



# Territorial and Distributional Aspects of Just Transition in the updated Polish National Energy and Climate Plan

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## Introduction and purpose of the document

The National Energy and Climate Plan (NECP) is a key document for both the Polish energy sector and other sectors of the economy. The publication of this document is required under Regulation (EU) 2018/1999 of the European Parliament and of the Council of 11 December 2018 on the Governance of the Energy Union and Climate Action. The NECP is an important tool for integrating national efforts into the broader European context, promoting sustainable development and ensuring a coordinated approach to the challenges of climate change and the transition to a low-carbon economy. The Plan provides an opportunity to include measures to stimulate innovation in technology and clean energy, promoting socioeconomic development and competitiveness. The document also acts as the basis for developing the Social Climate Plan (SCP), crucial for the dimension of just transition, which will allow Poland to use funds from the Social Climate Fund (SCF).

Previous national energy and climate plans were published by member states in 2019. The need to adapt the approach to more ambitious climate targets in line with European Climate Law and the *Fit for 55* package has prompted the need to update the plans. Draft versions of the update were to be submitted to the European Commission (EC) by the end of June 2023. Poland's draft plan was published late in February 2024.

Following the publication of draft versions of the NECP, Reform Institute presented a **methodological framework** for evaluating both their content and the procedures for their preparation. The methodology developed is a comprehensive checklist of good governance criteria that must be met in order to properly integrate just transition policies and measures into national plans. The methodology was used to **evaluate four NECP drafts: Italian, German, Polish and Bulgarian**.

The next step after the publication of the draft version is preparing the final version of the NECP, which should include amendments introduced by national governments based on feedback and recommendations provided by the EC, as well as the results of extensive dialogue with stakeholders and the broader public. The deadline for submitting the final version of the document was June 30, 2024. In the fourth quarter of 2024, the Polish government published the updated NECP, held public consultations and is introducing amendments before submitting the final version of the document to the European Commission. This report uses the Institute's methodology to assess the document and examines whether issues related to just transition in territorial and distributional contexts have been improved in the updated NECP.

## II. Methodology and development of assessment criteria

The study follows a comprehensive assessment methodology prepared by the project team<sup>1</sup>. It includes a checklist of criteria that updated national energy and climate plans should meet if they are to be effective in addressing the challenges of a just transition.

The methodology takes into account two fundamental dimensions of just transition: the territorial and distributional dimensions, which are further divided into sets of criteria and research questions covering their most important aspects.

<sup>1</sup> <https://ireform.eu/en/our-projects/territorial-and-distributional-aspects-of-just-transition-in-the-updated-national-energy-and-climate-plans/>

<b>Territorial Aspects</b>	1. Ambitions and targets
	2. Supporting local economies and communities
	3. Local clean energies and decarbonised industries
	4. Inclusivity of regional transition
	5. Regional just transition governance
<b>Distributional Aspects</b>	6. Overarching assessment of distributional impacts
	7. Energy poverty
	8. Transport poverty
	9. Financing needs and sources of funding
	10. Tax, insurance and social security policies
	11. Work conditions and re-training
	12. Stakeholder engagement and public consultation

Each of these criteria can be assessed using the following scale:

<b>0</b> no mention of a given issue	<b>1</b> issue addressed to a limited extent	<b>2</b> issue addressed to a significant extent	<b>3</b> good practice
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In addition, the report examines whether the score given to a draft version of the NECP should be maintained, increased or decreased. The study therefore includes two assessments: the first for the draft version, and the second for the updated version of the plan. Each aspect includes its own, more detailed description. **When this report refers to a “draft version”, it refers to the document published in February 2024. “Updated NECP” refers to the version published in October 2024.** The quoted passages from the NECP are a translation of the Polish version of the document, to which the page numbers refer.

### III. Territorial aspects

Territorial Aspects of a Just Transition focus on the impact of the transition on regions, communities and local economies, considering those who are particularly vulnerable to possible negative impacts resulting from the EU's new energy and climate policies. This section evaluates elements of the updated NECP that support local communities in the green transition process, provide local incentives for decarbonisation, incorporate integrated regional transition, and establish governance frameworks and tools to foster a just transition. The assessment also examined the extent to which the NECPs are consistent with the Territorial Just Transition Plans (TJTTPs) and guide activities at the regional level. Territorial aspects are considered only for the territories that have been identified by national governments as most affected by the decarbonisation process and have been accepted by the European Commission.

In Poland, five Territorial Just Transition Plans have been adopted<sup>2</sup> for the following regions:

- Eastern Greater Poland (Wielkopolska),
- Wałbrzych subregion,
- Upper Silesia,
- Western Lesser Poland (Małopolska),
- Bełchatów region.

<sup>2</sup> [https://poland.representation.ec.europa.eu/news/385-mld-euro-dla-pieciu-polskich-regionow-2022-12-05\\_pl](https://poland.representation.ec.europa.eu/news/385-mld-euro-dla-pieciu-polskich-regionow-2022-12-05_pl)

**Eastern Greater Poland** is a region very much associated with the mining of lignite coal and the generation of energy from it. This part of Greater Poland shows the highest socio-economic dependence on fossil fuel exploitation and high-emission processes.

The territory of **the Wałbrzych subregion** includes the Lower Silesian Coal Basin, where mines were closed down at the turn of the 20th century due to difficult mining conditions. The process was carried out in a haphazard manner and without proper financial support, the effects of which are still visible in the socio-economic and spatial landscape.

The **Silesian region** is the largest mining region in the European Union, whose economy is largely based on fossil fuels and emission-intensive industries. One of the biggest challenges in the region will be job cuts in the mining sector itself and in companies providing services to mining. The Silesian region has the highest percentage of degraded and devastated areas in the country, in need of reclamation and revitalisation. Coal mining has also led to surface water pollution and water management disruption.

The Oświęcim sub-region in the Lesser Poland region is customarily referred to as **Western Lesser Poland**. It is a coal region that is part of the Upper Silesian Coal Basin. Due to its close proximity, Silesia's transition will affect Lesser Poland commuters and SMEs in supply chains dependent on Silesian coal mines.

The lignite-fired **Bełchatów** power plant is located in the province of Łódź, in the **Bełchatów region**, and is the largest CO<sub>2</sub> emitter in absolute terms in the entire European Union. The coal mined for the power plant is obtained from the largest pit in Poland and one of the largest in Europe. The power plant is crucial to Poland's electricity production.

## Aspect 1. Ambitions and targets

Clear and specific targets are the cornerstone of any climate policy. The level of ambition of the targets naturally affects what measures will be included and whether they will be effective. The updated NECP is more ambitious than the draft version. First of all, it includes a so-called WAM scenario (with additional measures). This is a proactive transition scenario, striving to achieve the targets and objectives of *Fit for 55*. The Plan shows a faster reduction in the use of coal in the economy and the promotion of renewable energy sources. In addition, there is a greater focus on territorial aspects, and the most affected territories are identified. The plan is also much clearer and easier to read than the draft version. Available annexes increase access to the required information.

Unfortunately, often the emphasis on the importance of an aspect is not followed by specific targets and measures that could realistically lead to the elimination of issues. This is a significant shortcoming of the updated NECP. A timeline for the transition away from natural gas and oil is also still missing.

1. Ambitions and targets			
Criterion	NECP Score		Description
	Draft	Final	
1.1 Increasing ambition and avoiding backsliding on targets from Territorial Just Transition Plans	0	1	<p><b>1 – updated NECP takes account of the TJTPs, but does not refer to them in the context of ambitions</b></p> <p>The score has improved between the draft version and the updated NECP.</p> <p>Annex 6. confirms the reference to Territorial Just Transition Plans, which was not the case in the previous version of the draft.</p> <p><i>Poland has taken into account the assumptions and targets set forth in the Territorial Just Transition Plans. (ANNEX 6, P. 19)</i></p> <p>However, it did not emphasise that the updated NECP was more ambitious than the assumptions made in the plans. Moreover, the TJTPs themselves refer to the NECP 2019.</p> <p>The publication of the WAM scenario with additional measures to enable <i>Fit for 55</i> is an upgrade in ambition from the previous version of the project.</p> <p>As noted, <i>the updated NECP Strategy is based on an active transition scenario called WAM (p. 5)</i>. This is significant because a more ambitious scenario is adopted by default for the main document. Many tables in the WAM scenario show an acceleration of decarbonisation relative to the WEM scenario.</p> <p><b>As a result of the above actions, the score has increased from 0 to 1. In the final version of the plan, it is a good idea to clearly indicate the increase in the level of ambition relative to TJTP.</b></p>
1.2 Clear and science-based timeline for transition away from coal in the power sector	1	2	<p><b>2 – timelines are available for transitioning away from coal in the power sector, but financial support for fossil fuels is still assumed</b></p> <p>The score has improved between the draft version and the updated NECP.</p> <p>In addition to the measures indicated in the analysis of the draft version of the plan, there were many tables and charts that clearly indicate a reduction in the power sector's use of coal in the years to come.</p> <p>Examples:</p> <ul style="list-style-type: none"> <li>Table 2.3. Final energy consumption by fuel and carrier [ktoe]</li> </ul>

			<ul style="list-style-type: none"> <li>■ Table 2.8. Fuel input for electricity and heat generation [ktoe]</li> <li>■ Table 2.9. Fuel input in other conversion processes [ktoe]</li> <li>■ Table 3.8. Gross electricity production [TWh] – WAM scenario – it is particularly evident that in 2040, lignite represents 0 kWh, and hard coal 4.1 TWh.</li> </ul> <p>See Annex 3 for a <b>Timeline of decommissioning obsolete electricity generation capacities</b> (P. 26) by fuel.</p> <p><i>The largest number of permanent decommissioning relates to coal-fired plants. According to the timeline presented, more than 8 GW of coal-fired power plants and combined heat and power plants will be shut down between 2022 and 2030. Between 2031 and 2040, another 7.8 GW will be withdrawn from the power balance.</i> (ANNEX 3, P. 27)</p> <p>The text of the updated NECP indicates a shift away from lignite:</p> <ul style="list-style-type: none"> <li>■ <i>The supply of lignite is already being significantly reduced after 2025 (mainly as a result of shutting down obsolete power plants and depleting some of the deposits). The analysis did not assume starting any new lignite deposits. In the context of the Bełchatów Energy Complex (BEC), data from the Territorial Just Transition Plan of Łódź province were taken in terms of projected lignite output – ca. 8.4 m tonnes in 2030.</i> (ANNEX 2, P. 61)</li> <li>■ <i>The timelines for the transition away from lignite-fired plants and the unprofitability of investing in new generating capacities result in a dynamic process of reducing the installed capacity of this technology in the National Power System after 2030, which at the same time translates into a significant decrease in the production of electricity from sources based on this raw material. By 2030, the capacity of lignite power plants will be reduced by about 880 MW, but the pace of phase-outs will increase in the following decade.</i> (ANNEX 2 P. 73)</li> <li>■ <i>The WAM scenario assumes more than 20% more investment in RES development. This is due to a projected shift away from the use of lignite in the power industry by 2040 and a significant reduction in hard coal consumption.</i> (ANNEX 5, P. 5)</li> </ul> <p>The text of the updated NECP also points to a move away from hard coal:</p> <ul style="list-style-type: none"> <li>■ <i>The share of hard coal in the final consumption will already decrease rapidly in the WEM scenario and after 2045, the role of this fuel will be completely marginal.</i> (ANNEX 1, P. 79)</li> </ul> <p>However, further financial support for fossil fuels is planned and no end date is given, which does not allow this aspect to be treated as good practice:</p> <p><i>At present, it is not possible to determine when fossil fuel subsidies will be phased out, as their use will be necessary in the interim for both technical, organisational and economic reasons.</i> (ANNEX 6, P. 18)</p> <p><b>As a result of the above measures, the score has increased from 1 to 2, but cannot be considered a good practice.</b></p>
1.3 Clear and science-based timeline for transition away from coal in the whole economy	1	=	<p><b>1 – timelines for moving away from coal in heating, the closure of the last mine, and the timeline for phasing out coal in final energy consumption are indicated, but financial support for fossil fuels is still assumed, and there are no additional actions to address the identified risk of failure to meet the 2040 target for moving away from coal in buildings</b></p> <p>In addition to the measures indicated in the analysis of the draft version of the plan, there were many tables and charts that clearly indicate a reduction in various sectors' use of coal in the years to come.</p> <p>Examples:</p> <ul style="list-style-type: none"> <li>■ Table 2.4. Non-energy consumption by fuel [ktoe]</li> <li>■ Table 2.13. Heat production in individual heat sources by fuel and energy carrier [PJ]</li> <li>■ Table 3.1. Domestic production by fuel type [ktoe] – WAM scenario</li> <li>■ Table 3.2. Net import-export balance [ktoe]</li> <li>■ Table 3.6. Gross domestic consumption of fuels and energy [ktoe] – WAM scenario</li> </ul>



