

Warsaw, 13 May 2021

Polish Green Network's comments on the National Recovery Plan

The National Recovery Plan has already landed on the desks of European Commission officials. Over the next few years, EU Member States will receive hundreds of billions of euros to build a better, more resilient, and more climate-sustainable post-pandemic Europe. Poland alone is set to receive PLN 260 billion. This amount is equivalent to 65% of our total budget expenditure for this year. Poland will benefit from the fourth largest package from the EU's Recovery and Resilience Facility.

This huge financial boost for our country comes at a special moment. While the COVID-19 pandemic is still looming over Europe, right behind it lurks a new, even more, dangerous challenge: the spectre of climate catastrophe. Scientists are unanimous that corrective action must be taken now, on a global scale, before it is too late. [Hence the EU's considerable climate ambitions are expressed in the draft European Green Deal: climate neutrality by 2050 and a 55% reduction of GHG emissions by 2030.](#)

The first version of the National Recovery Plan, presented to the public between February and March, was remarkably at odds with these ambitions, which could have been expressed, for instance, by a declaration on climate neutrality that would be in line with the EU's goals, i.e. achieved by 2050 at the latest. What is more, we believed then (and still do now) that a project such as a recovery and resilience plan requires a bolder vision of changes, particularly regarding the pace of reducing GHG emissions. Scientists point out that this would increase our chances of avoiding a climate catastrophe.

Ambitious objectives give momentum to any plan. By clearly defining them at the outset, it is easier to combine individual reforms and investments into a coherent strategy. Poland could be one of the leaders of the "green transition", but the authors of the plan sent to the European Commission and published at the end of April, unfortunately, chose to miss out on this opportunity. Like its previous version, the document does not contain any estimates of **the extent to which implementing the national recovery and resilience plan would reduce GHG emissions and contribute to the achievement of the EU's climate goals**. However, we note several important, positive changes compared to the original document, which make the plan "greener".

A somewhat better yet still problematic strategy

The content of the national recovery and resilience plan that Warsaw sent to Brussels differs significantly from the version submitted for public consultation two months ago. Some of the comments put forward by the social side have indeed been taken into account, but most of the document's strategic faults remain unaddressed.

The main part of the plan still lacks any indicators that would make it possible to estimate its impact on reducing GHG emissions or Poland's climate neutrality. Like the initial version, the final version of the document seems to be hostage to documents with little climate ambition, e.g.:

- Poland's Energy Policy until 2040
- National Energy and Climate Plan 2021-2030

Unfortunately, the plan contains passages underlining that the recent Silesian social contract, which envisaged the closure of most coal mines by 2049, is an element of Poland's contribution to the 55% reduction in European GHG emissions by 2030. The aforementioned contract can hardly be regarded as even remotely consistent with this objective. Instead, the national recovery and resilience plan should take account of the need to implement strategic reforms that would make it possible to harness the transformative potential of EU funds. According to experts from the WiseEuropa think-tank, such reforms should include:

- National Low-Carbon Strategy
(Strategy of Transition to a Climate-Neutral Economy)
- Long-Term Renovation Strategy
- National Sustainable Financing Strategy
- Update of Poland's Energy Policy until 2040 and Sustainable Transport Development Strategy until 2030 so that the assumptions adopted in these documents are adequate to the requirements set by the aforementioned EU objectives of GHG emissions reduction and climate neutrality.

Apart from climate indicators, Poland's plan also lacks indicators of the environmental impact of investments. Descriptions of individual investments make no mention of environmental conditions a given investment should meet to receive support from the recovery plan. What is more, the definitions of investment types fail to refer to technical criteria specified in the EU sustainable finance taxonomy.

In the absence of these indicators, we are still unable to determine to what extent individual actions and the plan as a whole will lead to meeting the objectives set by the government or the EU in areas such as the climate, emissions reduction, green transition and digitisation.



Waste incineration plants deleted from the plan

Thermal waste treatment facilities, commonly referred to as incineration plants, were listed in the original version of Poland's recovery plan. Not only do they generate huge GHG emissions, but, above all, their development systemically undermines efforts to improve the national waste recycling system, which is far from perfect as it is. Deleting support for new incineration plants from the plan results from the active role of environmental organisations in public consultations. It represents one of the most outstanding achievements of civil society in this process.

Clean air and "Clean Air"

Another positive change is the allocation of significant funds for the "Clean Air" programme. However, the programme still requires substantial changes, such as the unequivocal elimination of support for beneficiaries investing in coal-fired heat sources (about 16%). Under EU policy, European funds cannot cover such expenditures, especially as burning coal translates into heavy air pollution in Poland, contributing to around 50,000 premature deaths per year.

