

Fundamental and social rights in the green transition - energy efficiency and energy poverty

Poland

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1. EXECUTIVE SUMMARY

Energy Poverty in Poland

Energy poverty has become a significant issue in Poland, particularly during the energy crisis that began in 2021. This crisis was exacerbated by the COVID-19 pandemic and the subsequent Russian aggression against Ukraine, which led to the cessation of energy imports from Russia. In response, Poland adopted several legal regulations, including the Act on Protective Allowance, the Act on Coal Allowance, and the Act on Special Solutions for the Protection of Electricity Consumers. The effectiveness of short-term financial support schemes, such as the protective allowance and coal allowance, remains questionable.

The Protective Allowance Act introduced a definition of energy poverty, describing it as a situation where a household cannot secure sufficient heat, cooling, and electricity due to low income, high energy expenses, and poor energy efficiency of the dwelling.

The update to the National Energy and Climate Plan for 2021-2030, submitted for public consultation in October 2024, aims to reduce energy poverty by addressing its social, technical, and economic aspects. The plan identifies high energy costs, low incomes, and poor technical conditions of buildings as the primary causes of energy poverty. However, the plan may be criticized for its lack of thorough analysis and specific targets.

To achieve the goal of reducing energy poverty, the government plans to develop a Social Climate Plan, implement coordinated actions at various administrative levels, and continue programs aimed at improving energy efficiency.

Energy Efficiency

In 2016 government decided to establish the Act on energy efficiency which specifies the tasks of public entities and the goals of the energy efficiency policy. According to the act also private sector entities are obliged to improve energy savings.

Energy efficiency is important topic in new draft of the NECP According to the draft update of the NECP, Poland will aim to achieve a reduction in primary energy consumption by 14.4% (13.4 Mtoe) by 2030 compared to the PRIMES2020 forecasts, resulting from the formula specified in the EED directive and to achieve a reduction in final energy consumption by 12.8% (8.6 Mtoe) by 2030 compared to the PRIMES 2020 forecasts, resulting from the formula specified in the EED directive. Therefore, the government plans to continue some financial programmes, giving sources for example for the improvement of the energy efficiency of residential buildings.

Transport Poverty

Transport poverty in Poland is defined as the difficulties that individuals and households encounter in accessing private or public transportation, resulting in limitations in utilizing basic services and participating in socio-economic life. This phenomenon is particularly prevalent in less developed regions and rural areas, where access to public transport is challenging or non-existent. The discontinuation of bus services, closure of railway stations, and lack of alternative transportation options have exacerbated this issue, especially after the COVID-19 pandemic.

Transport exclusion significantly affects vulnerable citizens, including seniors, people with disabilities, and children, hindering their ability to exercise constitutional rights such as freedom of movement, health protection, and education. Despite the introduction of the Act on the Fund for the Development of Public Utility Bus Transport in 2019, the problem persists and has even intensified. The current draft update of the National Energy and Climate Plan (NECP) proposes several actions to reduce transport poverty, including restoring bus connections, modernizing and expanding the railway network, and developing infrastructure for public transport in cities. However, the effectiveness of these measures remains to be seen, particularly in rural and poorly urbanized areas.

Just Transition

The energy transition in Poland must be carried out with particular attention to the social aspect of the transformation. Otherwise, the changes could lead to a significant deterioration in the economies of regions economically dependent on the extraction of hard coal and lignite. In coal regions, territorial plans for a just transition have been established, which are necessary to secure funds from the European Just Transition Fund. The individual plans are more or less refined, with some placing significant emphasis on the goal of a just transition, namely the creation of new jobs in the region and the reskilling of mining workers.

The Clean Air Program

The Clean Air Program is an extensive subsidy program focused on replacing inefficient heating sources and improving the insulation of single-family homes. Its total budget is set at over PLN 100 billion (approx. EUR 23.5 billion), with plans to modernize approximately 3 million homes. The program is crucial for implementing existing

regulations and policies aimed at improving air quality and serves as a key instrument in enhancing energy efficiency and addressing energy poverty.

The program has been operational since 2018, and since its inception, it has undergone continuous development and modifications. It now enjoys widespread recognition and social acceptance. Under the program, over 800,000 funding agreements have been signed, contributing to a tangible, measurable improvement in air quality and the quality of life for millions of Polish residents. However, no publicly available data exists on the environmental impact of activities undertaken within the programme, therefore the connection between the programme and air quality improvement can only be estimated based on observable improvements and the number of investments completed through the programme.