			<p>However, further financial support for fossil fuels is planned:</p> <p><i>At present, it is not possible to determine when fossil fuel subsidies will be phased out, as their use will be necessary in the interim for both technical, organisational and economic reasons.</i> (ANNEX 6, P. 18)</p> <p>2050 as a date to achieve climate neutrality is mentioned in the context of the European Union, rather than the date for Poland to achieve it. In addition, Annex 6 notes that <i>the available range of solutions and the economic immaturity of many of them, as well as technical and organisational conditions make it impossible to achieve climate neutrality in the short to medium term.</i> (ANNEX 6, P. 14)</p> <p>Moreover, there is a lack of additional action in response to the identified risk of failure to meet the target of moving away from coal in buildings in 2040. The plan states that <i>although the current forecasts indicate that in 2040, households will use hard coal for heating at a level of about 0.8 m tonnes, but it will be used in boilers installed in recent years, that is, with high efficiency and low emissions.</i> (P. 52)</p> <p>Such a record indicates a glaring inconsistency between the stated target, the forecasted diagnosis and the set of planned activities. The forecast results obtained indicate the need to formulate additional measures to allow the replacement of boilers installed in recent years (e.g., by changing the rules of the Clean Air Programme) and to take urgent action to stop the installation of new boilers using hard coal in Poland. Failure to take appropriate action will result, among other things, in numerous households being left without support for ETS2 implementation.</p> <p><b>In view of the above arguments, the score remains unchanged.</b></p>
<p><b>1.4 Clear and science-based timeline for transition away from fossil gas in the whole economy</b></p>	<p>0</p>	<p>=</p>	<p>0 – many measures are planned to move away from natural gas, but there is no clear timeline for the transition away from this fuel. Gas is treated as a transition fuel and its use is expected to increase in the coming years</p> <hr/> <p>A number of tables appeared in the document, indicating an increase in the use of gas in the coming years.</p> <p>Examples:</p> <ul style="list-style-type: none"> <li>■ Table 2.3. Final energy consumption by fuel and carrier [ktoe]</li> <li>■ Table 2.8. Fuel input for electricity and heat generation [ktoe]</li> <li>■ Table 2.9. Fuel input in other conversion processes [ktoe]</li> <li>■ Table 3.8. Gross electricity production [TWh] – WAM scenario</li> <li>■ Table 2.4. Non-energy consumption by fuel [ktoe]</li> </ul> <p>Gas is indicated as a transition fuel.</p> <p><i>The available range of solutions and the economic immaturity of many of them, as well as technical and organisational conditions, make it impossible to achieve climate neutrality in the short to medium term. Natural gas, as a fuel with a much lower carbon footprint than coal and lignite, was explicitly identified in the NECP as a transition fuel. It is worth noting that investments in gas sources are very often one of the few solutions that can effectively accelerate the transition of the systems of large provincial cities, without endangering end consumers.</i> (ANNEX 6, P. 14)</p> <p>New investments in gas-fired generation sources are planned, as can be seen in Annex 3, <i>in the timeline for launching generating units in the WAM scenario from 2022 to 2040.</i> (ANNEX 3, P. 33)</p> <p>Updated NECP also mentions that peak gas demand is yet to come.</p> <p><i>It is currently projected that the peak of domestic demand for natural gas will occur in the period 2025-2030 and will be at about 23 bcm. In the perspective until 2040, it could amount to about 13 bcm.</i> (P. 89)</p> <p>As with coal, it is worth noting there is no plan to eliminate financial support for fossil fuels.</p> <p>However, measures have been included in the updated NECP to help reduce gas demand.</p> <ul style="list-style-type: none"> <li>■ Measure 9. Biogas and biomethane market development support package.</li> <li>■ Measure 112. Development of hydrogen infrastructure.</li> <li>■ Measure 114. Support for the implementation of the “Programme for the development of hydrogen storage in salt caverns to strengthen Poland’s critical infrastructure”.</li> </ul>

				<p>A reduction in gas imports is also planned.</p> <p><i>The popularisation of decarbonised gas production may be an alternative to reduce the import of natural gas into the country and allow for increased use of domestic energy sources. This applies in particular to launching biomethane production, which is practically no different from natural gas in terms of its technical parameters, but also the production of hydrogen.</i> (P. 89)</p> <p>Hydrogen is indicated as one of the alternatives to natural gas.</p> <p><i>In the long term, hydrogen burned in power plants and combined heat and power plants will be able to partially replace natural gas, contributing to balancing the power system.</i> (P. 97)</p> <p><b>However, it is not enough to raise the score. In the final version of the plan, it would be advisable to indicate specific timelines for the transition away from the use of fossil gas.</b></p>
1.5 Clear and science-based timeline for transition away from oil in the whole economy	0	=	0	<p><b>0 – does not mention the timeline for the transition away from oil</b></p> <p>In the context of the energy sector, the use of fuel oil will decline in the coming years, as can be seen in Table 3.8. <i>Gross electricity production [TWh] – WAM scenario</i> (ANEX 1, P. 63). However, its share is already small compared to other fuels.</p> <p>In other sectors, oil use is assumed to increase in the coming years, as can be seen in the following tables:</p> <ul style="list-style-type: none"> <li>▪ Table 2.4. Non-energy consumption by fuel [ktoe]</li> <li>▪ Table 3.6. Gross domestic consumption of fuels and energy [ktoe] – WAM scenario</li> </ul> <p>The score remains unchanged. <b>In the final version of the plan, it would be advisable to indicate specific timelines for the transition away from oil use.</b></p>
1.6 Clear and science-based industrial transition to net zero emissions timeline (conversion or closure of industrial plants which emit GHGs from fossil fuels use or industrial processes)	0	↑	1	<p><b>1 – no mention of timelines for industry's transition to net zero emissions, although there is an apparent decline in industry emissions in subsequent years</b></p> <p><b>The score has improved between the draft version and the updated NECP.</b> There are still no clear timelines for the industry's transition to net zero emissions, and 2050 as the climate neutrality target is given in the context of the entire European Union, rather than Poland. However, there have been new mentions leading to the decarbonisation of the industry. WAM scenario shows the increase in RES use in the industry from 2020 to 2040 – <i>Table 1.29. RES in industry [ktoe]</i>. (ANNEX 1, P. 38)</p> <p>The WAM scenario emphasises that <i>demand for hard coal will also decline in the industrial sector (particularly in industrial plants covered by the EU ETS and as a result of the process of progressive modernisation of production processes)</i>. (ANNEX 1, P. 53)</p> <p>In Table 1.2. <i>Greenhouse gas emission projections by sector</i>, the WAM scenario shows a decrease in emissions in the following years.</p> <p>In Table 1.3. <i>GHG emission projections for sector 1A. Fuel combustion</i>, the WAM scenario shows a split into various industry sectors, and the following tables indicate the split of various greenhouse gases.</p> <p>The following measures are also planned:</p> <ul style="list-style-type: none"> <li>▪ <b>Increasing the efficiency of industrial processes</b></li> </ul> <p><i>Businesses should identify the potential for increasing the efficiency of their processes and reducing energy consumption. In addition to reducing the energy consumption of machines and replacing them with newer ones if economically justified, the use of electric furnaces and recyclable materials is recommended. It is also worth implementing solutions that result in the reduction of unnecessary lighting, unnecessary water consumption, and utilising the potential to use waste heat.</i> (P. 43)</p> <ul style="list-style-type: none"> <li>▪ <b>R&amp;D development in the area of industrial processes and energy production</b></li> </ul> <p><i>In many cases, the solutions used so far or existing in the market do not allow further reductions in energy intensity or carbon</i></p>

		<p><i>intensity, so research and development efforts are needed. They also influence the innovation in the economy, so there are incentives for businesses in this regard. (P. 43)</i></p> <p>▪ <b>Greening the use of process hydrogen</b></p> <p><i>In order to develop industrial applications of hydrogen, it is envisioned to support the formation of hydrogen valleys, i.e. ecosystems that will build a value chain related to the hydrogen economy such as production, transportation, storage and end-use of hydrogen in industry. (P. 43)</i></p> <p>▪ <b>Increasing the combustion efficiency of conventional fuels</b></p> <p><i>Despite the direction of going away from fossil fuels, increasing the efficiency of the existing power generation facilities, especially with regard to heavy industry, may be the only solution in the coming years. Such investments may have difficulty obtaining financing, but when no viable zero-carbon alternative is available, they may be acceptable during the transition period. (P. 42)</i></p> <p><b>As a result of the above measures, the score has increased from 0 to 1. It is worth including a clear and science-based timeline for the industry's transition to net zero emissions in the final version of the NECP, with a focus on the most affected territories.</b></p>
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## Aspect 2. Supporting local economies and communities

The energy transition most severely affects regions whose local economies are based on the fossil fuel sector (in the Polish context, particularly the coal industry). A just transition requires multifaceted support for these regions in moving away from dependence on the fuel sector and finding new opportunities for economic development. The support should also include the aspect of preserving the region's traditional identity despite the transition of local industry, and the aspect of revitalising the environment affected by past mining.

The approach to supporting local economies and communities has improved in the updated NECP relative to the draft version. Descriptions of measures have been expanded, there are new proposals for employees in the most affected regions, as well as the revitalisation of the degraded environment. However, new mobility measures in the most affected territories are not included. Many sections lack specifics, and proposals for measures are only mentioned without real proposals for implementation.

2. Supporting local economies and communities			
Criterion	NECP Score		Description
	Draft	Final	
2.1 Policies and measures supporting local economies through stimulating their endogenous growth potential, including promoting entrepreneurship, supporting SMEs and social economy	2	↑	3
	<p><b>3 – policies or measures in this area form a comprehensive framework</b></p> <p><b>The score has improved between the draft version and the updated NECP.</b> There is a number of new mentions in the updated NECP that can be linked to the topic. Previously, the project cited TJTP and listed two measures whose descriptions have been expanded in the latest version.</p> <p>Through <b>Measure 133. Providing support for coal regions</b>, training and retraining programmes, local development programmes, partnerships and collaborations are planned. The most vulnerable territories are also listed.</p> <p><i>The measure will be implemented, among other things, using funds from the Just Transition Fund (JTF), which supports transition in five regions of the country (Lower Silesia, Łódź, Lesser Poland, Silesia, Greater Poland provinces). Among other things, the funds spent under the JTF will be allocated for activities related to mitigating the consequences of the transition of the fossil fuel and conventional energy industry,</i></p>		

*including: changing the economic profile, increasing innovation and developing SMEs; retraining and actively countering unemployment; reclamation of post-mining areas to improve investment attractiveness; implementing activities related to energy efficiency, the green economy and the closed loop economy.* (P. 156)

The following items were also added:

- Creating a system of investment incentives in mining and high emission regions;
- Mapping the regions' needs for the availability and qualifications of human resources in the energy and related sectors in the context of investment and transition projects;
- Mapping education and retraining needs;
- Designing and programming educational and professional development specialisations;
- Integrating training and recruitment activities between public institutions and business entities;
- Counselling, education and information campaigns and support centres for employees in transition and their families;

There is also a new **Target 4.5.4. Creating green jobs.**

*Green jobs also play a key role in a just transition. Economic and environmental transition need not and cannot come at the expense of employees and communities that rely on carbon-intensive industries. Green jobs are often a better alternative for people who may lose their jobs in fossil fuel extraction and processing sectors as a result of the transition. By investing in training and education, these employees can gain new skills and qualifications, allowing them to find employment in more sustainable sectors of the economy. They also support the development of local communities, especially those previously dependent on carbon-intensive industries. Investments in renewable energy, closed-loop economies, or organic agriculture can create new sources of income and increase the economic stability of former mining regions. Green jobs help build a more responsible and engaged society in which the benefits of the climate transition are evenly distributed.* (P. 121)

The regional aspect of the measure was emphasised.