On the other hand, what ought to be appreciated here are the announced standards for wood pellets and the strengthening of anti-smog legislation. This list should be extended to include **revised rules of support for gas sources**. Unconditional support for natural gas should be eliminated from Poland's recovery and resilience plan. In line with the EU's "do no significant harm" principle, natural gas infrastructure may only be supported in exceptional, limited cases, provided it does not exacerbate dependence on fossil fuels or generate substantial GHG emissions over its entire life cycle.

Hopes are raised by the announced work on the long-awaited, efficient financial support for the lowest income group. However, what is worrying is that similar declarations have been made for years, and their only tangible result is an ineffective system of energy allowances tied to social assistance and the promoted, albeit inadequate, StopSmog programme. It would be better to replace StopSmog with a new instrument modelled on programmes that have been successful in other countries. Unfortunately, in the near future, only the Lesser and Greater Poland residents will be able to benefit from the more accessible support of a **municipal environmental consultant** to help them understand the applicable regulations and provide individual assistance in specific cases. In those regions, local governments have applied for subsidies from the EU's LIFE programme. Unless such environmental consultants become the norm in all municipalities, the problem will not be solved quickly.

Energy, energy efficiency and deep energy retrofits

Under the national recovery plan, the "Clean Air" budget will be increased by significant amounts earmarked for subsidies to replace stoves and conduct deep energy retrofits. This is good news, but with "Clean Air" still supporting coal, a certain risk still exists. Experts from WiseEuropa warn against the emergence of two parallel systems of financing investments in the field: low-carbon

projects financed under the national recovery plan and high-emission ones still sponsored using national funds.

[A positive, albeit insufficient element, is the support for RES development.](#) The version of the document sent to the European Commission includes a detailed description of planned amendments to the Renewable Energy Sources Act. The development of onshore wind energy will look different too. First of all, the distance law is to be relaxed. Some of the EU's RED II directive provisions will soon be transposed into the Polish legal framework, along with several other changes that liberalise the energy market for collective prosumers and energy cooperatives. However, the national recovery plan still fails to determine any measurable objectives or indicators of their implementation for individual reforms.

[The role of natural gas in investments related to heat and cooling sources and the energy efficiency of residential buildings is likewise challenging to establishing the national recovery plan.](#) There is a risk that gas technologies will be the dominant technology supported in Poland. The plan retains provisions enabling the support of gas investments in enterprises. Restrictions concerning the maximum share of gas projects have not been introduced. It is also unclear whether and to what extent the provided support will differentiate between zero-emission sources and gas projects. The only thing that has been clarified within the framework of supporting heating investments is that gas-based cogeneration projects will have to meet the condition of generating emissions lower than 250 g CO₂/kWh.

Natural gas is an interim fuel in the green transition. We should not allow it to dominate the heating sector for years to come. Gas has to be replaced with zero-emission energy sources. Consequently, public funds should not contribute to an interim rise in demand for natural gas. Poland's national recovery plan should grant even more substantial support to energy efficiency and RES (refundable support) and endorse the development of zero-emission alternatives to conventional gas installations (non-refundable support).

In the energy area, we again encounter a well-known problem. The proposals contained in the document do not consider the new EU targets for 2030 and 2050. [Even though the hydrogen investment plans are more detailed and improved compared to the previous version of the plan, there is still a risk of financing high-emission activities, such as the production of hydrogen from fossil fuels.](#)

The idea of financing commercial energy projects using grants and non-commercial projects using loans is also controversial. The necessary offshore wind projects are to receive non-refundable grants despite their commercial nature. In our opinion, grants should be primarily allocated to combating energy poverty, protecting the environment, and developing public transport. The plan also seems to provide undue support to commercial offshore projects that will be carried out by state-owned companies. These projects will quickly generate the funds needed to repay a low-interest loan. The local governments' fight with energy poverty and nature conservation

require long-term goals. This is why they are better suited for the recovery plan's grant rather than the loan part.

Transport

Road transport reforms are a positive side of the Polish recovery plan. Actions in that respect address the social needs linked to achieving climate goals and combating transport exclusion. The only cause for concern is the possibility of financing gas-powered buses. Emissions generated by transport are still on the rise in Poland – in line with the EU's climate policy, they will have to fall by 20-25% until 2030. This means that financing any emission-generating transport technologies from public funds is at odds with this goal. On a positive note, channeling funds primarily for the development of public transport, in both urban and rural areas, deserves praise.

Reforms in rail transport are more questionable. While the announced increased investment in rail is very positive, the plan does not take sufficient account of the needs of regional railways.