Experts unanimously view the existence of the Clean Air program positively. However, the current program rules have led to significant abuse, including: fraudulently obtaining the highest subsidy amounts by individuals in good financial standing, unfair market practices, and artificially inflating the prices of products and services, which urgently needs to be addressed. Additionally, the program in its current form is not yet fully adapted to the needs of vulnerable groups, including low-income individuals who require extra financial, technical, and organizational support to effectively benefit from it.

A significant issue highlighted in many interviews is the slow processing of applications and payment delays. In many cases, the wait time for an application to be reviewed or for the subsidy to be paid out extends to as much as six months, while the programme's guidelines stipulate that the process should take no more than 30 days.

Ensuring stable, continuous funding for the Clean Air program is a significant challenge, given its extensive scope and the increasing financial needs associated with rising project implementation costs.

An important event occurred unexpectedly on November 28, 2024, when the National Fund for Environmental Protection and Water Management announced, without prior notice and with immediate effect, the suspension of the application process for the programme until its reform is finalized. The programme is expected to resume in the spring of 2025. This development caused serious concerns and strong criticism from various stakeholder groups including the municipalities, NGOs and business.

2. Reaching climate targets through energy efficiency

National policy setting in Poland

Poland's national policy for climate and energy is guided by the National Energy and Climate Plan (NECP) for 2021-2030.¹ The NECP plans to develop and adopt policies and actions aimed at increasing energy efficiency and meeting the climate-neutrality targets. The NECP focuses on five key dimensions: decarbonization, energy efficiency, energy security, the internal energy market, and research, innovation, and competitiveness. The plan aims to reduce greenhouse gas emissions, increase the share of renewable energy, improve energy efficiency and reduce energy poverty.

The plan is currently ongoing the update process which should be finished by the end of 2024.² In October and November 2024 the Ministry of Climate and Environment has conducted public consultation of the update which will precede the submission of the document to the European Commission. For this reason, the following analysis will not refer to the goals contained in another key document, the Energy Policy of Poland until 2040 (EPP2040),³ which will be updated next and will be adapted to the provisions of the new NECP.

The minister in charge of energy, in cooperation with the minister in charge of climate, is responsible for the development, update, and reporting of the NECP.⁴ Currently, the tasks relating to energy and climate⁵ are carried out by the Minister of Climate and Environment. This partially eliminates the problem of diffused responsibility between different ministries, which was present in the original version of the NECP. However, the

¹ Ministry of Climate and Environment (*Ministerstwo Klimatu i Środowiska*), [National Energy and Climate Plan for 2021-2030](#), press release (accessed 6.12.2024).

² Poland, Ministry of Climate and Environment (*Ministerstwo Klimatu i Środowiska*) (2024) 'Draft of the NECP 2030. - version for public consultation dated 10.2024.', 11 October 2024.

³ Poland, [Energy Policy of Poland until 2040 \(EPP2040\)](#) (accessed 6.12.2024).

⁴ Poland, Energy law ([Prawo energetyczne](#)), 10 April 1997, Article 15ab.

⁵ The division of tasks between ministries is not fixed in Poland, it depends on the decision of each government; therefore, tasks concerning climate and energy may be performed by different ministries.

implementation of individual actions resulting from the plan will still fall within the competencies of a very large number of entities. The update does not contain a detailed description of the interrelationships between the individual implementing entities.

The potential deficiency of the National Plan for Climate and Energy is the lack of synergy between the Plan and other national strategies and policies that address the needs of vulnerable groups such as local guidelines published in accordance with Air Protection Programme and Energy Policy of Poland until 2040 (EPP2040).⁶ The coalition of civil society organizations working to prevent social exclusion and energy poverty, WRZOS, indicated that the Plan should be better aligned with existing national housing and social policies.⁷ Furthermore, the organizations suggest introducing a system for diagnosing energy poverty (beginning at the local level) and improving the effectiveness of support for households vulnerable to energy poverty (including prioritizing renovations for houses most susceptible to energy poverty).⁸

Just transition

The concept of "just transition" is implemented in several parts of the draft update of the NECP. Just transition is mentioned in the chapter devoted to energy security (II.3) in the context of phasing out hard coal mines and the need to carry out a just transition for coal regions.⁹ This topic is further developed in chapter II.4.5, titled "Just transition and consumer protection", where additional topics of energy and transport poverty,

⁶ Skrzypek, A., Wierchołowska-Dziedzic, A. (2021), 'Guidelines for the preparation of a fuel poverty database', report, Energy Policy of Poland until 2040 (EPP2040) available at: <https://www.gov.pl/web/ia/polityka-energetyczna-polski-do-2040-r-pep2040>.