*Special attention will be given to regions that have historically depended on carbon-intensive industries, such as mining. The policy will include regional strategies that support the development of alternative sources of employment, tailored to local needs and resources. Mechanisms will be created to support local communities, including funds for the development of green jobs and innovative projects to support the local economy.* (P. 122)

The topic also appeared in the WAM scenario.

*Monitoring and proper management of the labour market transition process will be important to mitigate the socioeconomic consequences of the changes, through interventions aimed at adapting the professional skills of employees in the future. Employee upskilling and retraining activities will be necessary. Outreach activities to raise public awareness of the required changes will be important, increasing the adaptability of employees.* (ANNEX 1, P. 84)

Specific measures with a regional focus are indicated.

*Confirmation of the possibility of redirecting mining sector employees to other sectors is provided by existing programmes such as "Wind – a mine of opportunities", which prepares mining sector employees to work as wind turbine technicians and service personnel. In contrast, the "Road to post-coal employment" project points to possible cooperation between the government, local administrations and mining companies in order to professionally activate communities dependent on coal mining. Within the framework of the aforementioned project, PLN 257 m is to be allocated to support 2,200 people (70% from the Just Transition Fund and 30% from the state budget). The funds, offered through various forms of support, are to go to people who have lost their jobs*

			<p>since January 1, 2018 at mines and power plants located in Eastern Greater Poland, their family members and those employed in companies that depend on the operations of regional mines and power plants. The Just Transition Fund is becoming an important tool to support such changes. In December 2022, the European Commission approved five Polish regional programmes with Territorial Just Transition Plans and Just Transition Fund allocations totalling more than EUR 3.85 bn. These are earmarked for mitigating the effects of climate transition of mining areas in Silesia, Lesser Poland, Greater Poland, Lower Silesia and Łódź province. (ANNEX 1, P. 84)</p> <p>With the transition of the economy, it will be very important to adjust professional skills. It will be crucial to take steps to create quality jobs and work to promote just transitions in coal-dependent regions. The modelling results also show a marked decline in the share of employment in agriculture, while the share of employment in industry and services will increase. It will be very important to take these changes into account and support employees in changing jobs and acquiring new and specialised skills, especially in areas related to renewable energy sources, energy efficiency and technologies related to the low-carbon economy. Training programmes and educational support will be key in this process. Changes in the economy caused by the transition should be considered in the category of development opportunities. In coal regions in particular, a deep modernisation of the skills profile of the workforce will be necessary, as the increase in the use of carbon-free energy sources will translate to the creation of new jobs in wind, solar, nuclear, and bioenergy sectors. (ANNEX 1, P. 85)</p> <p>As a result of the above measures, the score has increased from 2 to 3, and the criterion is considered a good practice. However, this does not mean that the updated NECP fully covers policies and measures to support local economies by stimulating their endogenous growth potential, including promoting entrepreneurship, supporting SMEs and the social economy. The high score comes from delving deeper into the Territorial Just Transition Plans during the assessment of the draft version. In the final version of the plan, it would be worthwhile to indicate more details of the above-mentioned measures.</p>	
2.2 Policies and measures for the preservation of the identity of mining/traditional industrial communities	2	=	2	<p><b>2 – many policies or measures in this area are discussed, but some important details are missing</b></p> <p>In Measure 133. Providing support for coal regions, additional points were included, among them:</p> <ul style="list-style-type: none"> <li>■ Counselling, education and information campaigns and support centres for employees in transition and their families;</li> <li>■ Preservation of traditions and cultural heritage of mining and industrial regions;</li> <li>■ An education and information campaign on the plans and practical dimensions of the transition, as well as multi-level public consultations of updated NECP and energy transition strategy documents.</li> </ul> <p>However, there is a lack of details and specific proposals for actions that should be added in the final version of the document. The score remains unchanged.</p>
2.3 Policies and measures for the revitalisation of the natural environment, both for restoring biodiversity and recreational purposes	1	↑	2	<p><b>2 – many policies or measures in this area are discussed, but some important details are missing</b></p> <p>The score has improved between the draft version and the updated NECP. New measures are included that will serve the purpose of environmental revitalisation.</p> <ul style="list-style-type: none"> <li>■ Measure 68. Identification of sites with land surface pollution caused by economic activities.</li> </ul> <p>The measure is aimed at continuing to identify sites with soil and land contamination. First of all, sites where there is a current or past activity that may have contributed to soil or land contamination will be assessed for contamination. A list of such activities will also be verified. (P. 144)</p>

			<ul style="list-style-type: none"> <li>Measure 69. Promoting remediation of contaminated land surface. <i>The measure is to seek and promote the best technologies related to the remediation of soil and land that contains risk-causing substances in amounts that pose a threat to human health and life and the environment. (P. 144)</i></li> <li>Measure 71. Supporting the reclamation of degraded and devastated land. <i>The measure consists of providing various types of support when reclamation of degraded and devastated land is implemented. Carrying out reclamation of degraded land is aimed at increasing its production potential. Reclamation of devastated land and its integration into the economic cycle is also an important measure, so that no investments are located in green areas. (P. 144)</i></li> </ul> <p><b>As a result of the above measures, the score has increased from 1 to 2. In the final version, it is worth indicating that actions will also be implemented in the most affected territories, and linking them specifically to programmes, measures, etc.</b></p>
2.4 Special, region-specific policies and measures to promote smart and sustainable mobility (both in the most affected areas within the transition region and connecting it to other regions)	1	=	1
			<p><b>1 – some policies or measures in the area are included, but in a way that is largely insufficient to be effective</b></p> <p>As in the draft version, the updated NECP lists many green transportation actions, but not in a regional context. <b>The score remains unchanged.</b></p>

### Aspect 3. Local clean energies and decarbonised industries

A well-designed just transition policy should include an assessment of the specific local needs of the most affected regions for affordable green energy and decarbonisation of industrial processes. Poland is promoting an increase in the use of renewable energy sources both in the power sector and in households. However, reference to the most affected territories is still missing.

3. Local clean energies and decarbonised industries				
Criterion	NECP Score			Description
	Draft		Final	
3.1 Assessment of needs in the area of deploying affordable clean energy (including district heating, if applicable), energy efficiency and/ or decarbonised industrial processes	0	=	0	<p><b>0 – does not assess the level of needs in this area</b></p> <p>No changes compared to the draft version. <b>The score remains unchanged. The final version of the plan should include an assessment of the needs related to implementing affordable clean energy in the regions most affected by the transition.</b></p>
3.2 Policies and measures to fulfil the needs in the area of affordable clean energy (including district heating, if applicable), energy efficiency and/ or decarbonised industrial processes	2	=	2	<p><b>2 – many policies or measures in this area are discussed, but some important details are missing</b></p> <p>No changes compared to the draft version. The assessment results from the measures listed in TJTP. The updated NECP mentions many new measures to support the development of clean energy, but they apply to the entire country.</p> <p><b>The score remains unchanged. Policies and measures to address affordable clean energy needs in the most affected territories should be included in the final version of the plan.</b></p>

## Aspect 4. Inclusivity of regional transition

For the energy transition to be truly socially just, it must take into account both existing social inequalities and the situation of social groups particularly vulnerable to exclusion in the context of the transition itself. Moreover, more often than not, groups that experience broader socio-political marginalisation will also be at risk of exclusion in the transition process. Although the word “inclusivity” has appeared in the updated NECP, which is good news and a novelty compared to the draft version, it is not followed by specific actions. Consideration of gender equality, the special role of women, the disabled, the elderly, as well as other vulnerable groups, has not been included to any greater extent than in the draft version of the plan. This is worth correcting when working on the final version of the document.

4. Inclusivity of regional transition				
Criterion	NECP Score			Description
	Draft		Final	
4.1 Promotion of gender equality to address the specific situation and role of women in the transition to the climate-neutral economy	1	=	1	1 – does not mention any policy or measures in this area in the updated NECP, but some policies or measures have been included in other documents
				No changes compared to the draft version. Some actions are mentioned in TJTP. The score remains unchanged.  Promotion of gender equality to address the specific situation and role of women in the transition to the climate-neutral economy, particularly on a regional basis, are issues that need to be addressed in the final version of the NECP.
4.2 Special attention paid to vulnerable groups (such as people with disabilities) that suffer disproportionately from the adverse effects of the transition	1	=	1	1 – does not mention any policy or measures in this area in the updated NECP, but some policies or measures have been included in other documents
				Target 4.5.5. Maintaining social and economic balance is a new element in the updated NECP. The following passage appeared in the description:  <i>A key element of a just energy transition is also its inclusiveness, that is, the inclusion and consideration of the voices of all stakeholders. This process requires the involvement of various community groups, local leaders, employees and NGOs in the decision-making process. Conducting broad public consultations, involving local communities in energy policy planning and implementation, and ensuring transparency and openness in decisions are essential. Only by addressing the needs and concerns of different social groups can public support for energy transition measures be built. This kind of approach ensures that the transition will not only be effective, but also socially and economically just. This is the spirit in which the document you are reading is being created.</i> (P. 122)  However, there are no details or specific actions indicated, so the score remains unchanged.  The final version of the NECP should take more account of vulnerable consumers and propose policies that will directly affect them.
4.3 Policies and measures addressing demographic impacts of the ageing population of regions in transition	1	=	1	1 – does not mention any policy or measures in this area in the updated NECP, but some policies or measures have been included in other documents
				Policies and measures for young and older employees have been proposed.  As the authors of the IBS37 report on mining transition issues point out, measures to support employees leaving the coal mining sector should be differentiated by age. With regard to older employees, it is rational to propose a deferred policy of natural departures from the sector, the possibility of working on the surface or in a Mine Restructuring Company, and

relocation to another mine. In the case of younger employees, on the other hand, it will be more socially acceptable to offer relocation to another mine or retraining and employment outside mining. As indicated in the IBS report, the structure of jobs and positions in active mines is similar, and the share of the lowest-skilled persons is gradually decreasing. From the point of view of a just transition, changes in the educational structure are a positive development. The IBS report indicates a decline in the number of people obtaining qualifications related to mining jobs. Graduates of trade and technical schools are mostly choosing career paths other than employment directly in mining. This situation is favourable from the point of view of the transition, since it means a decrease in the flow of young employees into the sector, but it requires monitoring to enable further training and changes in the profile of personnel training. (ANNEX 1, P. 84)

However, this is only a reference to the report and there is no explicit indication of whether specific measures will be implemented. **Therefore, the score remains unchanged.** In the final version, it is worth pointing out specific proposals.

### Aspect 5. Regional just transition governance

Proper management of energy transition processes plays a key role in achieving its targets. Involving as wide a range of stakeholders and interested citizens as possible in these processes at the regional level is crucial both to achieving a just outcome of the decision-making processes and a public mandate for that outcome.

Effective governance must also include institutional coordination of regional and national processes so that they are part of a single, coherent undertaking with complementary goals. All TJTPs emphasise consistency with national documents, but talk about governance more often in a regional, provincial context. A just transition is particularly important for Poland because of its high dependence on coal. Its importance is highly emphasised at many levels. The regional aspect and consistency with territorial just transition plans has gained importance in the updated NECP. However, institutional coordination of the implementation of a just transition between regional and national authorities and the inclusion of stakeholders and citizens in regional transition management still need to be improved.

