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## **Joint position of environmental organizations on the draft National Recovery Plan**

After COVID-10, the spectre of yet another catastrophe – this time a climate one – looms over pandemic stricken Europe. According to science, we have to take defensive action now, before it is too late. Hence the European Union’s ambition to achieve climate neutrality by 2050 and a 55% reduction in CO<sub>2</sub> emissions by 2030.

In its current shape, the National Recovery Plan drafted by Poland falls short of these ambitions. It lacks momentum, and the reforms it contains are not linked by a long-term strategy with a clearly defined main objective. An objective such as, for instance, achieving climate neutrality by 2050 at the latest, in line with the EU’s ambitions. What is more, we believe that a project such as the NRP calls for a bolder vision of changes: climate neutrality already in 2040 and a 65% reduction of GHG emissions (compared to 1990) by 2030, which – according to scientists – could give us a better chance of averting the climate catastrophe. We believe that Poland is ready to finally be at the forefront of the “green transition” and act as a model for other European countries. This is the spirit that should guide the planning of detailed reforms and investments as well as designing their progress indicators.

The NRP is being drafted in response to a pandemic caused by a health crisis that resulted from the loss of biodiversity and, in a broader context, from marginalizing the environment’s impact on human health. An important part of NRP funds is to be allocated to energy transition measures. Therefore, one of the crucial issues in the debate on transforming our energy production and achieving climate neutrality should be public health. Between 2021 and 2030, the health costs of climate change may amount to a staggering PLN 119 billion in Poland alone (hospitalization costs, lost working days, pensions or benefits awarded on the grounds of inability to work). Both air pollution and growing climate change remain the greatest environmental challenges to public health in our country, causing tens of thousands of premature deaths per year and exposing millions of people to chronic diseases, poorer health and lower productivity.

### **The problematic strategy behind the draft NRP**

Meanwhile, when reading the NRP, one comes to the conclusion that the plan has become hostage to unambitious climate documents listed as part of the national legal framework:

- Poland’s Energy Policy until 2040
- National Energy and Climate Plan 2021-2030
- Sustainable Transport Development Strategy until 2030

Given the EU’s emission reduction targets and the planned date of achieving climate neutrality, the NRP

should enforce an update of these documents. – instead of reflecting the national energy strategy contained therein, according to which Poland would still be largely dependent on fossil fuels in 2030 and beyond. This document opens the door to financing gas-fired CHP plants (measures B.1.1.1 and B.1.1.4) and gas transmission and distribution networks (measure B.2.1.1). In terms of renewable energy sources, it directs significant support solely to offshore wind. On the other hand, neither onshore wind nor dispersed citizen-driven energy may count on any substantial financial support or the implementation of the required reforms under the NRP. Without the micro scale, i.e. dispersed energy generation based on RES and heat pumps as well as a radical improvement of the energy efficiency of public buildings and households, the macro reduction target will remain unattainable. Therefore, we believe that one of the most important elements of the NRP should be a **reform package aimed at unlocking the potential of renewable energy, especially dispersed citizen-driven energy.** Such a package should include:

- the development and adoption of a long-term energy and climate strategy until 2050, in line with the EU's climate objectives, as a strategic framework for other reforms (the requirement to adopt such a strategy by the end of 2019 is enshrined in EU law)
- full implementation of the "Clean energy for all Europeans" package in the parts containing RES, individual and collective prosumers, and energy communities
- amending the law so that the provisions on energy communities contain more real incentives than restrictions
- giving local governments the tools to pursue local energy policies
- relaxing the provisions of the Distance Law to enable a dynamic development of onshore wind while respecting environmental protection concerns and the rights of local communities

What is particularly worrying is that among measures listed under renewable energy sources, the NRP mentions – next to various district heating projects – new investments in the **incineration of municipal waste.** This proposal cannot be accepted, and certainly not in this form, because only some of the waste can be classified as “renewable energy sources.” Meanwhile, almost all incineration plants, whether already in operation or at the planning stage, involve the use of residual waste from the processing of municipal waste, most of which (up to 74%) is plastics. This type of waste incineration will lead to CO<sub>2</sub> emissions comparable to those generated by coal-fired plants (per unit of energy produced).