⁷ European Federation of National Organisations Working with the Homeless (2022), '[How to avoid a Renoviction Wave – Report on the social impacts of the Renovation Wave](#)', report, December 2022. (2021)., Skrzypek A., Wierchołowska-Dziedzic A. (2021) '[Guidelines for the preparation of a fuel poverty database](#)', report.

⁸ Wrzos - Working Community of Associations of Social Organisations (Wspólnota Robotnicza Związków Organizacji Społecznych) (2024), '[Recommendations made as part of pre-consultations aimed at preparing drafts of the updates of national strategic documents for the energy sector](#)', press release, p.3-4.

⁹ Poland, Ministry of Climate and Environment (*Ministerstwo Klimatu i Środowiska*), 'Draft of the NECP 2030. - version for public consultation dated 10.2024.', 11 October 2024, p. 87.

support for coal regions, creation of green jobs, and maintaining social balance are discussed.¹⁰

The authors of the update emphasize that coal regions will receive support through the use of territorial just transition plans, with a particular role for the Just Transition Fund.¹¹ In this area, planned actions include, among others, the creation of an investment incentive system, professional training and retraining, as well as education and the preservation of the region's traditions and cultural heritage. Green jobs are intended to play a role in the just transition process, understood as jobs that directly or indirectly contribute to environmental protection, promote sustainable resource use, and support efforts to reduce greenhouse gas emissions and mitigate the effects of climate change.¹²

Finally, the authors of the Plan indicate that a key element of a just energy transition is its inclusiveness, meaning the inclusion and consideration of the voices of all stakeholders, as only then will the transition be effective and socially and economically just.¹³

A just transition in Poland focuses on ensuring that the shift towards a low-carbon economy is fair and inclusive, minimizing negative impacts on workers and communities. Poland has received over EUR 3.85 billion from the EU's Just Transition Fund to support regions like Silesia, Małopolska, Wielkopolska, Lower Silesia, and Łódź. The Just Transition Fund aims to create 27,000 new jobs in Silesia and support the training of

¹⁰ Poland, Ministry of Climate and Environment (*Ministerstwo Klimatu i Środowiska*), 'Draft of the NECP 2030. - version for public consultation dated 10.2024.', 11 October 2024, pp. 116-124.

¹¹ Poland, Ministry of Climate and Environment (*Ministerstwo Klimatu i Środowiska*), 'Draft of the NECP 2030. - version for public consultation dated 10.2024.', 11 October 2024, p.120.

¹² Poland, Ministry of Climate and Environment (*Ministerstwo Klimatu i Środowiska*), 'Draft of the NECP 2030. - version for public consultation dated 10.2024.', 11 October 2024, p. 121.

¹³ Poland, Ministry of Climate and Environment (*Ministerstwo Klimatu i Środowiska*), 'Draft of the NECP 2030. - version for public consultation dated 10.2024.', 11 October 2024, p. 123.

100,000 workers. Investments will be made in rehabilitating and decontaminating post-mining areas, with a focus on renewable energy, clean mobility, and energy efficiency.¹⁴

Other governmental programmes aimed at increasing energy efficiency

Besides the NECP and EPP2040, in Poland, there are already several governmental programmes aimed at increasing energy efficiency.

In the context of reducing greenhouse gas emissions at the national legal level, state authorities have designed and implemented several programs, such as the Program "Energy Plus" (Energia Plus), a programme offering financial support for entrepreneurs who would improve their installation for the reduction of greenhouse gases production¹⁵, Polish Geothermal Plus (Polska Geotermia Plus)- a programme offering financial support for entrepreneurs who would use geothermal energy for heating¹⁶, and District Heating (Ciepłownictwo Powiatowe) – a programme offering financial instruments for investments aimed at improving heating systems¹⁷, among others. The aim of the programs is to reduce the negative impact of district heating companies on the environment, including improving air quality.

