

**Warsaw, 30 July 2021**

**Mateusz Morawiecki**

**Prime Minister of the Republic of Poland**

**Chartered Institute of Management Accountants Instytut Oddział w Polsce**

Ul. Złota 59, 00-120 Warsaw

*Dear Prime Minister,*

We are writing on behalf of the Association of International Certified Professional Accountants® (the Association), representing AICPA® & CIMA®, with suggestions and recommendations for supporting economic recovery in Poland by introducing schemes to help SMEs with digitalisation and technology adaptation, strengthening Poland's critical assets such as skilled talent pool, and helping businesses with addressing environmental, social and governance issues to meet sustainability challenges.

The Association of International Certified Professional Accountants advances the global accounting and finance profession through its work on behalf of 696,000 AICPA and CIMA members, students and engaged professionals in 192 countries and territories. We are the worldwide leader on public and management accounting issues through advocacy, support for the CPA license, the CGMA designation and specialised credentials, professional education and thought leadership. We build trust by empowering our members and engaged professionals with the knowledge and opportunities to be leaders in broadening prosperity for a more inclusive, sustainable and resilient future.

The American Institute of CPAs® (AICPA), the world's largest member association representing the CPA profession, sets ethical standards for its members and U.S. auditing standards for private companies, not-for-profit organisations, and federal, state and local governments. It also develops and grades the Uniform CPA Examination and builds the pipeline of future talent for the public accounting profession.

The Chartered Institute of Management Accountants® (CIMA) is the world's leading and largest professional body of management accountants. CIMA works

closely with employers and sponsors leading-edge research, constantly updating its professional qualification and professional experience requirements to ensure it remains the employer's choice when recruiting financially trained business leaders.

Throughout the crisis, finance and accounting professionals provided vital support and guidance to business leaders to help address immediate concerns about safety and survival, stabilise the business in the short- to medium-term, reduce uncertainty and position it for recovery. Now they are advising their businesses and clients on actions to take to deal with the ongoing effects of the Covid-19 pandemic and driving growth for their companies to keep their businesses both viable and profitable and help the economy back to health.

Our members in Poland, who work across all sectors and businesses of all sizes, have shared with us their insights and observations about the challenges they are seeing and facing in terms of helping SMEs with taking advantage of digitalisation, supporting businesses' efforts to meet sustainability challenges and the shortage of adequately skilled talent able to support the Polish economy.

After consultation with them, drawing on their extensive experience and solid expertise, we created a set of suggestions and recommendations presented below on how the Polish government can further support business and industry to meet these challenges, support sustainable growth and Polish economic recovery post-pandemic.

### **1) Supporting SMEs with Digitisation and Technology Adaption:**

According to the "Smart Industry in Poland 2020" study, SME companies in Poland have become more aware of the benefits of digitisation, especially during the pandemic.<sup>1</sup> Many of our members have described how the businesses that have adapted and thrived best during the pandemic are those that already had or were able to adapt quickly to new technology platforms whether that was to support their supply chain, provide new ways for their customers to interact with them or new tech platforms to support their operations.

A report by the European Leasing Fund showed that SMEs use of technology in Poland increased by 65% and that 69% of these SMEs plan to maintain this technological adaptation in the future.<sup>2</sup> As more and more consumers and businesses take advantage of new technologies, SMEs will also need to do that to remain competitive. We believe the government could do more to help SMEs

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<sup>1</sup> [Digital transformation in Polish industry \(ictmarketexperts.com\)](https://ictmarketexperts.com)

<sup>2</sup> <https://inwestycje.pl/gospodarka/pandemia-przyspieszyla-digitalizacje-65-msp-w-polsce/>

adapt to digitisation and that this would help support wider economic recovery in Poland.

The government could do this by introducing schemes similar to those introduced by the UK government to support SMEs, both recently and in the past. One such scheme that is in operation now is the Help to Grow Digital scheme where businesses can get free impartial advice on how technology can boost their performance and eligible SMEs can get a voucher to help towards the cost of software.<sup>3</sup> Often two of the biggest barriers to SMEs journey to digitisation are knowledge of how to do it and the initial cost. A scheme similar to the Help to Grow Digital scheme here in Poland would help SMEs with both of those challenges.

