.

Poland is one of the larger member states of the EU but she also enjoys warm relations with the US. The relations between Brussels and Washington can be sometimes tense – as was the case with PRISM and wiretapping of the senior politicians in the EU. How can Poland balance its relationship with the US with its responsibilities as a member state of the EU? And what can Poland do to defuse tensions between both sides of the Atlantic? And what about the Transatlantic Trade and Investment Partnership (TTIP)?

Transatlantic cooperation and close ties between Europe and the US are the foundation of our common prosperity and security. We have to work on it regardless of some tensions which are unavoidable when we face so many complex challenges. Our good relations with US are an asset. There is no doubt Poland will be championing a “team spirit” among both the EU and US.

Polish foreign policy is based on the

principles and values we share on both sides of Atlantic. In the present security situation, we understand much better that the transatlantic community requires our engagement in any sphere – security, economy, democracy building. In this regard the TTIP may be a significant factor of Europe’s energy independence.

What does Donald Tusk’s appointment mean for Poland?

The decision of EU leaders to elect Prime Minister Tusk to become next European Council President is a great achievement. It is undoubtedly the prime minister’s personal success but equally a success of Poland. We take this decision as both a signal of appreciation of the policies Poland has pursued over ten years of its EU membership and a sign that the distinctions between “old” and “new” member states are rapidly crumbling. On the 10th anniversary of Poland’s accession to the EU, a Pole will lead the institution which sets the priorities of Europe.

Shale gas in Poland - from exploration to exploitation

There are 65 shale gas wells and drills in Poland, more than any other European country. The UK, the other EU member state with plans to develop the resource, has only a couple of wells.

Poland plans to build 50 new shale wells every 12 months over the next few years but currently, the focus is more on exploration than exploitation. It has granted 82 concessions to prospect for unconventional hydrocarbons, 72 of those are shale gas related.

Officials have shown EurActiv proof

of the scale of the country’s ambitions. [See the full list of concessions]. The companies who won concessions are Chevron, PGNIG S.A., Polski Koncern Naftowy Orlen S.A., Grupa Lotos S.A., Petrolinvest S.A., Winsent Oil & Gas Plc, San Leon Energy Plc, LNG Energy LTD, ConocoPhilps B.V., Moorfoot Trading Limited, Cuadrilla Resources Limited, BNK Petroleum, BNK Poland Holdings B.V., Kaynes Capital S.a.r.l., Mac Oil Spa, Baskas Pty Ltd.

But officials also insist Warsaw is committed to meeting EU legal and environmental stands in shale gas development.

The European Commission tabled several recommendations concerning shale gas on 22 January, after EurActiv revealed the draft text.

“We are very devoted to applying those recommendations, we are doing pretty much what we can to apply those recommendations to the maximum extent possible,” said a Polish expert who asked not

to be named.

He said that all the 65 exploratory wells were monitored and that there was no evidence of any pollution or soil contamination.

No single solution

The Polish view is that there is no “one-size-fits-all” EU solution because the characteristics of wells vary significantly. Experts believe specific conditions should be taken into account.

Poland has amended its geological and mining laws to reflect the EU’s recommendations. New legislation concerning the granting of concessions, the performance of concession and strengthening concession and mining supervisor have been passed in months rather than the years it usually takes to amend laws.

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The EU is lagging behind in shale gas research because there are not many shale gas-related construction sites. Warsaw is reportedly putting pressure on the Commission to produce a report from several construction sites about every environmental aspect of prospecting for shale gas.

It is expected to be ready by the end of the year or the beginning of 2015, EurActiv was told.

Several public information campaigns about shale gas were conducted in Poland. Opinion polls in 2013 showed that 73% of Polish citizens are in favour of shale gas, a very high figure by international standards.

Poland also insists that EU legislation should not put unnecessary burdens on energy companies.

Asked about a recent ruling by the European Court of Justice casting doubt on the legality of shale gas licences issued by Warsaw without open tenders, an expert explained that the issue had been dealt with in the new mining law.

Asked about Commission legal proceedings against Poland for allowing shale drilling at depths of up to 5,000 metres without first having assessed the potential environmental impacts, the expert said the process was still pending. It was being discussed by the ministry of environment in Warsaw and the Commission.

