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# Assessment of Poland's recovery and resilience plan

## Key points

- The only publicly available draft of the Polish recovery plan was published in late February, after non-governmental organisations requested that the consultation process be more open. Civil society was able to participate in the public hearings afterwards and will also be included in the monitoring committee to implement the recovery plan.
- Despite a large share of Poland's Recovery and Resilience Facility (RRF) budget being set for energy efficiency, the plan lacks the necessary reform measures to contribute to reducing greenhouse gas emissions.
- The plan allocates little funding towards renewables and does not focus on the development of onshore wind and solar energy. On the contrary, it includes worrying investments in energy generation from municipal waste and storage facilities for hydrogen and natural gas.
- Biodiversity is completely absent from the Polish recovery plan. Not only does the plan lack measures to address this component, but it also promotes investments in activities that cause extreme harm to biodiversity under the Special Act on anti-drought investments.

## Introduction

Poland will receive EUR 57 billion from the EU's Recovery and Resilience Facility (RRF), which makes the country the recipient of the fourth largest RRF package in Europe. However, the only available draft of the Polish recovery and resilience plan<sup>1</sup> raises alarm bells over the lack of ambition on green targets and transparency.

According to the draft published on 26 February, the recovery plan foresees several projects which are not oriented towards the achievement of a climate-neutral EU by 2050 or of Europe's 2030 climate target. This comes as no surprise, as it reflects the weakness of the Polish energy and climate strategic framework: the absence of a long-term strategy for 2050, the incompatibility of the recently adopted Energy Strategy to

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<sup>1</sup> This assessment is based on a [draft of Poland's recovery plan](#) published on 26 February 2021.

2040 (PEP2040) with the EU climate objectives, and the out-of-date National Energy and Climate Plan are explicit examples of this.

This assessment aims to shed a light on the most problematic aspects of the Polish plan.

## Assessment

### *Energy efficiency*

The Polish recovery plan is set to deliver EUR 6,347 million to green energy projects and energy efficiency, making both these components significant consumers of the funds. Although investments in such areas should be a central part of the plan, these projects lack the reformative elements necessary to make an effective and sustainable reduction of greenhouse gas emissions in line with the EU's Renovation Wave Strategy objectives. For instance, funds from the plan to renovate single-family buildings will be used in the Clean Air programme (EUR 3,811 million), an EU scheme that still financially supports the installation of new coal boilers: this is totally incompatible with the 'do no significant harm' principle, because these state-of-the-art boilers generate significant air pollution and CO<sub>2</sub> emissions.

**Apart from removing the aforementioned flaws and introducing a renewable energy reform package, the recovery plan should fully implement the EU's RED II and internal market directives, which grant specific rights and possibilities to active citizens, energy prosumers and energy communities.**

### *Renewable energy sources*

On renewables, the draft recovery plan allocates too little money in general (EUR 863 million) towards the development of renewable energy sources (RES) and instead includes investments in energy generation from municipal waste under the label of RES. This is worrying, as only part of the waste that will be used can actually be classified as 'renewable energy', such as green and kitchen bio-waste, certain kinds of wood and natural textiles. According to the hierarchy of waste management methods, these raw materials should first be recovered and used, for example, to produce compost used for agricultural purposes. Almost all of the currently implemented and planned incineration plants assume the use of waste remaining after the processing of municipal waste, and the majority (up to 74 per cent) of that is plastics. Incineration of this type of waste will lead to CO<sub>2</sub> emissions per unit of energy production that are comparable to coal-fired installations.

Surprisingly, a high level of importance is given to hydrogen, both in terms of investments (EUR 797 million) and reforms. Poland will not be able to produce a surplus of energy from RES, which could be used to produce hydrogen, in the near future. The draft does not specify whether the hydrogen will be produced from fossil fuels or from renewable energy through electrolysis, nor is there any information on how the hydrogen is going to be used. A precise answer to these questions is needed to assess the hydrogen measure's compliance with the 'do no significant harm' principle and the emissions reduction potential.

While investing money in the research and development potential of pure hydrogen sounds reasonable, investments in gas pipelines and gas storage facilities used for hydrogen would only contribute to Poland's dependency on fossil fuels.

On the contrary, the recovery plan should be refocused on reforms and investments that stimulate the faster development of onshore wind and solar energy, and the accompanying development of grids. **As a priority, the current rules on onshore wind should be amended to enable new onshore projects to be implemented while safeguarding nature protection and respecting the interests of local communities. Furthermore, Polish non-governmental organisations (NGOs) recommend amending the law so that the provisions on energy communities contain more incentives than restrictions.** Currently, only EUR 97 million out of EUR 863 million (total funds for RES) is allocated to the development of energy communities and prosumers.