Another scheme we believe the Polish government should consider to further support SMEs is a Growth Accelerator Scheme. A similar scheme operated in the UK between 2012 – 2015.<sup>4</sup> This scheme saw proven business experts working with companies to identify their barriers to growth and how to overcome them and it provided funding towards SMEs so they could seek this professional help. The scheme saw a 700% return on investment and added at least £1 billion to the UK economy in the first two years.<sup>5</sup> We believe a similar scheme in Poland could support SMEs with economic recovery and boost the wider Polish economy.

## **2) Support with Upskilling and Reskilling of the Talent Pool**

A number of our members have commented on the need for a more skilled talent pool able to support the Polish economy and the difficulties their businesses face with skills shortages. A 2018 report commissioned by the Minister of Family, Labour and Social Policy showed that half of the companies surveyed by Work Service in the third quarter of 2018 declared having trouble filling vacancies in recent months.<sup>6</sup> This was due to skills shortages and our experience from the pandemic both here in Poland and globally suggests this problem has been exacerbated.

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<sup>3</sup> <https://helptogrow.campaign.gov.uk/>

<sup>4</sup> <https://www.gov.uk/government/news/growthaccelerator-for-small-businesses>

<sup>5</sup> <https://www.accountsandlegal.co.uk/small-business-advice/why-did-the-government-put-the-brakes-on-growthaccelerator>

<sup>6</sup>

<https://wupkrakow.praca.gov.pl/documents/67976/8346673/Occupational%20Barometer%202019.%20Summary%20Survey%20Report%20for%20Poland/31bdceae-db3e-4e7c-ab42-80283a8419b0?t=1550665309293>

A survey by the Manpower Group in Quarter 3 of 2021 showed that 81% of Polish employers are having difficulties filling vacancies due to skills shortages.<sup>7</sup> In Poland support is needed for both new entrants to the job market and for older employees. A report by the German Economic Institute on Poland found that only 21.2% of employed 55-64-year olds were taking part in any workplace training.<sup>8</sup> There are two ways we believe the Polish government could help with upskilling both the current and future workforce. One is looking to the other nations who have developed apprenticeship schemes such as the UK, Switzerland and the USA as new ways to enter the workforce both in traditional trades but also the professions too. We believe an apprenticeship scheme in Poland would be an attractive proposition for both new employees and employers alike.

The other is by offering a scheme for older workers to retrain and remain relevant to their businesses and the wider economy. The UK has introduced a Lifetime Skills Guarantee which allows UK adults to access free training and education on in-demand skills.<sup>9</sup> A similar scheme could be used here in Poland to support older workers access training and upskill. We believe the Polish government should introduce a Lifetime Skills Guarantee for workers over the age of 40 to help those workers gain new skills particularly in areas of skills shortages such as technology, management and finance.

### **3) Supporting Businesses with Moves Towards Sustainability**

Many of our members are supporting their businesses with moves towards more sustainable models and sustainability reporting. And as more and more companies commit to ESG initiatives (partly driven by changing shareholder demands, a broader shift among capital providers, regulation, societal debates and reputational concerns, but also by new business opportunities), the demand for ESG-related information and assurance on that information will continue to accelerate. Being still at the beginning of an ESG journey here in Poland creates a big opportunity for the Polish business.

One way the government could support it is by encouraging businesses to adopt integrated reporting, thinking and best practices as we believe that looking at the entity's wider situation, not just the financial one, would be beneficial for the businesses and their regulators.