In parallel, there are several programs offering financial incentives and support to improve heating systems (including thermomodernisation) in individual houses, including programs such as My Heat (Moje ciepło)¹⁸, My Energy (Mój prąd)¹⁹ and especially the Clean Air Program (Program Czyste Powietrze)²⁰, which is the biggest program of this kind in Poland.

The Clean Air Program is the first nationwide initiative to provide financial support for transitioning heating systems to prevent air pollution emissions. The Clean Air Program aims to improve air quality and reduce greenhouse gas emissions by replacing heat

¹⁴ European Commission, "[InfoREGIO - EU Cohesion Policy: €3.85 billion for a just transition toward climate neutral economy in five Polish regions](#)", press release, 5 December 2022.

¹⁵ Poland, [Energia Plus](#) (accessed 6.12.2024).

¹⁶ Poland, [Geotermia Plus](#) (accessed 6.12.2024).

¹⁷ Poland, [Ciepłownictwo powiatowe](#) (accessed 6.12.2024).

¹⁸ Poland, [Moje ciepło](#) (6.12.2024).

¹⁹ Poland, [Mój prąd](#) (6.12.2024).

²⁰ Poland, [Czyste powietrze](#) (accessed 6.12.2024).

sources and enhancing energy efficiency in single-family residential buildings²¹. The program is scheduled to run from 2018 to 2029²². Progress indicators for the program include, among others, the number of residential buildings with improved energy efficiency, the number of inefficient heat sources replaced with low-carbon alternatives, and reductions in dust emissions.

Since the programme's inception, several cities have spearheaded the modernization process. We would like to highlight one example – the city of Rybnik, where the Program facilitated heating renovations for over 6,000 houses and 2,000 local government buildings, facilities, and community houses. Factors contributing to the successful implementation of the Program in Rybnik include modernization and investments in clean energy sources, rigorous monitoring and control of Program implementation and air pollution levels, and effective social communication campaigns led by both local government authorities and grassroots movements such as Rybnik Smog Alarm. Accessibility of information played a crucial role, with the local government establishing a focal point to provide instructions and assistance to community members seeking funds from the Program. Additionally, efforts to ensure social cohesion were evident in Rybnik, where a pilot project established a co-housing centre for seniors unable to afford heating costs.²³ In our opinion, this city serves as a perfect example of modernisation that has been executed well.

At the national level, however, the implementation of the Program faces significant challenges, mostly related to the lack of proper financial flows. In 2024, the media reported that the program budget deficit reached PLN 500 million (approx. EUR 117 million), further causing delays in reimbursing the costs of investments borne by program beneficiaries. Earlier in 2022, an audit conducted by the Supreme Audit Chamber indicated that the implementation, management, and realization of the

²¹ Information on “Czyste powietrze” programme available at:
<https://czystepowietrze.gov.pl/wez-dofinansowanie/dokumenty-programowe/dokumenty-obowiazujace/wersja-czarno-biala/program-priorytetowy-czyste-powietrze-14-06-2024.pdf> p. 1

²² National Fund for Environmental Protection and Water Management (*Narodowy Fundusz Ochrony Środowiska i Gospodarki Wodnej*), ‘The updated priority programme clean air’, press release, 11 June 2024.

²³ Śląska Opinia, [Rybnik chce zostać stolicą polskiej transformacji energetycznej](#), 23 April 2024.

program did not guarantee the achievement of the results envisioned by the Program within the planned timeframe of 2029.²⁴

Another problem related to the Program's implementation was the subsidising of technical solutions that turned out to be inadequate for the specific situations of individual households (such as the installation of low-quality heat pumps in buildings unsuitable for them), leading to a significant increase in heating costs and ultimately failing to improve energy efficiency or even leading to energy poverty of the beneficiaries who had decided to install such devices.²⁵ Additionally, the process of implementing the Program varies significantly among different local governments.

In general, the Clean Air Program is an example of government policy implementing a just transition. The Clean Air Program aims to reduce emissions by supporting modernisation based on renewable and clean energy sources, as well as increasing energy efficiency. In addition to implementing this program, the government also implements short-term programs aimed at lowering energy prices (e.g. energy protective allowance – financial support for citizens due to higher energy prices)²⁶.