**The government plans to allocate some of the NRP funds to the Clean Air programme.** This is a good choice, but the programme requires changes, for instance removing support for the installation of new coal-fired heat sources. Burning coal is the main cause of severe air pollution in Poland, which contributes to almost 50,000 premature deaths per years. The largest source of air pollution in Poland is the so-called

low-stack emission – the result of burning solid fuels (predominantly coal) in the urban and domestic sector, i.e. household furnaces and boilers. Continued burning of coal in domestic heating systems, even with improved parameters, will perpetuate the existing status quo, contradicting the transition towards health- and environment-friendly energy sources. Such support is at odds with the EU's "do no significant harm" principle. What is more, the Clean Air programme also subsidizes pellet boilers. In Poland, there are no obligatory quality and production standards for this fuel, which is why pellets produced from such environmentally harmful materials as furniture waste are commercially available.

**Some of the terminology used in the NRP is problematic and confusing.** The language of the document tends to "greenwash" a number of catch-all terms which may entail many activities that are not very green at all. Using the adjective "green" should be strictly defined. For instance, "green solutions" in companies are solutions that have a positive impact on the environment and improve energy efficiency, i.e. they lead to measurable, documented energy savings and a reduction of CO<sub>2</sub> emission equivalent.

Apart from removing the aforementioned flaws and introducing a RES reform package, the minimum we expect of the NRP is full implementation of the EU's RED II and internal market directives, which grant specific rights and possibilities to active citizens, energy prosumers and energy communities.

By contrast, unconditional support for natural gas should be excluded from the plan. In line with the "do no significant harm" principle, natural gas infrastructure may 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. The NRP, on the other hand, stipulates an expansion of gas infrastructure. This is a continuation of the policy developed in the aforementioned, unambitious climate documents, which assumes that in the near future, more than a third of energy will be generated from natural gas (which will replace the phased out coal). Such an assumption cannot be regarded as compliant with the "do no significant harm" principle. It entails consolidating the high position of gas within the entire energy system – a process that may be hard to reverse. As a result, instead of serving as a transition fuel in the green transition, natural gas could become the dominant fuel in the heating sector for many years.

We have similar objections concerning **plans to increase the amount of incinerated municipal waste.**

This is unacceptable, especially as Poland is in danger of failing to meet obligatory targets that are higher up in the waste processing hierarchy. NRP funds must be used to improve selective waste collection and recycling, which would have a tangible and beneficial impact on reducing CO<sub>2</sub> emissions.

**Hydrogen – yes, but...**

The draft NRP uses "the development of hydrogen technologies" to justify expanding the gas distribution infrastructure. Unfortunately, there are no credible prospects of Poland soon obtaining a surplus of clean RES energy that could be used in the environmentally-friendly production of "green hydrogen". On the

other hand, it is certain that, given the current assumptions, the expansion of gas and distribution networks, as well as storage facilities “aimed for hydrogen”, will only consolidate our dependence on fossil fuels.

Most importantly on natural gas, as this is the gas that will flow through the pipes in the foreseeable future rather than “clean hydrogen”. The EU regulation that established the Recovery and Resilience Facility – the source of funding for the NRP – excludes support for such investments. Therefore, support for hydrogen solutions (EUR 797 million) should be significantly lower, and these funds should be allocated, first and foremost, to research and development of possible technologies.

## Energy efficiency

While energy efficiency is to consume a substantial part of NRP funds, the plan does not clearly stipulate that energy (resource) efficiency ought to be consistently implemented in all sectors of the economy, and that – apart from increasing the productivity of Poland’s economy – one of the plan’s particular objectives should be a measurable reduction of the energy intensity of our economy. What is more, there is basically no sector of energy services in Poland that would be focused on energy savings. The NRP overlooks both this deficit and its significance for innovation-driven development. This modern branch of services will not come into being without new human resources and without giving the green light to local governments ready to take on the task. Otherwise, small and medium-sized companies and households will not get easy access to the “energy savings market”. And this jeopardizes Poland’s declared contribution to the EU’s energy efficiency efforts.

The paths to increase energy efficiency have already been indicated when discussing the NRP’s problematic strategic orientation and hydrogen. What should be added here is that only by fully eliminating inefficient heating systems will Poland be able to achieve the required reduction of GHG emissions. The plan’s B1.1.1 component (investments in heat (cooling) sources in heating systems) should follow a bolder vision.