5. Regional just transition governance			
Criterion	NECP Score		Description
	Draft	Final	
5.1 Consistency of regional and national transition planning process	2	3	<p><b>3 – consistency of regional and national transition planning process fostering the effective delivery of policies and measures to be implemented</b></p> <p>The score has improved between the draft version and the updated NECP. The document explicitly indicates that the Territorial Just Transition Plans were taken into account in the creation of the plan.</p> <p>Poland has taken into account the assumptions and goals set forth in the Territorial Just Transition Plans. Following the operationalisation of this recommendation, the issue was clarified in the body of the document. (ANNEX 6, P. 19)</p> <p>Territorial plans were also invoked in several places:</p> <p>In the context of the Bełchatów Energy Complex (BEC), the forecasting assumptions take into account data from the Territorial Just Transition Plan of the Łódź region regarding the decommissioning of one of the generating units by the end of 2030 (no production after January 1, 2031), as well as electricity production at BEC – about 6.9 TWh and lignite output – about 8.4 m tonnes in 2030. (ANNEX 3, P. 29)</p>



			<p>Also in terms of financing:</p> <p><b>Dimension "Intra-EU energy market and social aspect of transition"</b></p> <p><i>As part of the Recovery and Resilience Plan (RRP), fundamental reforms and investments for businesses in products, services, and in the competencies of employees and staff support the green transition, complementing territorial plans for just transition and activities financed by the European Social Fund Plus (ESF+).</i> (ANNEX 5, P. 10)</p> <p><b>As the result of above measures the score has increased from 2 to 3, and the aspect has become a good practice. Annex 6. is a response to the European Commission's Recommendations, so it is worthwhile to assure consistency in the core text of the updated NECP as well. The high score also comes from delving deeper into the Territorial Just Transition Plans during the assessment of the draft version. The final version of the plan could point out more details.</b></p>
<b>5.2 Institutional coordination of just transition implementation between regional and national authorities</b>	<b>0</b>	<b>=</b>	<b>0</b>
			<p><b>0 – does not mention institutional coordination on just transition implementation, and it is rarely considered in other documents</b></p> <p>No changes compared to the draft version. The score remains unchanged. <b>The final version of the NECP should give greater consideration to issues of institutional coordination in implementing a just transition between regional and national authorities.</b></p>
<b>5.3 Inclusion of stakeholders and citizens into regional transition governance</b>	<b>1</b>	<b>=</b>	<b>1</b>
			<p><b>1 – no mention of stakeholder and citizen involvement, but mentioned in other documents</b></p> <p><b>Target 4.5.5. Maintaining social and economic balance</b> is a new element in the updated NECP. The following passage appeared in the description:</p> <p><i>A key element of a just energy transition is also its inclusiveness, that is, <b>the inclusion and consideration of the voices of all stakeholders</b>. This process requires the involvement of various community groups, local leaders, employees and NGOs in the decision-making process. Conducting broad public consultations, involving local communities in energy policy planning and implementation, and ensuring transparency and openness in decisions are essential. Only by addressing the needs and concerns of different social groups can public support for energy transition measures be built. This kind of approach ensures that the transition will not only be effective, but also socially and economically just. This is the spirit in which the document you are reading is being created.</i> (P. 122)</p> <p>However, this passage of text is not followed by any specific actions, which makes the assessment impossible to raise. <b>Realistic measures that involve stakeholders and citizens in regional transition management are worth including in the final version of the plan.</b></p>

## IV. Distributional aspects

The distributional aspects of the green transition are primarily related to the varied impact of climate policy on the socioeconomic environment, which involves the unequal distribution of income, opportunities and challenges among the population. This is reflected in changes in the living standards of the general population and vulnerable groups, especially in terms of access to basic public services, facilities and rights, as well as the labour market. Therefore, the updated NECP should explicitly take into account the distribution of costs and benefits of the planned measures and focus in particular on supporting the groups already most vulnerable or most exposed to the negative effects of the transition. This is especially important in view of the upcoming implementation of the so-called ETS2 system in the buildings and road transport sectors, the impact of which will be particularly felt by these people, as well as the preparation of a Social Climate Plan as part of the use of funds from the Social Climate Fund from 2026.

The criteria chosen for evaluating the distributional dimension of just transition policies in the NECP therefore include the following aspects: prevention of energy and transport poverty (financing mechanisms and public policy instruments, especially fiscal and social security instruments) put in place to support vulnerable groups, policies that affect the working population, and overall quality of public participation in the NECP revision process. The assessment of distributional aspects is carried out at the national level (as opposed to territorial aspects).

### Aspect 6. Overarching impact assessment of distributional impacts

Policy makers need to be aware of the profound and multifaceted impact of just transition programmes on the overall *distribution* of resources in the society. In order to adequately assess this impact, it is necessary to identify certain key socioeconomic groups (such as people from different income groups or rural households from different residences) that may be exposed to particular consequences of the transition. Clear targets and criteria for measuring progress in terms of socioeconomic impact should also be established so as not to lose sight of the fundamental aspect of the transition's being *just*.

It is worth remembering that while the implementation of the measures envisaged in the updated NECP will contribute to reducing emissions in various sectors, reducing the consumption of fossil fuels and increasing the share of renewable energy sources, it will also involve impacts that will be felt in particular by vulnerable consumers, including the poorest.

The overall assessment of distributional impacts has improved in the updated NECP. A large part of the document is devoted to social impacts, and a split by income groups is also included in some aspects. Unfortunately, not all distributional impacts have been considered in equal detail. Energy poverty again received the most attention.

6. Overarching impact assessment of distributional impacts			
Criterion	NECP Score		Description
	Draft	Final	
6.1 Assessment of overall distributional impacts of the policies and measures covered by NECP update – by income groups	0	2	<p><b>2 – the description of overall distributional impacts is sufficient and it does consider differentiation by income groups, but some important details are missing</b></p> <p><b>The score has improved between the draft version and the updated NECP.</b> The WAM scenario assesses the share of household spending on fuel and energy by income group.</p> <p><i>5.5.3. Share of household spending on fuel and energy</i></p> <p><i>In this chapter, we point out the potential social impacts of implementing climate policies consistent with the WEM and WAM scenarios. The social impact analysis was conducted using the household module, which is based on data from the Household Budget Survey. Based on this data, households were divided into 5 income quintile groups, where the first group contains 20% of households with the lowest income. Then, for each income group, the share of spending in total spending on the following categories of energy and fuel goods was calculated: 1) electricity, 2) gas, 3) liquid fuels, 4) solid fuels, 5) district heat, and 6) diesel and gasoline. In the last step, the evolution of this spending until 2040 was calculated, using price projections for each energy carrier, consumption volumes and household incomes. This analysis assumes that changes in consumption of individual goods and increases in wealth will equally affect households belonging to different income groups. (ANNEX 1, P. 85)</i></p> <p>The analysis showed that <i>in 2025, the assumed threshold for energy deprivation will, on average, be exceeded by even the fourth income quintile. In subsequent 5-year periods, the share of energy expenditures will steadily decline. (...) After 2030, on average, all quintile groups should allocate less than 10% of their budgets to meeting energy needs, so they will be below the conventional threshold of energy deprivation.</i></p> <p>Other elements assessed in section "5.5 Social Impacts" are:</p> <ul style="list-style-type: none"> <li>▪ Real wage dynamics;</li> <li>▪ Employee qualifications;</li> <li>▪ Health and environmental impacts.</li> </ul> <p>However, the income groups were not included in them.</p> <p><b>Target 4.5.5. Maintaining social and economic balance</b> (P. 123) is a new element in updated NECP, and addresses the issue of assessing the distributional impact of policies and measures. It mentions that <i>the energy transition as a process of changing the economic and energy system brings with it a variety of distributional impacts that may lead to new income and regional inequalities. (...) Tax credits will be introduced for low-income families to minimise the negative impact of costs associated with the transition to green energy.</i> (P. 122)</p> <p><b>As a result of the above measures, the score has increased from 0 to 2, but there is still room for improvement. The description by income groups is not very clear, and energy poverty is mixed with transport poverty. In the final version of the NECP, it is worth separating the two concepts with income groups taken into account.</b></p>
6.2 Assessment of overall distributional impacts of the policies and measures covered by NECP update – by other relevant groups (e.g. rural households, pensioners)	0	1	<p><b>1 – expected overall distributional impacts are mentioned, but the description is scarce and does not consider differentiation by relevant social groups</b></p> <p><b>The score has improved between the draft version and the updated NECP.</b></p> <p>Target 4.5.5. Maintaining social and economic balance (P. 122) is a new element in the updated NECP, which indicates that:</p> <p><i>The energy transition, as a process of changing the economic and energy system, has a variety of distributional impacts that can lead to new income and regional inequalities. (...) Monitoring these impacts is key to identifying in a timely</i></p>

			<p>manner the groups and regions most vulnerable to the negative consequences of the transition. (...) Monitoring of distributional effects will include a systematic analysis of the impact of the energy transition on various social groups and regions to identify the areas and groups most vulnerable to negative effects. To this end, mechanisms will be put in place to redistribute benefits, such as subsidies for regions and social groups affected by the changes, and tax breaks to minimise social and economic inequality. Analyses will be conducted in cooperation with research institutions and based on social monitoring data. (P. 122-123)</p> <p>However, details and specifics are lacking. The measure identified for this target is Measure 147. <i>Education and training human resources for the economy in the field of climate and energy transition</i> covers only one problem – employment.</p> <p>There are mentions that are somewhat evaluative in nature, such as:</p> <ul style="list-style-type: none"> <li>▪ <i>First and foremost, it will be necessary to reactivate bus services within the framework of programmes such as the Public Utility Bus Service Development Fund, which aims to restore discontinued bus routes, especially in smaller towns and rural areas</i> (P. 119),</li> <li>▪ <i>Energy poverty affects both rural and urban areas, single-family homes and multi-apartment buildings</i> (P. 117) (excerpt also included in the draft version),</li> </ul> <p>but they lack detail.</p> <p>The introduction to the WAM scenario indicates that <i>the document presents a multi-faceted analysis of the impacts of the climate and energy transition until 2030, with a horizon to 2040</i> (ANNEX 1, P. 4). However, it lacks a social split.</p> <p>In section “5.5 Social Impacts”, elements are included, such as:</p> <ul style="list-style-type: none"> <li>▪ Real wage dynamics</li> <li>▪ Qualifications of employees</li> <li>▪ Health and environmental impacts.</li> </ul> <p><b>As a result of the above measures, the score has increased from 0 to 1. However, there is still room for improvement. Ideally, the final version of the NECP should include an assessment of distributional impacts by region, urban and rural areas, occupational groups, vulnerable groups, etc.</b></p>
<p><b>6.3 Common understanding of terms and measuring progress toward targets</b></p>	<p>1</p>	<p>=</p>	<p>1</p> <p><b>1 – there is some basic alignment of terms across different documents, and measuring progress toward targets is mentioned, but no details are provided</b></p> <p>There are many ways to measure progress, but unfortunately, inconsistencies can be seen in the use of some terms. The most important example is the Social Climate Fund. In addition to the official name, there are also changed names, which can lead to confusion.</p> <p>Another example is “energy deprivation”, which appears instead of the concept of energy poverty. (ANNEX 1, P. 85).</p> <p>Unfortunately, many of the targets mentioned are very vague. Example: <i>Increase the number of green jobs by 2030 compared to 2023</i>. Such a target adds nothing to the content of the document, as the scale of the problem is not given, nor is it specified what level Poland will aim for.</p> <p><b>The score remains unchanged. In the final version of the plan, the naming should be corrected and the targets made more specific.</b></p>

## Aspect 7. Energy poverty

As defined in Article 5gb of the Polish Energy Law, energy poverty means *a situation in which a household run by one person or by several persons jointly in a self-contained dwelling or in a single-family dwelling in which no commercial activity is carried out, cannot secure sufficient heat, cooling and electricity to power appliances and for lighting, where the household collectively meets the following conditions:*

- *achieves low income;*
- *incurs high energy expenses;*
- *resides in premises or building with low energy efficiency.*

Addressing this issue through climate policy is crucial from a social justice perspective, as it counteracts a situation in which the most economically disadvantaged members of society are disproportionately burdened with the cost of the energy transition.

There are many activities underway in Poland that combat energy poverty. The approach to the problem has improved in the updated NECP, new data and measures have been included, but many details are still missing.