2.1. Energy efficiency

2.1.1. Act on energy efficiency

The act on energy efficiency²⁷ specifies, among other things:

1. the tasks of public sector entities in the field of energy efficiency;

²⁴ Kołakowska, A., Dąbrowski, K. (2023) „[Program priorytetowy „Czyste powietrze” – konieczne zmiany w zarządzaniu](#)”, *Kontrola państwowa* No. 2 p. 97.

²⁵ M. Retman, [Polacy rozpaczają przez pompy ciepła. Zostali "nabici" w rachunki grozy. "Takiego świństwa, krzywdy ludzkiej nie zaznałem"](#), *Forsal.pl*, 29 November 2024; P. Gospodarczyk, [Nowy problem właścicieli pomp ciepła. Żale, pretensje i oskarżenia](#), *Money.pl*, 24 December 2023.

²⁶ O. Huczko, ["Bon energetyczny w 2024 roku. Dla kogo i ile? Kwota zależy od dochodu za poprzedni rok i rodzaju ogrzewania"](#), *Infor.pl*. 2 October 2024.

²⁷ Poland, Act on energy efficiency ([Ustawa o efektywności energetycznej](#)), 20 May 2016.

2. the rules for fulfilling the obligation to achieve energy savings.²⁸

Public sector entities and public authorities

All public sector entities shall perform its tasks by using at least one of the measures to improve energy efficiency. These measures include²⁹:

1. implementation and financing of projects aimed at improving energy efficiency;
2. purchasing devices, installations, or vehicles characterised by low energy consumption and low operating costs;
3. replacing or modernising existing devices, installations, or vehicles with those mentioned in point 2;
4. carrying out thermomodernisation projects;
5. implementing the EMAS³⁰ environmental management system;
6. executing low-emission projects.

In addition, public authorities are obliged, among other things, to:

1. purchase energy-efficient products or
2. commission services related to energy consumption,
3. purchase or lease energy-efficient buildings or parts thereof that meet relevant energy-saving and thermal insulation requirements.³¹

The products or services purchased by public authorities must meet specified efficiency criteria, provided that they comply with the criteria of cost-effectiveness and technical suitability, and it is economically justified. In some cases, products and services must meet the highest possible energy efficiency class.

Private sector

²⁸ Poland, Act on energy efficiency ([*Ustawa o efektywności energetycznej*](#)), 20 May 2016, Article 1.

²⁹ Poland, Act on energy efficiency ([*Ustawa o efektywności energetycznej*](#)), 20 May 2016, Article 6.

³⁰ Regulation (EC) No 1221/2009 of the European Parliament and of the Council of 25 November 2009 on the voluntary participation by organisations in a Community eco-management and audit scheme (EMAS), repealing Regulation (EC) No 761/2001 and Commission Decisions 2001/681/EC and 2006/193/EC

³¹ Poland, Act on energy efficiency ([*Ustawa o efektywności energetycznej*](#)), 20 May 2016, Article 8.

Certain entities,³² including energy companies engaged in the production or trade of electricity, heat, or natural gas, and selling electricity, heat, or natural gas to end-users connected to the grid within the territory of the Republic of Poland, are obliged to implement measures aimed at improving energy efficiency for the end-user, resulting in a specified level of final energy savings.³³ This level is currently at 1.5% of the amount of electricity, heat, or natural gas, expressed in tons of oil equivalent, sold in a given year to end-users connected to the grid within the territory of the Republic of Poland.³⁴ This level could be changed in the future, although there are no plans of change for now.

These entities can also implement grant programs to co-finance projects aimed at improving energy efficiency, involving:

1. replacement of devices or installations used for heating or domestic hot water preparation with devices or installations of higher energy efficiency class,
2. connection to the district heating network.³⁵

The current annual national target for final energy savings is no less than 5,580 thousand tons of oil equivalent. This target will be in effect until the end of 2030.³⁶ To achieve this target, alternative measures can also be used, which are understood as programs and financial instruments related to projects aimed at improving energy efficiency for the

³² Besides energy companies, obliged are also final customers connected to the grid on the territory of the Republic of Poland being a member of a commodity exchange or a member of an exchange clearing house, the final customer connected to the network on the territory of the Republic of Poland importing natural gas in the framework of intra-Community purchase or import within the meaning of the provisions on excise tax, in relation to the quantity of that gas consumed for own use, a commodity brokerage house or a brokerage house and a fuel entity marketing liquid fuels. Poland, Act on energy efficiency ([Ustawa o efektywności energetycznej](#)), 20 May 2016, art. 10 (2).