Replacing all inefficient heating systems by 2030 should be a strategic goal of optimizing heat and energy management. Consequently, such aspects of the NRP as, for instance, the list of supported energy retrofit measures for schools (component B1.1.3) should already at this stage be limited to solutions entailing comprehensive modernization and obligatory replacement of heat sources with zero-emission ones. Such a programme should also cover all administrative buildings.

Improving energy efficiency on a micro-scale, and thus reducing the energy intensity of Poland’s economy, is not just our duty to nature – it represents genuine savings. The cheapest (and cleanest) energy is the energy we do not consume. Investing in energy efficiency is like investing in an inexhaustible energy source. It is like a sixth fuel alongside oil, gas, coal, nuclear, and – most importantly – RES.

## Truly green transport

Emissions from road transport are one of the main sources of air pollution in Poland, each year contributing to thousands of premature deaths and illnesses. The main compounds that are harmful to public health are nitrogen oxides and tropospheric ozone.

The NRP is an opportunity for a cleaner transport sector. Meanwhile, the document contains merely fragmentary, selective measures that do not form a vision of developing a climate-neutral transport system. Although the best part of the funds under this component goes to rail, this allocation is questionable. The vast majority of these funds will be granted to PKP S.A., which will mostly allocate it to modernizing existing routes and rolling stock, while many cities in Poland may only be reached by diesel trains. Support for municipal and regional rail transport has been completely overlooked. We believe that most of the funds from the transport component should be earmarked for regional railways – including their electrification – and for local governments to implement infrastructural solutions meant to calm traffic: narrowing roads, building bus bulbs, etc. When it comes to zero-emission transport, the government's draft NRP submitted for consultations mainly focuses on the purchase of electric buses. Unfortunately, it also enables the purchase of machines powered by natural gas. On the other hand, it overlooks other important issues: the draft NRP offers near-zero support for the development of cycling – a transport mode encouraged by the European Union. This is a shame, because actions aimed at the development of cycling infrastructure are directly related to the development of climate-neutral transport. A greater share of cycling in travel facilitates the implementation of some of the NRP's detailed goals: a green transformation of the economy and the development of green, intelligent mobility. These advantages clearly point to the need to support not just the electrification of public transport, but also the extension of cycling paths. Changes aimed at minimizing transport emissions will translate directly into improving the physical and mental health of the urban population. This will also contribute to lessening external health costs and the operating cost of the health service sector.

## Forgotten biodiversity and the 'do no significant harm' principle

The EU regulation establishing the Recovery Fund devotes considerable space to the protection of biodiversity. **Unfortunately, this issue is completely missing from the draft NRP.** The document contains no proposals to improve the management of Natura 2000 areas, which is rather poor. Nor does the draft feature any nature-based solutions. We will not find any proposals for comprehensive reforms concerning the preservation of biodiversity. While the NRP does feature plans of planting flower meadows and similar nature-based solutions for cities, they are pushed to the margins of the document. The NRP seems to completely overlook the main factors contributing to the loss of biodiversity in Poland, i.e. the disappearance of habitats and ecological corridors and the overexploitation of natural resources. The draft's authors have assumed in advance that all reforms and investments proposed in the NRP contribute

to protecting biodiversity and do no significant harm to nature. **However, technical guidelines of the European Commission that such an assessment should be made and documented separately for each investment and reform.**

The NRP fails to give sufficient attention to climate adaptation measures, including the economic consequences of the growing drought problem, the aforementioned protection of biodiversity, and natural carbon sinks such as forests. The draft does not include any reforms meant to protect species, ecosystems and ecological corridors or any ideas for strengthening conservation measures or enlarging protected areas. On the contrary: some of the proposed solutions weaken existing environmental legislation. For instance, the programme envisages the adoption of a special act on anti-drought investments, the draft of which was proposed by the government in August 2020. The document contains new provisions that threaten the protection of biodiversity and water resources in Poland. The act on anti-drought investments simplifies investment procedures for specific projects related to water facilities, in particular retention reservoirs in Niepołomice on the Vistula, Ścinawa and Lubiąż on the Oder, and Pisz on the Pisa. The underlying goal is to make it easier for Wody Polskie (the National Water Management Facility) to obtain permits to build new dams, barrages, and artificial reservoirs. The draft act assumes that the provisions of this special act would take precedence over the environment protection act. This would significantly facilitate interventions in protected areas, e.g. by enabling the construction of hydrotechnical infrastructure in nature reserves.