7. Energy poverty				
Criterion	NECP Score			Description
	Draft		Final	
<b>7.1 Inclusion of indicative targets aimed towards reduction of energy poverty</b>	1	=	1	<p><b>1 – targets are there but they are not sufficiently detailed and/or do not use appropriate indicators</b></p> <p>The latest version of the draft sets a target of reducing energy poverty.</p> <p><i>It was assumed that the level of energy poverty would fall by 0.25 percentage points on average per year. The minimum target adopted in the NECP is to reduce the level of energy poverty from 9.05% in 2019 to 6.3% in 2030 and 3.8% in 2040. (P. 117)</i></p> <p><b>However, details are lacking, which does not allow to raise the score.</b></p>
<b>7.2 Assessment of the level of energy poverty and quality of used indicators</b>	1	↑	2	<p><b>2 – energy poverty is accurately described, the assessment is based on good qualitative indicators, but some important details are missing</b></p> <p><b>The score has improved between the draft version and the updated NECP.</b> Information has been included about the scale of energy poverty in Poland.</p> <p><i>Data on the scale of energy poverty are collected as part of public statistics conducted by the President of the Central Statistical Office and the Minister of Energy. They show that a steady decline in the value of the indicator was observed until 2019 (9.3% in 2019). Since 2020, there has been a change in the trend, due to the increase in energy market prices caused by the COVID-19 pandemic and Russia's subsequent aggression against Ukraine. As a result, in 2022, the problem of energy poverty in Poland affected about 10.5% of households. (ANNEX 6 P. 16)</i></p> <p>The table with energy poverty indicators was also repeated, according to which the average for the four energy poverty indicators for 2019 was at 9.05% (P. 117). This data is hardly up-to-date and needs updating.</p> <p>Moreover, such a methodology for measuring the issue, although it tries to take into account the various dimensions of energy poverty, seems suboptimal at the national level. By choosing an arithmetic average of indicators that have different translations into the area of household energy, the level of energy poverty can change as a result of measures</p>

				<p>unrelated to the sectoral source of the problem. For example, a reduction in overall poverty in the population is enough to improve the rate, even if the number of people at risk of energy poverty does not change. In other words, this indicator, through the construction of a simplified average of various dimensions, makes it difficult to identify the causes of changes in the situation (including the success of any actions taken under the Plan) and to plan an appropriate response. It also fails to consider the potential increases in energy prices compared to income, for example as with the intensification of the energy crisis in 2022.</p> <p>A new element in the updated NECP is the mention of three key causes of energy poverty:</p> <ul style="list-style-type: none"> <li>▪ <b>high energy costs</b> – can result from both the poor quality of housing (low energy efficiency of buildings and appliances), the availability and price of energy carriers, but also behavioural factors (bad habits of energy consumers);</li> <li>▪ <b>low income</b> – energy poverty often affects low-income households. It is assumed that this applies to households whose income after deducting housing expenditures (the After Housing Cost – AHC) represent less than 60% of the median AHC income in the population;</li> <li>▪ <b>poor technical condition of the building</b> – leaking roofs, moisture, mould and lack of proper insulation, resulting in a low energy efficiency class of the building. These are structural problems that cause the need for more energy to heat a building, increasing costs and exacerbating energy poverty.</li> </ul> <p><b>As a result of the above measures, the score has increased from 1 to 2. However, there is still considerable room for improvement. The data on the level of energy poverty come from Annex 6, which contains responses to inquiries from the European Commission. It is worthwhile to include such data in the main body of the document and expand on it, especially since it is more up-to-date than the table on p. 117.</b></p>
7.3 Direct support to alleviate energy poverty	2	=	2	<p><b>2 – existing and planned policies or measures in this area are described and expected to deliver a meaningful change, but do not address the problem comprehensively</b></p> <p>There are new mentions in the updated NECP that can be linked to energy poverty support.</p> <p>The ad hoc measures used have been mentioned:</p> <p><i>Given the complexity of the phenomenon, various types of countermeasures are being taken. For the period from January 2023 to June 30, 2024, a tool of “freezing” prices and tariffs for all household consumers at 2022 levels, from before the increase, was used. In addition, temporary cash support in the form of a so-called shield allowance was applied for low-income people. This type of information was not presented at the NECP due to the fact that the system had been terminated, but was also – in principle – ad hoc in its nature. (ANNEX 6 P. 16)</i></p> <p>Institutions that should address the problem have been identified:</p> <p><i>Conducting a comprehensive state policy aimed at solving the problem of energy poverty requires the actions of various public entities – from the bodies of the supreme public administration in determining the directions for reducing the phenomenon, to the level of local government units and social welfare institutions, which are most capable of reaching the affected people, as well as assessing the adequacy of assistance to the needs. (P. 117)</i></p> <p>It was also pointed out that supporting the energy-poor in carrying out thermal upgrades will not always be an appropriate measure.</p> <p><i>The reduction of energy needs is aimed at reducing the costs associated with energy consumption, which will have an impact on reducing the degree of poverty, not just energy poverty. It should be emphasised that not in every case will a thermal modernisation investment be justified, especially in</i></p>

			<p>houses in very poor condition and low energy class. Other forms of supporting residents should then be considered. (p. 118)</p> <p>There have been mentions of the Social Climate Plan, which will be a tool to combat energy poverty:</p> <p><b>The Social Climate Plan, which is being worked on, will have a huge role in protecting the most vulnerable citizens from the negative effects of the transition. The plan will specifically refer to the Social Climate Fund, which will be a key source of funding.</b> (p. 118)</p> <p>Annex 5 on sources of funding also includes the Clean Air Programme. However, it was not stated how much the direct support for energy poverty alleviation will cost Poland.</p> <p>Nor has a timeline been indicated for phasing out direct support. It is not known to what extent the implementation of the programmes has contributed to reducing energy poverty, so the score is left unchanged. <b>It is recommended that these elements should be included in the final version of the document.</b></p>
<p><b>7.4 Measures that support investments which structurally decrease energy bills by investment in energy efficiency and zero-emission energy sources</b></p>	<p>2</p>	<p>↑</p>	<p><b>3 – policies or measures in this area form a comprehensive framework</b></p> <p><b>The score has improved between the draft version and the updated NECP.</b></p> <p>The updated NECP includes a number of measures that can indirectly reduce energy poverty in Poland. In Annex 5 on sources of funding, descriptions were added for them, as well as the sources of funding and planned budgets.</p> <p>Also, additional measures have been included that will indirectly affect the fight against energy poverty.</p> <ul style="list-style-type: none"> <li>▪ Measure 102. Implementing new energy standards to new buildings and buildings undergoing major renovations.</li> <li>▪ Measure 103. Energy score system for buildings and technical building systems.</li> <li>▪ Measure 104. Financial instrument – support for activities related to improving the energy efficiency of buildings under European funds.</li> </ul> <p>The importance of the Long-Term Building Renovation Strategy was noted:</p> <p><i>The scenario adopted in the Long-Term Building Renovation Strategy should allow the least efficient buildings (with energy consumption above 330 kWh/(m<sup>2</sup>year)) to be upgraded by 2027, which is the first year of effective operation of the EU ETS-2.</i> (p. 77)</p> <p>The importance of implementing the EPBD was noted:</p> <p><i>A special role in achieving energy savings in the construction sector will be played by the implementation of obligations under the Energy Performance of Buildings Directive (EPBD), according to which, among other things:</i></p> <ul style="list-style-type: none"> <li>▪ <i>by the end of 2026, a national building renovation plan will be developed (replacing the Long-term Building Renovation Strategy),</i></li> <li>▪ <i>a National Plan will be developed for the introduction of a life-cycle global warming potential,</i></li> <li>▪ <i>minimum energy performance standards for non-residential buildings in use will be set:</i> <ul style="list-style-type: none"> <li>▫ <i>the first threshold (softer – 16%) should be met by all non-residential buildings as of January 1, 2030,</i></li> <li>▫ <i>the second threshold (stricter – 26%) should be met by all non-residential buildings from January 1, 2033.</i></li> </ul> </li> <li>▪ <i>a renovation passport system will be introduced,</i></li> <li>▪ <i>solar energy will be required for new buildings (starting December 31, 2026 – different timelines for different buildings) and a certain group of existing buildings (see the next section for details),</i></li> <li>▪ <i>infrastructure for sustainable mobility will need to be provided.</i> (p. 79)</li> </ul> <p>The National Contact Point was also recalled, which should already be up and running, but is still only planned.</p>

			<p>A major support for those interested in RES investments will be the launch of the National Renewable Energy Sources Contact Point (RES NCP). The point will operate within the framework of a special website, where a special manual will be made available, which will provide investors with comprehensive knowledge of investment processes in RES installations. In addition, it will allow the point to request individual assistance through a contact form. The RES NCP will be mainly intended for prosumers and non-professionals wishing to participate in the RES market. (P. 114)</p> <p>Additional measures are also planned.</p> <p>Introduction of subsidies is being considered for solutions that improve energy efficiency to a greater extent than before (including, for example, performing an energy audit of a building or replacing household appliances with those of a higher energy score), as well as educational activities.</p> <p>More in this area should be included in the Social Climate Plan. (ANNEX 6 P. 16)</p> <p><b>As a result of the above measures, the score has increased from 2 to 3, and the aspect became a good practice. However, it will be important to ensure that the identified measures are implemented.</b></p>
<p><b>7.5 Addressing energy market inefficiencies which negatively affect vulnerable consumers</b></p>	2	=	<p><b>2 – many policies or measures in this area are discussed, but some important details are missing</b></p> <p>There are new mentions in the document that can be linked to the topic, but they do not affect the score upgrade.</p> <p>The need to <i>increase the possibility of active participation by electricity market participants in the balancing market was mentioned, and increasing the catalogue of services for electricity system flexibility, including the popularisation of dynamic tariffs.</i> (P. 103)</p> <p>The WAM scenario shows the dynamics of electricity prices for end users. <i>These projections show a significant increase in electricity prices for end users over the first few years of the analysed period. After 2025, the situation in the energy market will begin to stabilise, and in the following years, the energy prices will begin to drop. (...) At the same time, it is expected that over time, the one-off investments into modern technologies will also decrease, which in the future will mitigate the difficulties associated with the significant expenses for modernisation of the sector.</i> (ANNEX 1, P. 77)</p> <p><b>However, this does not go beyond the activities indicated in the draft version, so the score remains unchanged.</b> There is still a lack of specific information, such as the anticipated funding for the listed targets and measures. <b>It is worth including them in the final version of the plan.</b></p>


## Aspect 8. Transport poverty

Transport poverty refers to the challenges faced by people with limited access to affordable public or private transportation. It usually results in further serious difficulties such as limited access to health care, education or employment. Part of a just transition should be measures that reduce emissions in the transportation sector, while prioritising ensuring that all members of society have access to reliable public transportation.

Transport poverty appeared in the updated NECP along with target **4.5.2. Reducing transport poverty**. This is positive news, as such a concept was not included in the draft version. However, the approach to the problem is watered down, with many places lacking specifics. The target of transport poverty reduction is to strive for transportation accessibility for Poland's residents, so it does not bring any new information – it does not outline the current level of the problem or the level at which Poland should aim.