³³ Poland, Act on energy efficiency ([Ustawa o efektywności energetycznej](#)), 20 May 2016, Article 10.

³⁴ Poland, Act on energy efficiency ([Ustawa o efektywności energetycznej](#)), 20 May 2016, Article 14.

³⁵ Poland, Act on energy efficiency ([Ustawa z dnia o efektywności energetycznej](#)), 20 May 2016, Article 15a.

³⁶ Poland, Impact assessment of the regulation for the draft amendment of the law on energy efficiency ([Ocena skutków regulacji projektu ustawy o zmianie ustawy o efektywności energetycznej](#)), 29 January 2021, p. 2.

end-user.³⁷ These projects include "insulation of industrial installations; reconstruction or renovation of buildings along with technical installations and devices; modernization or replacement of lighting, devices or installations used in industrial, energy, telecommunications or IT processes, local heating networks and local heat sources, household appliances, road or rail transport vehicles; energy recovery, including energy recovery in industrial processes; reduction of losses: related to reactive energy consumption, network losses related to the transmission or distribution of electricity, natural gas or liquid fuels, during transformation, in heating networks, related to power supply systems for telecommunications or IT devices, related to storage and transshipment of liquid fuels; using, for heating or cooling facilities, energy generated in renewable energy source installations, useful heat in high-efficiency cogeneration or waste heat from industrial installations".³⁸

Based on the act on energy efficiency, a central register of final energy savings is also maintained, where data and information on the amount of final energy savings obtained as a result of alternative measures in the form of national and EU programs for improving energy efficiency are collected.³⁹ According to the data contained in the register, so far in 2024 (from 1 January to 26 November 2024), 140,153 tons of oil equivalent of new average annual final energy savings have been registered. For comparison, throughout 2023, this was over 285,000 tons, in 2022 – over 342,000 tons, and in 2021 – over 226,000 tons.⁴⁰

³⁷ Poland, Act on energy efficiency ([Ustawa o efektywności energetycznej](#)), 20 May 2016, Article 18.

³⁸ Poland, Act on energy efficiency ([Ustawa o efektywności energetycznej](#)), 20 May 2016, Article 19.

³⁹ Poland, Act on energy efficiency ([Ustawa o efektywności energetycznej](#)), 20 May 2016, Article 35a.

⁴⁰ Current information available at: <https://croef.ios.gov.pl/>

2.1.2. Overview of energy efficiency targets in Poland according to the draft update to the NECP

The issue of improving energy efficiency, national targets in this area, and their impact on achieving EU targets are included in Chapter II.2 of the NECP update draft, titled “Improvement of Energy Efficiency”.⁴¹ This chapter is divided into two areas:

1. improvement of energy efficiency in the economy, which specifies the following goals:
 - a. Poland's contribution to primary energy consumption;
 - b. Poland's contribution to final energy consumption;
 - c. Generating savings in final energy consumption;
 - d. Reducing final energy consumption by public institutions;
2. Low-emission buildings, which includes two specific goals:
 - a. Reducing the energy needs of existing buildings;
 - b. New zero-emission construction.

Poland's contribution to primary energy consumption.

Primary energy is the energy contained in primary energy carriers – in coal, crude oil, natural gas, and energy obtained directly from the environment – water, wind, solar, and geothermal energy used for the production of electricity, heat or cooling, and biomass. Current level of consumption is set on 98,6 Mtoe according to Statistics Poland data for year 2022⁴².

According to the draft update of the NECP, Poland will aim to achieve a reduction in primary energy consumption by 14.4% (13.4 Mtoe) by 2030 compared to the PRIMES2020 forecasts (forecasted primary energy consumption – 93,3 Mtoe), resulting from the formula specified in the EED directive,⁴³ i.e. reducing consumption to the level of 79.9 Mtoe – as a provisional contribution to the EU goal. Forecasts indicate that primary energy consumption will be 80.6 Mtoe in 2030, which means a reduction of

⁴¹ Poland, Ministry of Climate and Environment (*Ministerstwo Klimatu i Środowiska*), ‘Draft of the NECP 2030. - version for public consultation dated 10.2024.’, 11 October 2024, pp. 66-81.

⁴² Poland, Statistics Poland (*Główny Urząd Statystyczny*), ‘[Efektywność wykorzystania energii w latach 2012–2022](#)’, report, 17 June 2024.