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<sup>7</sup> [https://www.manpowergroup.com/wcm/connect/653fb8ac-b040-4cc7-9fdc-292d9e635a83/MPG\\_2021\\_Outlook\\_Survey-Poland.pdf?MOD=AJPERES&CACHEID=ROOTWORKSPACE-653fb8ac-b040-4cc7-9fdc-292d9e635a83-nFfYLBQ](https://www.manpowergroup.com/wcm/connect/653fb8ac-b040-4cc7-9fdc-292d9e635a83/MPG_2021_Outlook_Survey-Poland.pdf?MOD=AJPERES&CACHEID=ROOTWORKSPACE-653fb8ac-b040-4cc7-9fdc-292d9e635a83-nFfYLBQ)

<sup>8</sup> [http://erc-online.eu/wp-content/uploads/2018/08/PL\\_Country-Report-Poland\\_final.pdf](http://erc-online.eu/wp-content/uploads/2018/08/PL_Country-Report-Poland_final.pdf)

<sup>9</sup> <https://www.gov.uk/government/news/hundreds-of-free-qualifications-on-offer-to-boost-skills-and-jobs>

Research by AICPA & CIMA showed that integrated thinkers performed better than their industry peers who did not incorporate integrated thinking, and their organisations saw fewer failed initiatives due to slow decision-making.<sup>10</sup> Also, CIMA research has shown integrated reporting quality is positively associated with stock liquidity and firm value<sup>11</sup> and investors are increasingly incorporating sustainability matters into their asset allocation decisions.

Therefore, moves to integrated and sustainability reporting would not only help towards net zero targets, but as we believe, would mean that Polish businesses would have a more financially secure longer-term future and the potential for more investment.

While the introduction of the EU Non-Financial Reporting Directive (NFRD) and its transposition into Polish law in 2017 has increased companies' awareness, and an increasing number of companies are defining their business case for ESG reporting, the breadth, depth, and consistency of reported information vary.

The Association of International Certified Professional Accountants has responded to the Consultation<sup>12</sup> on EU Corporate Sustainability Reporting Directive (CSRD), suggesting that it is essential that all market participants work towards a comprehensive global reporting solution that provides transparency into how an enterprise leverages its array of resources to create value over the long term. We've also stressed the crucial role of the CGMA designation holders.

Management Accountants' critical role in supporting boards and senior executives and directors at organisations means they are and would be able to support wider disclosures on climate change and sustainability reporting within an organisation. Also, management accountants focus on value creation and preservation means they are well placed to integrate ESG into strategy and operations as well as delivering on internal and external reporting.

With April's adoption of an EU proposal for the CSRD, which would amend the existing reporting requirements of the NFRD and oblige the Member States to transpose the directive by 1 December 2022, we would welcome an opportunity to engage in and contribute to the discussion on this important issue on a national level. We have already enrolled on the list of entities to be used in the public consultation processes but let us express our readiness to cooperate with the

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<sup>10</sup> <http://www.cgma.org/resources/reports/joining-the-dots.html>

<sup>11</sup> [http://www.cimaglobal.com/Documents/Thought\\_leadership\\_docs/Academic-research/4398%20Economic%20consequences%20Academic%20research%20report%20FINA\\_L.pdf](http://www.cimaglobal.com/Documents/Thought_leadership_docs/Academic-research/4398%20Economic%20consequences%20Academic%20research%20report%20FINA_L.pdf)

<sup>12</sup> <https://www.cimaglobal.com/Documents/Association%20Consultation%20Response%20EU%20Corporate%20Sustainability%20Reporting%20Directive%20June%202021%20Final%20.pdf>



government on reviewing the draft and proposed solutions, in particular at the stage of implementing the provisions of the directive into the Polish legal system.

#### **4) Enabling to perform Supervisory Roles at State-owned Enterprises by CGMA Designation Holders**

The final issue we would like to raise in this letter is the case for adding CIMA Professional Qualification and CGMA designation alongside other already existing conditions entitling to hold the position of supervisory board member in State-owned enterprises. As you might recall, we've addressed the attached letter on 7 September 2020.

We would like to thank you for passing this onto the relevant Ministry. However, we have not received any formal response since then. We would welcome further discussions on this matter as we believe enabling our members to hold the position of supervisory board members in companies with State Treasury shareholding would help improve public finance and the performance of State-owned enterprises in Poland as a whole.

We would welcome an opportunity to discuss our suggestions and the wider support for the Polish economic recovery as we believe that now is the time for Poland to protect and enforce its position on the global map and seize its opportunity by differentiating itself through its talent and building its reputation for excellence.

Thank you for your consideration.

Yours sincerely,

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