Small hydropower plants, the construction of which is encouraged in the draft, are in breach of the EU's framework water directive in virtually all cases. At the same time, their contribution to generating renewable energy is disproportionately small. On the other hand, the damage they cause to biodiversity, e.g. by blocking wildlife corridors, are huge. What is more, the special drought regulation deprives the public of democratic and effective participation in investment authorisation procedures and strongly interferes with the powers of local governments.

Nevertheless, these errors in the NRP can be easily corrected. First of all, by strengthening the conservation of forests, rivers and river valleys, and restoring them to their natural state. Such measures have been proposed by a group of NGOs working with environmental protection, and may be easily incorporated into the NRP. These include:

- legislative reforms aimed at removing incompatibilities with EU law (i.e. special investment acts, Forest Act, Water Act)
- implementing a Surface Water Restoration Programme and amending the Plan to Counteract the Effects of Droughts

Adoption of the special act on droughts should be eliminated from the NRP. Its provisions would further weaken the protection of Poland's biodiversity without bringing any improvements in the area of drought prevention.

### What to do?

If we want the Polish plan to comply with European environmental standards and the "do no significant harm" principle, which is extremely important for the European Commission, the draft NRP should be corrected in the following areas:

- withdrawing support for municipal waste incineration
- eliminating unconditional support for gas-fired solutions in the energy, heating and transport sector
- eliminating support for coal-fired heat sources from programmes supporting energy retrofits in buildings (Clean Air, StopSmog) and eliminating support for pellets until the adoption of an EU compliant Forest Act and quality standards for this fuel
- withdrawing support for small hydro projects
- eliminating the so-called "special act on droughts"
- clarifying that the development of hydrogen infrastructure will not contribute to strengthening the position of natural gas in the energy sector, and that gas will remain a transition fuel rather than the target fuel in Poland's energy transition
- ensuring that no infrastructural investments in the fields of transport and energy will be carried out in disregard of existing Polish and EU regulations or the "do no significant harm" principle (e.g. by way of another special act), and that these investments will take account of the projected health effects of the proposed actions for local communities and/or the entire society.

In addition to the last item, we believe that all expenditure must be preceded with reforms addressing current and future crises. Cities and agglomerations should plan coherent, comprehensive public transport systems (rail and road – also using existing infrastructure belonging to the Polish State Railways), complemented by the promotion of cycling and cycle paths. This concept **cannot rely** on individual vehicles (even electric and low-emission ones). Coherent plans and programmes should be the prerequisite to obtaining support from the NRP.

What is more, all projects submitted in competitions for the implementation of NRP measures should comply with the 'do no significant harm' principle. The rules of these competitions should be clearly defined. Support under the NRP should be granted to projects that meet **clearly defined result indicators**, both in

terms of environmental or climate protection and economic aspects, such as job creation or maintenance.  
**Any decisions on reforms and projects as well as their implementation should be taken with the participation of social partners, entrepreneurs, local governments, and scientists.**

The NRP was created to enable Poland to reach for funds from the EU's Recovery and Resilience Facility. Poland is set to benefit from over EUR 23.9 billion in grants and over EUR 34.2 billion in loans. The NRP is meant to translate these funds into concrete reforms, programmes and investments. These are substantial amounts and planning how to spend them wisely is not easy. It is clear, however, that investment expenditure has been carefully planned by the document's authors, although all too often it is in breach of EU guidelines. The same can be said about the proposals for specific reforms.

Therefore, we call for a change in the entire philosophy behind the National Recovery Plan and, at the same time, present our objections to specific solutions and reforms proposed therein. Rebellious students once protested on the streets of Warsaw and Paris under the banner: "Be realistic, demand the impossible." This paradoxical statement, which seems extremely romantic, if not naïve to say the least, in fact carries a strong, rational message. Aiming for very cautious goals does not have a mobilizing effect. What is more, the objectives contained in such plans are often seen as starting points for negotiations rather than scientifically proven solutions that we – and the environment – need. In practice, even these modest assumptions of the NRP may get watered down. Only by setting ourselves ambitious challenges can we mobilize action, discover implementation paths that used to be invisible or excluded as too far-reaching, and set negotiable points at an appropriately high level. This is not easy, but it is precisely this kind of bold action that goes down in history. This government has a chance to make history by stepping to the forefront of European change. It has an opportunity to act boldly and rightly, for our sake and the sake of future generations. Our fate is in your hands.

**Joint position signed by the following organizations:**

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