[In the context of zero-emission transport, it is also surprising that the plan features no separate component on the development of cycling infrastructure. This mode of transport is sadly not a priority.](#)

Biodiversity and DNSH

[The final version of the national recovery plan fails to include any provisions on the protection of biodiversity, although the European Commission's guidelines clearly indicate that this area should be represented in the document.](#) At least 37% of the funds allocated to Poland should be designated for climate-related objectives, including climate adaptation and protection of biodiversity. In its current shape, the national recovery plan only partially meets this condition. All measures financed under the plan have to abide by the **'do no significant harm' (DNSH) principle**. Consequently, the recovery instrument cannot be used to support any investments that have a detrimental effect on the climate and natural environment. According to the guidelines issued by the EC, each investment and reform included in the national recovery plan requires a separate DNSH analysis. This approach is absent from the Polish document.

The authors of the plan refer to the DNSH rule in very general terms, assuming in advance that everything they propose is in line with the "do no significant harm" principle. This is a dangerous oversight. Failure to meet the EC's DNSH guidelines may jeopardise the acceptance of Poland's plan by Brussels.

[Nature conservation is the weakest aspect of the entire plan. The provisions concerning water protection remain untransparent.](#) According to organisations from Save the Rivers Coalition, they leave room for damming rivers and threaten a return to regulating and fencing small rivers on a mass scale. Component B3.3.1 is particularly disappointing: it concerns **multi-purpose hydrotechnical investments** that may mean the construction of weirs and dams that destroy

rivers. It is all the more disappointing as it was added already after the public consultation process had been completed. The government wants to allocate almost EUR 670 million to this goal.

These announced investments are linked to the B3.3. reform (support for the sustainable management of water resources in agriculture and rural areas). It contains an announcement of unspecified amendments to the Water Law, Construction Law as well as Mining and Geological Law. Their aim is to streamline procedures and **facilitate obtaining permits related to the construction of artificial reservoirs**. Creating a “fast track” for such investments raises justified concerns about the reliability of assessing their environmental impact and compliance with the EU’s environmental standards.

Instead, the recovery plan should clearly [indicate that water retention should be carried out using natural mechanisms in the whole river catchment area, and not just in river beds](#). This is why WWF Poland Foundation proposes to replace the current provision with the following: “The planned measures will only include investments on artificial watercourses, i.e. canals and ditches located on agricultural or forest land, as well as undertakings in the field of renaturalisation of natural watercourses and wetlands aimed at improving water balance and increasing the availability of water for agriculture and forestry. At the same time, support is planned for investments related to revitalizing cultural infrastructure, such as water mills, but without reconstructing or creating any accompanying water damming structures on natural watercourses.”

Another highly controversial element of the recovery plan is the announced [special law on investments counteracting the effects of drought](#). In line with the said document, a drought would be counteracted, above all, through the rapid construction of concrete infrastructure on rivers, outside the scope of reliable environmental assessment. This is a dead-end.

Both these proposals open the door for the most harmful investments that could lead to the destruction of Polish rivers. These provisions have to be amended to exclude the possibility of using EU funds for investments in hydrotechnical infrastructure that would damage the environment (such as river dams or artificial reservoirs that require building weirs on natural watercourses). Instead, the document should include proposals for investments that increase natural retention within the catchment area through revitalizing rivers and wetlands and improving the ecological status of rivers and wetlands.

According to experts from Save the Rivers Coalition, if Poland is to abide by the “do no significant harm” principle, national environmental protection regulations ought to be first adjusted to EU law. Poland’s violations of EU law, identified by the European Commission, should be removed in a way that ensures full protection of the natural environment through national regulations. This should apply to the implementation of all investments, including the ones supported under the national recovery and resilience plan.

In this context, particular reservations are raised by the Forest Act, whose current provisions effectively exempt forest management from some of the EU's obligations concerning the protection of species and habitats and prevent social oversight over forest management.

In order to effectively protect biodiversity under the national recovery plan, the Natura 2000 network should be completed and the reason for protecting individual areas should be correctly defined. Establishing and implementing Natura 2000 conservation tasks is another priority.

Social scrutiny of funds disbursed under the plan

To conclude, we ought to address the issue of controlling spending under the recovery plan. Such scrutiny is to be performed by the Monitoring Committee. Originally, it was meant to include only the representatives of government administration, yet – following public hearings – the new version already includes social partners: local governments, entrepreneurs and NGOs. However, the number and manner of electing representatives of the social side remain unknown. In order to ensure full transparency of the disbursement of funds under the plan, the social side should have a majority in the Monitoring Committee, and its representatives should be autonomously elected by their respective circles.