8. Transport poverty				
Criterion	NECP Score			Description
	Draft		Final	
8.1 Inclusion of indicative targets aimed towards reduction of transport poverty	0	=	0	<p><b>0 – the target stated in the updated NECP has no real impact on reducing transport poverty</b></p> <p>The concept of transport poverty and its associated reduction target have been included in the updated NECP.</p> <p><i>The target is to strive for transportation accessibility for Poland's residents. (P. 118)</i></p> <p>Such a target contributes nothing and is not specific, so the score remains unchanged. The final version of the NECP should include a specific target with figures.</p>
	0	=	0	<p><b>0 – does not assess the level of transport poverty</b></p> <p>The concept of transport poverty has been included in the updated NECP.</p> <p><i>In Poland, transport poverty is closely linked to the uneven development of transportation infrastructure. In large cities, especially metropolitan areas, the problem is less acute thanks to a developed public transportation network. However, in smaller cities and rural areas, where access to public transportation is sometimes limited or even non-existent, the problem of transport poverty is much more pronounced. (P. 118)</i></p> <p>The definition of transport poverty is also worth noting:</p> <p><i>Transport poverty refers to the difficulties individuals and households face in accessing private or public transportation, resulting in limitations in the use of basic services and participation in socioeconomic life. The problem is particularly evident in the spatial context, where large differences in the development of transportation infrastructure between cities and rural areas and regional differences affect the degree of transportation exclusion. (P. 118)</i></p> <p>Unfortunately, such a definition places too little emphasis on the economic sphere and may leave out a large group of people at risk of transport poverty, such as those whose income does not allow them to use public transportation, even if it is available where they live. Moreover, this approach will not identify the changes associated with the increase in the price of individual and public transportation use, which are projected in the coming years, including the implementation of ETS2 in 2027 or 2028.</p> <p>The newly included passages do not represent a realistic assessment of the problem. No measure has been identified to determine the scale of the problem in Poland, and there is no specific target or timelines. Therefore, the score remains unchanged. <b>The problem should be described in the final version of the NECP in a specific way and based on real data. In revising the definition, it is worth using the definition included in Regulation (EU) 2023/955 on the establishment of the Social Climate Fund (Article 1): "transport poverty means individuals' and households' inability to meet or difficulty in meeting the costs of private or public transport, or their lack of or limited access to transport needed for their access to essential socioeconomic services and activities, taking into account the national and spatial context.", which also pays particular attention to the affordability of transportation.</b></p>
8.3 Direct support to alleviate transport poverty	1	↑	2	<p><b>2 – existing and planned policies or measures in this area are described and expected to deliver a meaningful change, but do not address the problem comprehensively</b></p> <p>The score has improved between the draft version and the updated NECP. There is a new <b>Target 4.5.2. Transport poverty reduction</b> (P. 118) in the updated NECP, which was not included in the draft version of the plan. The target includes direct support for reducing transport poverty.</p> <p><i>Policies to reduce transport poverty will focus on several key areas, and will not involve banning the use of cars. First and foremost, it will be necessary to reactivate bus services under programmes such as the Public Utility Bus Service Development</i></p>

			<p><i>Fund, which aims to restore discontinued bus routes, especially in smaller towns and rural areas. Such initiatives will increase the accessibility of public transportation, especially for the elderly, young people and those with low incomes.</i></p> <p><i>Equally important will be investments in modernising and expanding the rail network, developing local roads and building infrastructure for public transportation in cities. Of key importance in this context is the implementation of programmes such as Railway Plus, which seek to restore rail links to smaller cities. These measures not only improve transportation accessibility, but also counter transport exclusion.</i></p> <p><i>The transportation policy will also include various forms of financial support, such as subsidies and public transportation concessions. Concessions for schoolchildren, students, the elderly and people with disabilities will be an important element in making public transportation more accessible to groups most vulnerable to transport exclusion. (P. 118)</i></p> <p><b>As a result of the above measures, the score has increased from 1 to 2. However, no timelines were indicated for phasing out direct support. It is also unclear to what extent the implementation of the programmes will contribute to the reduction of transport poverty. It is worth including these elements in the final version of the plan.</b></p>
<p><b>8.4 Measures to structurally decrease transport poverty by investment in sustainable and zero emission mobility options</b></p>	<p>2</p> 	<p>3</p>	<p><b>3 – policies or measures in the area that form a comprehensive framework</b></p> <p><b>The score has improved between the draft version and the updated NECP.</b> In the draft version, transportation issues focused on decarbonisation, but the activities conducted in this aspect can help combat transport poverty. In the updated version of the document, activities were linked to the problem in Target 4.5.2. Reducing transport poverty. (P. 118)</p> <p>There are also new mentions that can be linked to the topic.</p> <p>The decarbonisation of transportation also includes measures to support local governments to help combat transport poverty (P. 33):</p> <ul style="list-style-type: none"> <li>▪ replacement of buses with zero- and low-emission buses in suburban/rural areas;</li> <li>▪ the purchase of zero- and low-emission buses for newly established non-urban bus lines, as well as the replacement of the fleet of non-urban bus lines threatened with closure;</li> <li>▪ purchase of new zero-emission (electric) buses for urban public transportation.</li> </ul> <p>Various types of subsidies are also provided:</p> <ul style="list-style-type: none"> <li>▪ The RRP funds will also include investments related to the purchase of electric motor vehicles, by subsidising the purchase of these vehicles for individuals and sole proprietors. (P. 34)</li> <li>▪ Target. 1.6.1. Striving to adapt to climate change – Transportation</li> </ul> <p><i>The implementation of transportation policy to ensure, among other things, the uninterrupted availability of the road network requires the implementation of construction and design standards that will result in the resilience of road transport infrastructure to extreme weather events. These relate to the proper selection of materials, drainage and infiltration systems, constructing bridges with the flooding potential taken into account, as well as considering vegetation to protect against sunlight, at an appropriate distance from roads. (P. 63)</i></p> <p>Many transportation-related activities are also included in Annex 5 on financing.</p> <p><b>As a result of the above measures, the score has increased from 2 to 3 and has become a good practice. However, this does not mean that measures to structurally reduce transport poverty cannot be improved further.</b> It would be worthwhile for the final version of the plan to give more consideration to the development of transportation offerings and the</p>

		<p>popularisation of public transport in the description, activities and targets for reducing emissions in the transportation sector in Poland. There is no target for reducing emissions in transportation, which should be a more important indicator for climate policy than the share of RES. There is no mention in the description of the need to overcome long-standing problems with the availability and transportation offerings of public transport in many areas of the country (especially in rural areas), a necessary element to reducing dependence on individual transportation, which generates the largest emissions in the sector.</p>
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## Aspect 9. Financing needs and sources of funding

Financing needs and sources of funding are a key component of national energy and climate plans. Including information on financing needs and available sources of funding is important for several reasons. First, it enables a realistic assessment of the scale of the challenges to achieving the set climate and energy targets. Understanding financial needs helps determine whether the available resources are sufficient to meet these challenges, or whether additional investments are needed. Second, transparent financing facilitates more effective engagement with various stakeholders, including the private sector, financial institutions and other partners. Information about financial needs and sources of funding is crucial for attracting investment and mobilising social support. In addition, mentioning financing is key to effectively monitoring progress in implementing the targets of the energy and climate plans. The availability of funds and their effective use have a direct impact on the achievement of the set targets, so detailed information in this regard is essential.

The listing of financial needs and sources of funding has improved greatly in the updated NECP. **Annex 5 – Financing the climate and energy transition**, in addition to a general description of methods of financing includes a clear table that links financial instruments to sources of funding. Unfortunately, there is still often a lack of linkage between the “measures” listed next to the policies and the sources of funding. For example, the “Clean Air Programme” is found in both activities: Measure 23. Financial Instrument – Priority Programme of the National Fund for Environmental Protection and Water Management – “Clean Air” and is included (as item 40) in the table in Annex 5. In contrast, **Measure 30. Financial instrument – the Fund for the development of bus services of a public utility nature** is not included there. It is unclear how much funding and from which funds will be needed to deliver on the measure. Unfortunately, there are much more measures in the updated NECP that are not connected with financing.

9. Financing needs and sources of funding			
Criterion	NECP Score		Description
	Draft	Final	
9.1 Describing financing needs for each proposed policy and measure addressing the distributional impacts	0	2	<p><b>2 – identifies financing needs for most of the proposed policies and measures, but some of the important information is missing</b></p> <p>The score has improved between the draft version and the updated NECP. Annex 5. – Financing the climate and energy transition – at first glance provides a coherent picture of the financing needs for the proposed policies and measures. However, not all of the measures mentioned in the text are listed in the annex. Also, there is no link between the “Measures” listed for each of the “Targets” and funding.</p> <p><b>As a result of the above actions, the score has increased from 0 to 2. However, a description of financing needs should appear in the final version of the NECP for each proposed policy and measure.</b></p>

9.2 Description of sources of funding for each proposed policy and measure including distributional impacts	1	↑	2	<p><b>2 – public and private sources of funding are identified for most proposed policies and measures, but some important information is missing</b></p> <p>The score has improved between the draft version and the updated NECP. Annex 5.– Financing the climate and energy transition at first glance provides a coherent picture of the sources of funding for the proposed policies and measures. However, not all measures are listed in the annex. Also, there is no link between the “Measures” listed for each of the “Targets” and funding.</p> <p><b>As a result of the above actions, the score has increased from 1 to 2. However, it would be useful to include a description for all sources of funding in the final version of the NECP.</b></p>

## Aspect 10. Tax, insurance and social security policies

Tax, insurance and social security policies are key instruments for shaping the behaviour towards more sustainable and environmentally friendly development.

Through appropriate policies, governments can encourage investment in renewable energy, energy efficiency and environmental projects. Tax or other similar incentives can stimulate businesses and citizens to adopt more sustainable practices. Social policy can serve as a tool to support citizens participating in projects related to the aforementioned aspects.

The aspect of tax, insurance and social security policies has improved to some extent in the updated NECP. The Social Climate Fund and the application of the “polluter pays” principle were mentioned. However, the aforementioned policies do not form a comprehensive framework, and are only a mere mention.

10. Tax, insurance and social security policies				
Criterion	NECP Score		Description	
	Draft	Final		
10.1 Use of income from climate-related tax, levies and fees (or similar instruments, e.g. EU ETS revenues) for the support of the most vulnerable groups	1	=	1	<p><b>1 – the principle is reflected in some of the proposed policies and measures for which it would be reasonable to apply it but is neglected in most cases</b></p> <p>In addition to the Modernisation Fund mentioned in the draft version, which will be supported by proceeds from the EU ETS, a missing description of <b>Measure 35. Fuel surcharge and emission fee</b> has been completed in the updated NECP.</p> <p><i>The emission fee is an obligation to pay PLN 80/1000 l by producers and importers of motor fuels, entities making intra-Community acquisitions within the meaning of the excise tax regulations introducing motor fuels on the domestic market in the amount of PLN 80/1000 l (based on the Environmental Protection Law Act (Journal of Laws of 2022, item 2556)). 95% of the emission fee is revenue for the National Fund for Environmental Protection and Water Management, and the remaining 5% of the fee is revenue for the Public Utility Bus Service Development Fund. (P. 138)</i></p> <p><i>Annex 5 emphasises that Special attention should also be paid to the proper management and redirection of EU ETS revenues, which can provide a significant source of funding for projects aimed at reducing emissions and promoting green energy. (ANNEX 5, P. 39)</i></p> <p>Funds from the sale of GHG emission allowances under ETS2 and ETS are listed as a funding source in the Social Climate Fund. (ANNEX 5, P. 25)</p> <p><b>These are only mentions, there are no specific plans and timelines, the Social Climate Plan is yet to be created. The aforementioned measures are insufficient to raise the score.</b></p>

