



By: *Tomorrow's Affairs Staff*

# The unfreezing of Polish money in Brussels – an important warning to sovereigntist policies across Europe



The outgoing EU administration made a win-win move by unfreezing significant funds intended for Poland, as it stated its progress regarding the rule of law.

Poland **received** a significant amount of money, and the EU demonstrated the power of still being able to preserve its fundamental values.

Only 2 months have passed since the government of Euro-enthusiasts, led by Donald Tusk, was formed in Warsaw for the EU to fulfil its promise and start to unfreeze as much as €137 billion from its funds intended for Poland.

This is more than 15% of the nominal GDP of Poland, which ranks sixth in the bloc. This also regards the sentence Poland faced during the period of rule of the conservative and Eurosceptic Law and Justice Party of Jarosław Kaczyński.

The European Commission will formalise the decision during this week, but it is definite that Warsaw will receive the money in instalments.

Poland will receive a portion of the EU cohesion funds, totalling €76 billion, until 2027 at the same rate as projects aimed at reducing the delay of "new" EU members relative to more developed Western countries.

Poland will also get approximately €60 billion from the EU fund for recovery from the economic impacts of COVID-19, depending on how quickly it recovers its economy, attracts investments, and implements reforms.

## EU revolt

Both of these significant sources **dried up** due to the EU's revolt against the former sovereigntist government in Warsaw and its large-scale interventions that subjected the judiciary, the media and all other institutions whose independent work is necessary for the functioning of democracy to political influence.

"We got really what we wanted. This is a very crucial day for us because we've done a lot," said PM Tusk after the encouraging statements from Brussels.

His pro-European movement won parliamentary elections last October thanks primarily to assurances that it would unfreeze European money intended for Poland.

## Large investments from the unfrozen money are planned for the energy and environment sectors

Poland sees an opportunity to raise its economy and to get even closer to the club of the most developed within the bloc in the billions that will arrive at regular intervals in Warsaw.

Large investments from the unfrozen money are planned for the energy and environment sectors, that is, those sectors where Poland lags behind the more developed parts of the EU, but at the same time, those that bring a high return on investment.

## Important warning to everyone in the EU

The unfreezing of EU funds to Poland is politically important for relations in the bloc in many ways. With this decision, Poland will receive a significant financial boost as a country that bore a heavy burden due to the war in Ukraine.

About 10 million Ukrainian refugees arrived in Poland since the start of the Russian aggression 2 years ago, and about a million of them remained in Poland. Poland is also at the top of European countries (seventh) in total bilateral aid to Kyiv compared to national GDP.

The unfreezing of funds was primarily due to the decisions of the new government of Donald Tusk to re-establish the independence of the judiciary.

The speed with which the administration in Brussels unfroze the Polish money shows the EU's desire to justify the reasons for which it once punished Poland and to reject all objections that it was a matter of political pressure and conditioning.



*The decision regarding Poland is an important warning to other governments in the EU, which, following the eight-year rule of the Law and Justice Party, have defied shared democratic standards - Viktor Orbán*

Because of this, the decision regarding Poland is also an important warning to other governments in the EU, which, following the eight-year rule of the Law and Justice Party, have defied shared democratic standards.

This primarily refers to Viktor Orbán's government in Hungary as the political counterpart of the recent Polish government and its leader, Kaczyński and the impermissible political influence on the judiciary and the media.

Last December, Budapest **received** €10 billion from the EU's frozen funds as Brussels assessed good progress in judicial reforms in Hungary. However, more than €20 billion intended for Hungary is still frozen, waiting for further moves by Orbán's government regarding respect for the rule of law.

The release of Polish money is also an important message to the new government in Slovakia led by populist and Euro-sceptic Robert Fico since last October.

His respect for the policies of Kaczyński in Poland, and particularly Orbán in Hungary, as models to apply at home could be over now

that the EU has shown that it has not been joking when freezing large sums of money and releasing them if its democratic rules are consistently respected.

## Financial pressure more efficient than appeals

In general, the return of funds to Poland is an important message to sovereigntists and Euro-sceptics across Europe ahead of the European Parliament elections next June.

It is a message that any reigning in of democratic institutions under the pretext of protecting national sovereignty or any other - is simply not worth it.

**The EU has demonstrated that it still has the ability to use internal financial sanctions to discourage policies that lead to its weakening**

With this, the EU has demonstrated that it still has the ability to use internal financial sanctions to discourage policies that lead to its weakening.

Political declarations, appeals and calls for respect for shared values were inefficient and led to the growth of Eurosceptic and sovereigntist movements throughout the EU, particularly in its east.

In this respect, the Polish case is an important precedent where the mechanism of denying access to funds has proven to be very efficient. When the EU reaches for that mechanism and unfreezes the money, it means the reasons for imposing penalty were annulled.