Polish Prime Minister Donald Tusk last April called for an EU Energy Union, saying that the EU should pay up to 75% of the cost of gas infrastructure. EurActiv asked the experts whether Poland was asking for funding from Brussels for its shale gas projects.

The experts said the projects referred to by Tusk were part of the Connecting Europe Facility regulation and that none was related to shale gas.

Experts said there were many varying reports about what proportion of Poland's gas needs could be met by shale. Poland is preparing a new report about the potential of the resource.

“What can be said for sure is that shale gas can play a role in Poland's energy mix,

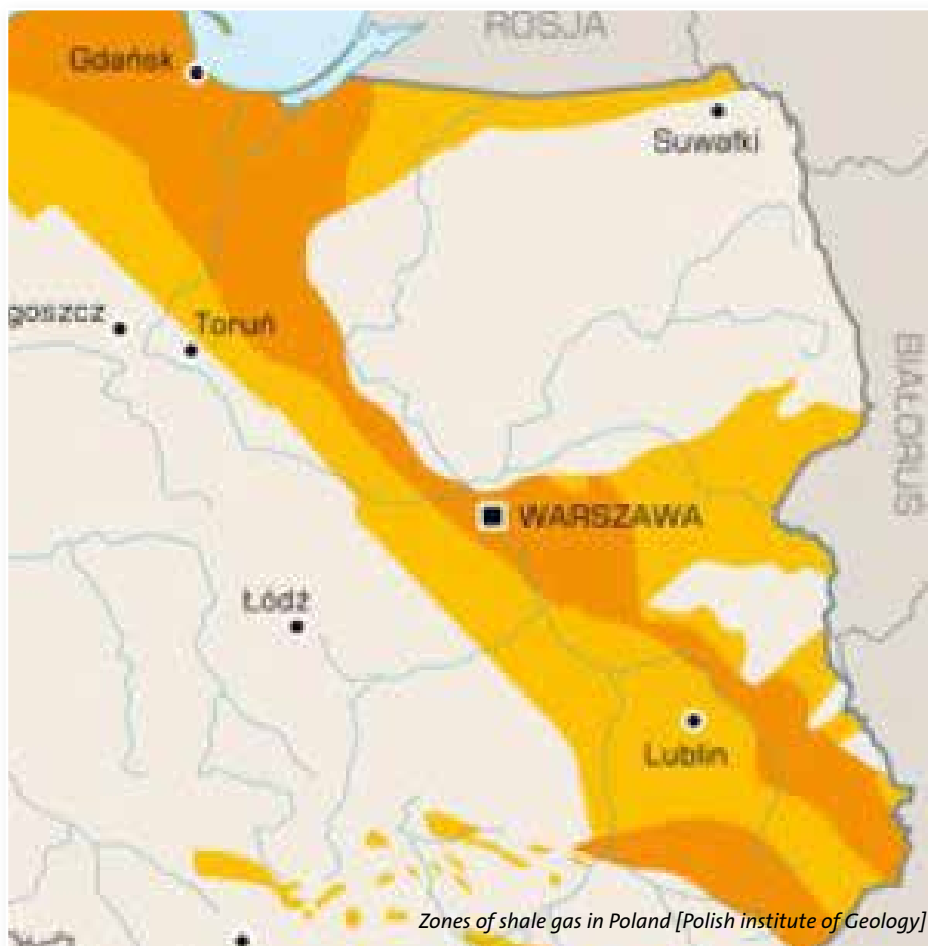
which today is of 16 bcm a year [billion cubic metres of gas]. So every another 1-2-3 or more bcm is a game changer that can support us,” the expert said.

The energy mix would be further improved when the Polish liquefied natural gas (LNG) gas terminal in Świnoujście was completed, he added.

The Świnoujście terminal is scheduled to begin operations in the second half of 2014. In its first phase, the LNG terminal will have a capacity of 5 bcm/y.

Asked if the projects would be economically viable, experts said that all studies showed that the price of gas from the projected new sources would be competitive compared to pipeline gas and would strengthen the market.

By the end of the year Poland and the UK will present a joint report on the macroeconomic impact of shale gas in the EU.



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