<p><b>10.2 Accounting for and preparing a framework for the use of the Social Climate Fund</b></p>	<p>0</p>	<p>↑</p>	<p><b>1 – SCF is included, but only the basic framework for its use is presented</b></p> <p><b>The score has improved between the draft version and the updated NECP.</b> The document mentions the Social Climate Fund, which was completely omitted in the draft version.</p> <p><i>The Social Climate Plan, which is being worked on, will have a huge role in protecting the most vulnerable citizens from the negative effects of the transition. The plan will specifically address the Social Climate Fund, which will be a key source of funding the measures.</i> (P. 118)</p> <p>Annex 6, which responds to the European Commission's recommendations, provides more details on the authorities responsible for preparing the plan.</p> <p><i>The draft social and climate plan is developed by the minister responsible for regional development in cooperation with the relevant ministries, provincial boards and social and economic partners. The Ministry of Funds and Regional Policy (MFRP) has undertaken work on preparing the assumptions for the social climate plan in cooperation with the Ministry of Climate and Environment (MCE), among others. The elements referenced by the European Commission in Recommendation 21(d) are currently under discussion between the MFRP, MCE and other cooperating ministries (including the Ministry of Infrastructure, the Ministry of Development and Technology). The social climate plan will be developed at a later date, so the government will make efforts to ensure consistency between the documents.</i> (ANNEX 6, P. 19)</p> <p>Fragmentary information also appears in Annex 5 on financing.</p> <p><i>In turn, from 2026, a complementary instrument will be provided by the new Social Climate Fund (SCF) aimed at supporting the most vulnerable groups. It is set for the period 2026-2032. Its primary target is to mitigate the impact of new greenhouse gas emission fees on prices that will rise as a result of the extension of the ETS to buildings and transportation (ETS 2). Under the Fund, Poland has ca. EUR 11.4 bn at its disposal.</i> (ANNEX 5, P. 7)</p> <p><i>The newly created SocialClimate Fund aims to mitigate the impact of the transition on households and small and medium-sized businesses, which may be negatively affected by rising energy prices.</i> (ANNEX 5, P. 38)</p> <p>In Table 3. <b>Possible sources of funding</b>, item 22 is the <b>Social Climate Fund</b> with a brief description and available funds.</p> <p><b>As a result of the above actions, the score has increased from 0 to 1.</b> However, the document does not contain a specific framework for the utilisation of the fund. This is worth improving in the final version of the document. Moreover, nomenclature is used inconsistently, which should also be corrected.</p>
<p><b>10.3 Recognition and consistent application of the "polluter pays" principle across the economy</b></p>	<p>0</p>	<p>↑</p>	<p><b>1 – the principle is applied in some of the proposed policies and measures for which it would be reasonable to apply it but is neglected in most cases</b></p> <p><b>The score has improved between the draft version and the updated NECP.</b> The "polluter pays" principle was mentioned in two instances in the document.</p> <p>The first time in the context of land surface protection.</p> <p><i>Measure 72. Financial instrument – Priority Programme of the National Fund for Environmental Protection and Water Management "Protection of the land surface".</i></p> <p><i>The measure consists of creating and maintaining financial mechanisms to support investments dedicated to the protection of the land surface in the broadest sense. In cases where the "polluter pays" principle cannot be applied, a financial instrument is needed to secure the possibility of use in case of the need for investment in the area.</i> (P. 144)</p> <p>The second mention is in the context of transportation.</p>


				<p>The reforms included in the RRP aim to reduce greenhouse gas and air pollutant emissions from transportation and increase the share of alternative fuels through a wide range of regulatory and non-regulatory measures implemented as part of a comprehensive, long-term transportation decarbonisation strategy. One element of the reform will be the introduction of a registration fee and an environmental fee on emission vehicles in accordance with the "polluter pays" principle. The impact of this reform, in combination with other measures, on the spread of clean vehicles is measured against a specific target for increasing the share of electric vehicles. (ANNEX 5, P. 9)</p> <p><b>Measure 35. The fuel surcharge and emission fee</b> (P. 138) is an example of putting the "polluter pays" principle into practice, but the measure does not invoke it.</p> <p>As a result of the above actions, the score has increased from 0 to 1. However, there is still considerable room for improvement. <b>It is useful to refer to the "polluter pays" principle in the final version of document and indicate for which measures and policies it is applied.</b></p>
<b>10.4 Built-in protection of the most vulnerable groups in tax instruments and cross-sectional support programmes related to green transition</b>	<b>1</b>	<b>=</b>	<b>1</b>	<p><b>1 – the protection is available in some of the proposed policies and measures for which it would be reasonable to apply it but is neglected in most cases</b></p> <p>No changes compared to the draft version. The score remains unchanged. <b>It is worth reinforcing the message about vulnerable consumers in final version of the NECP.</b></p>

## Aspect 11. Work conditions and re-training

Work conditions and retraining are key aspects of the decarbonisation process, especially in coal regions. Upgrading and retraining employees must be adapted to changes in labour market demand and go hand in hand with the creation of green, decent jobs. Special attention should be paid to supporting the employment of social groups that face additional barriers, such as women or people with disabilities.

The updated NECP devotes a lot of attention to employment aspects. Creating new jobs and making regions more attractive is an important part of the document. New targets have been included. However, specific actions, plans and timelines are missing. Updated NECP also does not mention occupational safety and health in the context of the transition or gender equality among employees.


11. Work conditions and re-training				
Criterion	NECP Score			Description
	Draft		Final	
<b>11.1 Coverage of training, upskilling and reskilling of the workers affected by the transition</b>	<b>2</b>	<b>=</b>	<b>2</b>	<p><b>2 – provides an adequate set of measures to support transition-relevant retraining, upskilling and reskilling of the workforce</b></p> <p>In the updated NECP, there are new measures that take into account upskilling, retraining and reskilling of employees affected by the transition. There are two new targets with descriptions and proposed policies.</p> <ul style="list-style-type: none"> <li>▪ <b>Target 4.5.4. Creating green jobs;</b> (P. 121)</li> <li>▪ <b>Target 5.1.3. Developing human resource competencies for the climate-energy transition.</b> (P. 129)</li> </ul> <p>They lack specific information. For example, under Target 4.5.4, it is planned to <i>increase the number of green jobs by 2030 compared to 2023</i> (P. 121). Such information contributes nothing.</p>

				No reference was made to the scale of the problem and the resources needed for these purposes. It also failed to provide comprehensive timelines for upskilling, retraining and reskilling for professionally active people, with the possibility of coordination with other plans for employment and restructuring of regional economies affected by the transition. <b>The score therefore remains unchanged.</b>
<b>11.2 Tailored measures to support hiring, job creation and transition incentives, in particular for women or persons with disabilities, and in most affected territories</b>	<b>0</b>		<b>1</b>	<p><b>1 – offers basic guidelines for hiring and job creation</b></p> <p>The score has improved between the draft version and the updated NECP.</p> <p>There are two new targets with descriptions and proposed policies.</p> <ul style="list-style-type: none"> <li>Target 4.5.4. Creating green jobs (P. 121);</li> <li>Target 5.1.3. Developing human resource competencies for the climate-energy transition (P. 129).</li> </ul> <p>The targets highlighted the most affected areas:</p> <p><i>Special attention will be given to regions that have historically depended on carbon-intensive industries, such as mining.</i> (P. 122)</p> <p><b>As a result of the above-mentioned measures, the score has increased from 0 to 1.</b> However, reference to women and people with disabilities and other vulnerable groups is still missing. <b>These are the issues that need to be supplemented in the final version of the NECP.</b></p>
<b>11.3 Analysis of the impact of the green transition on health and safety at work and preparation or continuation of measures to address the risks</b>	<b>0</b>	<b>=</b>	<b>0</b>	<p><b>0 – pays no attention to the impact of green transition on work health and safety</b></p> <p><b>No changes compared to the draft version. The score remains unchanged. These are the issues that need to be supplemented in the final version of the NECP.</b></p>

## Aspect 12. Stakeholder engagement and public consultation

The obligation to implement consultations in the form of a multi-level climate and energy dialogue platform stems directly from the regulation introducing the NECP<sup>3</sup>. According to the regulation, local governments, social organisations, businesses and investors, as well as other stakeholders and the general public should participate in the process. Public participation in decision-making is also one of the pillars of the Aarhus Convention. Conducting wide-ranging consultations is crucial to developing a robust update of the NECP and the subsequent effective implementation of the plan. This document is being developed to participate in public consultations to highlight the importance of a just transition.

<sup>3</sup> [https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv%3AAOJ.L\\_.2018.328.01.0001.01.ENG](https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv%3AAOJ.L_.2018.328.01.0001.01.ENG)

12. Stakeholder engagement and public consultation			
Criterion	NECP Score		Description
	Draft	Final	
<b>12.1 Engagement of social partners, civil society actors and the general public in discussion of issues related to the just transition during public consultations of the Plan</b>	<b>1</b>		<b>2</b>
			<p><b>2 – the public consultations included engaging partners in discussions on issues related to a just transition</b></p> <p>The score has improved between the draft version and the updated NECP. It is worth noting that many of the elements identified as recommendations after the publication of the draft version were included in the updated NECP. However, this was not mentioned, as the document does not contain a component dedicated to consultation. <b>The score has increased from 1 to 2.</b></p>

<p><b>12.2 Establishment of a permanent body of consultation with stakeholders, covering issues related to the just transition</b></p>	0	=	0	<p><b>0 – no mention is made of the bodies to carry out the consultation</b></p> <p>Like the draft version, the updated NECP does not include a consultation component.</p> <p><i>After the public consultation, the document will be revised based on the conclusions of the process and referred for further stages in the procedure for formal approval by the Polish Government.</i> (P. 5)</p> <p>In the context of creating green jobs oriented to the climate-energy transition, the following reference appears:</p> <p><i>Social dialogue is key to understanding the needs of different stakeholder groups and working together to come up with solutions that are effective and fair. The government will strive to create platforms for cooperation to share knowledge and best practices and jointly plan activities to address the needs identified.</i> (P. 122)</p> <p>However, there is a lack of specifics, so the score remains unchanged.</p>
<p><b>12.3 Organisation of early and effective dialogue with local authorities, regarding issues related to the just transition</b></p>	0	=	0	<p><b>0 – dialogue with local authorities on issues related to just transition was not mentioned</b></p> <p>Like the draft version, the updated NECP does not include a consultation component.</p> <p>In the context of creating green jobs oriented to the climate-energy transition, the following reference appears:</p> <p><i>Social dialogue is key to understand the needs of different stakeholder groups and work together to develop solutions that are effective and just. The government will strive to create platforms for cooperation to share knowledge and best practices and jointly plan activities to address identified needs.</i> (P. 122)</p> <p>However, there is a lack of specifics, and it is unclear who will participate in the said dialogue. Therefore, the score remains unchanged.</p>
<p><b>12.4 Identification of opportunities for trans-border dialogue in addressing issues related to the just transition</b></p>	0	=	0	<p><b>0 – trans-border dialogue on issues related to just transition was not mentioned</b></p> <p>No changes compared to the draft version. <b>The score remains unchanged.</b> In the final version of the document, it is worth identifying opportunities for cross-border dialogue in resolving issues related to a just transition.</p>



## V. Summary

In many ways, Poland is on track to develop a better National Energy and Climate Plan than the one published in 2019. The updated NECP is in most areas better than the draft version sent to the European Commission in February 2024, and the implementation of comments sent during the consultation can help improve the document even further.

The updated NECP indicates an increase in ambition for the transition away from coal, takes more account of territorial aspects, proposes more measures that take care of the fairness of the transition, and the descriptions of these measures are longer. Unfortunately, the length of descriptions does not necessarily translate into quality. **The biggest shortcoming of the document is the lack of specifics and details.** With sentences indicating that a problem is important, there is no information on why – what data indicates this and to what extent this problem can be solved by implementing the indicated measures. Achieving an improved state after implementing the proposed policies in most cases is not measurable.

Currently, the worst-rated aspect is 12. **Stakeholder engagement and public consultation.** The low score may not be meaningful due to the ongoing consultation process and the failure to include it in the document. It is worth noting that many of the comments submitted by the Reform Institute to the draft version were reflected in the updated NECP under assessment.

Next in order of importance, the aspects requiring the most attention include:

- 1. Ambitions and targets – due to the lack of timelines to move away from oil and gas;
- 3. Local clean energies and decarbonised industries – due to the lack of solutions to promote clean energy in the most vulnerable territories;
- 4. Inclusivity of regional transition – due to insufficient consideration of the most vulnerable groups;
- 10. Tax, insurance and social security policies – due to the lack of a framework for these policies;
- 11. Work conditions and re-training – due to the lack of a plan for specific actions and targets.

A comparison of the results obtained by the draft version and the document assessed in this report is shown in the table below.

## Average scores for aspects of just transition in the draft version and updated NECP

		NECP Score	
		Draft	Final
<b>Territorial Aspects</b>	1. Ambitions and targets	0.33	0.83
	2. Supporting local economies and communities	1.5	2
	3. Local clean energies and decarbonised industries	1	1
	4. Inclusivity of regional transition	1	1
	5. Regional just transition governance	1	1.33
<b>Distributional Aspects</b>	6. Overarching assessment of distributional impacts	0.3	1.33
	7. Energy poverty	1.6	2
	8. Transport poverty	0.75	1.25
	9. Financing needs and sources of funding	0.5	2
	10. Tax, insurance and social security policies	0.5	1
	11. Work conditions and re-training	0.67	1
	12. Stakeholder engagement and public consultation	0.25	0.5

Notes: 0 – no mention of an issue, 1 – issue raised to a limited extent, 2 – issue raised to a significant extent, 3 – good practices

Although the energy transition process is underway, Poland is still a country with a very significant dependence on coal, but also on other fossil fuels. While the approach to the process of phasing out coal has been better demonstrated, a similar plan for the transition away from gas and oil is still lacking. Moreover, the plan calls for increasing the use of these fuels by 2030 and makes no mention of abandoning them. This could be changed in the final version of the NECP.