### ***Natural gas***

Some 'green' laws and investments proposed in the plan also sound alarming, as they include natural gas – another great failure in the plan. Poland plans to replace most of its energy generation from coal with gas and produce 56 TWh of energy from gas in 2030 (approximately one-third of all current production). This means a powerful lock-in of gas at the system level, so all gas-related electricity generation investments and transmission should be treated as inconsistent with the EU's Technical Guidelines for recovery and resilience plans. Natural gas transmission and distribution for household heating purposes should be analysed on a case-by-case basis and only supported when it gives better environmental and economic efficiency than the alternatives, but this is not the case in Poland's plan.

**Therefore, unconditional support for natural gas should be excluded from the plan.**

### ***Biodiversity***

Another important red flag in the Polish recovery plan is the fact that a biodiversity component is non-existent, despite the fact that biodiversity is one of the main priorities of the European Green Deal and that the Biodiversity Strategy 2030 outlines the clear need for increased funds and investments in this area.

There is no focus on improving Natura 2000 sites' management and mentions of nature-based solutions and biodiversity conservation policies are scarce. Even references to plans for flower meadows and nature-based solutions for cities are marginal and do not address Poland's main biodiversity issues – the disappearance of habitats and ecological corridors and the overexploitation of natural resources.

The recovery plan draft does not pay enough attention to adaptation to climate change, including the economic impact of the increasing drought problem, the protection of biodiversity and the issue of carbon sinks. On the contrary, some proposed solutions will weaken environmental preservation laws. The agenda includes adopting the Special *Act on anti-drought investments*<sup>2</sup>, whose draft (proposed by the government last

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<sup>2</sup> Rządowego Centrum Legislacji, [Ustawa o inwestycjach w zakresie przeciwdziałania skutkom suszy](#), 17 August 2020.

August) contains new rules that would undermine the protection of Poland's biodiversity and water resources. The Special Act simplifies investment procedures for specific investments related to water facilities, in particular the retention reservoirs mentioned in the Special Act's justification: in Niepołomice on the Vistula River, in Ścinawa and Lubiąż on the Odra River and Pisz on the Pisa River. The draft assumes the primacy of the Special Act's provisions over the Nature Conservation Act and therefore significantly facilitates interference in protected areas, including allowing the construction of water facilities in nature reserves. Small hydropower plants are further encouraged by the draft, despite the fact that these have been proven to do massive harm to biodiversity and are incompatible with the Water Framework Directive.

**Biodiversity protection measures should be included in the plan, and all measures that would harm biodiversity should be excluded from the plan.**

### ***'Do no significant harm'***

Although the 'do no significant harm' principle was made mandatory for all measures in the recovery plans, many of the measures and policies put forward in the Polish recovery plan are not compliant with the principle. In fact, the plan itself lacks a clear explanation of how these measures could comply with the principle: contrary to the provisions of the Commission's Technical Guidance published in February, the draft does not include a detailed 'do no significant harm' assessment of each measure and all components are deemed compliant without any justification. This seriously undermines the credibility of the Commission's claims that the recovery funds will not finance measures harmful to the environment and/or climate.

The draft recovery plan is going to be implemented in three modes: through open competitions for projects, by topping up the budgets of existing support schemes, and by financing certain pre-identified projects. The pre-identified projects are not listed in the draft recovery plan or in any other publicly available source. In addition to raising serious concerns about transparency, this makes it impossible to assess the compliance of such projects with the 'do no significant harm' principle.

**The plan should contain a detailed assessment of the compliance of each proposed measure with the 'do no significant harm' principle.**

### ***Consultation process and transparency failures***

In Poland, stakeholders were not able to see any content from the recovery plan until early March, when the first and only draft was made publicly available by the government.

Prior to this, environmental NGOs were completely excluded from the drafting process and did not take part in any consultation. This led campaigners from several Polish NGOs (including Bankwatch) to send a letter to the prime minister urging the government to open up the process and include civil society in the preparation of the plan, which happened in the form of public hearings. Thanks to this, it was later decided that the representatives of local governments, entrepreneurs and the civil society would be able to participate in the monitoring committee to implement the recovery plan, a victory considering the initial lack of transparency.

**The Polish government must ensure full transparency on the plan and its preparation, and should continue to guarantee the meaningful participation of all stakeholders.**

## Conclusion

The Polish government has stated that it plans to finalise the recovery plan by 20 April and then submit it to the European Commission by the 30 April deadline.

Despite the large amount of money allocated to Poland, it is clear that the failures in the draft recovery plan will prevent the country from reaching the targets envisaged by the European Green Deal. Instead, with this low level of ambition the current plan would ultimately jeopardise the unique opportunity to use the recovery to turn the country towards a green transition. For these reasons, Poland's recovery plan should be expanded to include measures that are consistent with EU Green Deal objectives and can be implemented pending the adoption of a long-term energy and climate strategy for 2050 and the adjustment of other planning and strategic frameworks in relation to circular economy and biodiversity protection objectives. Stakeholders should be involved in next steps of decision-making and monitoring to increase the public's ownership over the plan and improve quality of the transition process.

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