None of the aspects was fully evaluated as good practice. The highest average score was “2”, received by “2. Supporting local economies and communities”, “7. Energy poverty” and “9. Financing needs and sources of funding”. Several individual criteria were evaluated as “good practices”. These include:

- 2.1 Policies and measures supporting local economies through stimulating their endogenous growth potential, including promoting entrepreneurship, supporting SMEs and social economy;
- 5.1 Consistency of regional and national transition planning process;
- 7.4 Measures that support investments which structurally decrease energy bills by investment in energy efficiency and zero-emission energy sources;
- 8.4 Measures to structurally decrease transport poverty by investment in sustainable and zero emission mobility options.

However, this does not mean that there is no more room for improvement. In the case of 2.1 and 5.1, the high score comes from delving deeper into the Territorial Just Transition Plans. The final version of the NECP should include more details from these plans. For aspects 7.4 and 8.4, it is recommended to make sure that all activities that lead to struc-

tural reduction of the energy and transport poverty problem include the prepared financial framework in Annex 5. This annex, at first glance, provides a solid framework for financing Poland's energy transition; unfortunately, it is not complete, as it does not include many of the planned and ongoing measures.

Below are our key recommendations for the final version of Poland's updated National Energy and Climate Plan.

- Adding details and **specific targets** in all proposed activities – in particular, supplementing Annex 5 with “Measures” listed for the “Targets” indicated in the body of the document.
- **Expand and strengthen the targets** related to transition away from fossil fuels (especially oil and gas) and transitioning to clean technologies to provide **a solid basis for planning transition efforts**.
- **Adding detailed information on financial needs and sources of funding** to include all activities that will be implemented in the transition process.
- **Adding more information** on the Social Climate Fund with **the guiding principles for the Social Climate Plan**.
- The territorial plans refer to the NECP 2019, so once the final version of the document is published, **the territorial plans will also need to be updated**. In particular, the renewable energy targets in the TJTP for Silesia should be updated.
- Paying more attention to the issues of **vulnerable consumers** and the measures they will be able to benefit from, not only in the context of energy poverty.
- Adding a section on the importance of women in the ongoing transition process, as well as the elderly and disabled.

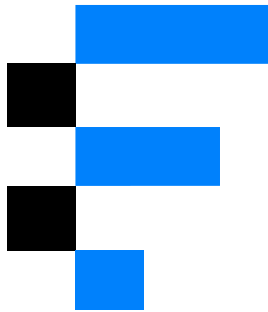
## Appendix. Table summarising the aspects considered in the methodology

		NECP Score			
		Draft		Final	
Territorial Aspects	<b>1 Ambitions and targets</b>				
	1.1 Increasing ambition and avoiding backsliding on targets from Territorial Just Transition Plans	0	↑	1	1 – updated NECP takes account of the TJTPs, but does not refer to them in the context of ambitions
	1.2 Clear and science-based timeline for transition away from coal in the power sector	1	↑	2	2 – timelines are available for transitioning away from coal in the power sector, but financial support for fossil fuels is still assumed
	1.3 A Clear and science-based timeline for transition away from coal in the whole economy	1	=	1	1 – timelines for transition away from coal in heating, the closure of the last mine, and the timeline for phasing out coal in final energy consumption are indicated, but financial support for fossil fuels is still assumed, and there are no additional actions to address the identified risk of failure to meet the 2040 target for moving away from coal in buildings
	1.4 Clear and science-based timeline for transition away from fossil gas	0	=	0	0 – many measures are planned to transition away from natural gas, but there is no clear timeline for moving away from this fuel. Gas is treated as a transition fuel and its use is expected to increase in the coming years
	1.5 Clear and science-based timeline for transition away from oil	0	=	0	0 – does not mention the timeline for the transition away from oil
	1.6 Clear and science-based industrial transition to net zero emissions timeline (conversion or closure of industrial plants which emit GHGs from fossil fuels use or industrial processes)	0	↑	1	1 – no mention of timelines for industry's transition to net zero emissions, although there is an apparent decline in industry emissions
	<b>2 Supporting local economies and communities</b>				
	2.1 Policies and measures supporting local economies through stimulating their endogenous growth potential, including promoting entrepreneurship, supporting SMEs and social economy	2	↑	3	3 – policies or measures in this area form a comprehensive framework
	2.2 Policies and measures for the preservation of the identity of mining/traditional industrial communities	2	=	2	2 – many policies or measures in this area are discussed, but some important details are missing
	2.3 Policies and measures for the revitalisation of the natural environment, both for restoring biodiversity and recreational purposes	1	=	2	2 – many policies or measures in this area are discussed, but some important details are missing
	2.4 Special, region-specific policies and measures to promote smart and sustainable mobility (both in the most affected areas within the transition region and connecting it to other regions)	1	=	1	1 – some policies or measures in the area are included, but in a way that is largely insufficient to be effective
	<b>3 Local clean energies and decarbonised industries</b>				
	3.1 Assessment of needs in the area of deploying affordable clean energy (including district heating, if applicable), energy efficiency and/or decarbonised industrial processes	0	=	0	0 – does not assess the level of needs in this area
	3.2 Policies and measures to fulfil the needs in the area of affordable clean energy (including district heating, if applicable), energy efficiency and/or decarbonised industrial processes	2	=	2	2 – many policies or measures in this area are discussed, but some important details are missing

Territorial Aspects	<b>4 Inclusivity of regional transition</b>				
	4.1 Promotion of gender equality to address the specific situation and role of women in the transition to the climate-neutral economy	1	=	1	1 – does not mention any policy or measures in this area in the updated NECP, but some policies or measures have been included in other documents
	4.2 Special attention paid to vulnerable groups (such as people with disabilities) that suffer disproportionately from the adverse effects of the transition	1	=	1	1 – does not mention any policy or measures in this area in the updated NECP, but some policies or measures have been included in other documents
	4.3 Policies and measures addressing demographic impacts of the ageing population of regions in transition	1	=	1	1 – does not mention any policy or measures in this area in the updated NECP, but some policies or measures have been included in other documents
	<b>5 Regional just transition governance</b>				
	5.1 Consistency of regional and national transition planning process	2	↑	3	3 – consistency of regional and national transition planning process fostering the effective delivery of policies and measures to be implemented
5.2 Institutional coordination of just transition implementation between regional and national authorities	0	=	0	0 – does not mention institutional coordination on just transition implementation, and it is rarely considered in other documents	
5.3 Inclusion of stakeholders and citizens into regional transition governance	1	=	1	1 – no mention of stakeholder and citizen involvement, but mentioned in other documents	
Distributional Aspects	<b>6 Overarching impact assessment of distributional impacts</b>				
	6.1 Assessment of overall distributional impacts of the policies and measures covered by NECP update – by income groups	0	↑	2	2 – the description of overall distributional impacts is sufficient and it does consider differentiation by income groups, but some important details are missing
	6.2 Assessment of overall distributional impacts of the policies and measures covered by NECP update – by other relevant groups (e.g. rural households, pensioners)	0	↑	1	1 – expected overall distributional impacts are mentioned, but the description is scarce and does not consider differentiation by relevant social groups
	6.3 Common understanding of terms and measuring progress toward targets	1	=	1	1 – there is some basic alignment of terms across different documents, and measuring progress toward targets is mentioned, but no details are provided
	<b>7 Energy poverty</b>				
	7.1 Inclusion of indicative targets aimed towards reduction of energy poverty	1	=	1	1 – targets are there but they are not sufficiently detailed and/or do not use appropriate indicators
	7.2 Assessment of the level of energy poverty and quality of used indicators	1	↑	2	2 – energy poverty accurately described, the assessment is based on good qualitative indicators, but some important details are missing
	7.3 Direct support to alleviate energy poverty	2	=	2	2 – existing and planned policies or measures in this area are described and expected to deliver a meaningful change, but do not address the problem comprehensively
	7.4 Measures that support investments which structurally decrease energy bills by investment in energy efficiency and zero-emission energy sources	2	↑	3	3 – policies or measures in the area that form a comprehensive framework
	7.5 Addressing energy market inefficiencies which negatively affect vulnerable consumers	2	=	2	2 – many policies or measures in this area are discussed, but some important details are missing

Distributional Aspects	<b>8 Transport poverty</b>				
	8.1 Inclusion of indicative targets aimed towards reduction of transport poverty	0	=	0	0 – no mention of targets aimed to reduce transport poverty
	8.2 Assessment of the level of transport poverty and the quality of the used indicator	0	=	0	0 – does not assess the level of transport poverty
	8.3 Direct support to alleviate transport poverty	1	↑	2	2 – existing and planned policies or measures in this area are described and expected to deliver a meaningful change, but do not address the problem comprehensively
	8.4 Measures to structurally decrease transport poverty by investment in sustainable and zero emission mobility options.	2	↑	3	3 – policies or measures in the area that form a comprehensive framework
	<b>9 Financing needs and sources of funding</b>				
	9.1 Describing financing needs for each proposed policy and measure addressing the distributional impacts	0	↑	2	2 – identifies financing needs for most of the proposed policies and measures, but some of the important information is missing
	9.2 Description of sources of funding for each proposed policy and measure including distributional impacts	1	↑	2	2 – public and private sources of funding are identified for most proposed policies and measures, but some important information is missing
	<b>10 Tax, insurance and social security policies</b>				
	10.1 Use of income from climate-related tax, levies and fees (or similar instruments, e.g. EU ETS revenues) for the support of the most vulnerable groups	1	=	1	1 – the principle is reflected in some of the proposed policies and measures for which it would be reasonable to apply it but is neglected in most cases
	10.2 Accounting for and preparing a framework for the use of the Social Climate Fund	0	↑	1	1 – SCF is included, but only the basic framework for its use is presented
	10.3 Recognition and consistent application of the “polluter pays” principle across the economy	0	↑	1	1 – the principle is applied in some of the proposed policies and measures for which it would be reasonable to apply it but is neglected in most cases
	10.4 Built-in protection of the most vulnerable groups in tax instruments and cross-sectional support programmes related to green transition	1	=	1	1 – the protection is available in some of the proposed policies and measures for which it would be reasonable to apply it but is neglected in most cases
	<b>11 Work conditions and re-training</b>				
	11.1 Coverage of training, upskilling and reskilling of the workers affected by the transition	2	=	2	2 – provides an adequate set of measures to support transition-relevant retraining, upskilling and reskilling of the workforce
	11.2 Tailored measures to support hiring, job creation and transition incentives, in particular for women or persons with disabilities, and in most affected territories	0	↑	1	1 – offers basic guidelines for hiring and job creation
	11.3 Analysis of the impact of the green transition on health and safety at work and preparation or continuation of measures to address the risks	0	=	0	0 – pays no attention to the impact of green transition on work health and safety

<b>12 Stakeholder engagement and public consultation</b>					
<b>Distributional Aspects</b>	12.1 Engagement of social partners, civil society actors and the general public in discussion of issues related to the just transition during public consultations of the Plan	1	↑	2	2 – the public consultations included engaging partners in discussions on issues related to a just transition
	12.2 Establishment of a permanent body of consultation with stakeholders, covering issues related to the just transition	0	=	0	0 – no mention is made of the bodies to carry out the consultation
	12.3 Organisation of early and effective dialogue with local authorities, regarding issues related to the just transition	0	=	0	0 – dialogue with local authorities on issues related to just transition was not mentioned
	12.4 Identification of opportunities for trans-border dialogue in addressing issues related to the just transition	0	=	0	0 – trans-border dialogue on issues related to just transition was not mentioned



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