⁴³ European Parliament and Council Directive 2023/1791 of 13 September 2023 on energy efficiency and amending Regulation (EU) 2023/955 (recast). OJ L 231.

13.6% (-12.7 Mtoe) compared to PRIMES 2020. In relation to PRIMES 2007, forecasts indicate a reduction of -26% (-37.9 Mtoe).

The presented targets are lower than expected for Poland. The current expected level based on the EED formula is -32% compared to PRIMES 2007, which is 6 percentage points more than the scenario adopted by the government. According to the authors of the draft, such a target would mean that primary energy consumption should be lower in 2030 than in 2020, which was a year of economic slowdown caused by the Covid-19 pandemic. Consequently, its implementation would reportedly require limiting economic growth or very intensive actions related to improving process efficiency, replacing fossil fuels, on a scale that is not achievable in such a short time frame.⁴⁴ Interestingly, the annual targets adopted in the NECP are more ambitious in the years 2024-2029 than the targets resulting from the requirements of the EED formula. This trend is expected to change only in 2030, when targets adopted in NECP meet the targets resulting from EED formula. The authors do not address this issue in the document, emphasising the role of energy efficiency measures in simultaneous economic growth.

To achieve the set goals, the authors of the update declare the importance of implementing the principle of 'energy efficiency first' as a primary instrument in achieving the ambitious EU energy efficiency targets. However, in response to the European Commission's comments, which demanded a detailed specification of the policies and measures to implement the principle, Poland indicated that it would do so only within the framework of the report to be prepared by March 15, 2027.⁴⁵ Consequently, the NECP update does not contain any detailed information on how Poland intends to implement the principle of "energy efficiency first".

Poland's contribution to final energy consumption

Final energy consumption is the use of fuels or energy delivered to the end user. Current consumption in Poland reaches the level of 72 Mtoe.⁴⁶

⁴⁴ Poland, Ministry of Climate and Environment (*Ministerstwo Klimatu i Środowiska*) (2024) '[Draft of the NECP 2030. - version for public consultation dated 10.2024.](#)', 11 October 2024, pp.69-70.

⁴⁵ Reference to the recommendations of the European Commission on the draft of NECP update dated February 29, 2024, p. 12.

⁴⁶ Poland, Statistics Poland (*Główny Urząd Statystyczny*), 'Efektywność wykorzystania energii w latach 2012–2022', report, 17 June 2024.

EU member states should ensure a reduction in energy consumption by at least 11.7% by 2030 compared to the PRIMES 2020 forecasts.⁴⁷

Poland will aim to achieve a reduction in final energy consumption by 12.8% (8.6 Mtoe) by 2030 compared to the PRIMES 2020 forecasts, resulting from the formula specified in the EED directive, i.e., reducing energy consumption to the level of 58.5 Mtoe – as a provisional contribution to the EU goal. Forecasts indicate that final energy consumption will be 64.1 Mtoe in 2030, which means a reduction of 4.6% (-3 Mtoe) compared to PRIMES 2020. In relation to PRIMES 2007, forecasts from the draft update of the NECP indicate a reduction of -25% (-21.4 Mtoe). The data contained in the project indicates that Poland will not meet the target resulting from the EED formula from 2029 onwards.⁴⁸

To improve energy efficiency in the national economy, the key tool will remain the energy efficiency certificates system, also known as the 'white certificates' system, which imposes an annual energy saving obligation on obligated entities. This tool will be accompanied by alternative measures in the form of the Thermomodernization and Renovation Fund (TERMO Programme); a tax relief for expenses incurred on the thermomodernization of single-family residential buildings; the development of public transport in cities; the improvement of the energy efficiency of residential buildings; and an energy-efficient public sector.⁴⁹ These mechanisms of support are also helpful for vulnerable groups, who could deal with energy poverty. Thanks to the support, individuals could improve energy efficiency of their buildings or invest in more efficient (and less costly) heat source. According to the draft of the NECP 2030, Poland will aim to achieve a reduction in final energy consumption among vulnerable groups on level 2678 ktoe.⁵⁰

⁴⁷ European Parliament and Council Directive 2023/1791 of 13 September 2023 on energy efficiency and amending Regulation (EU) 2023/955 (recast). OJ L 23, Article 4.

⁴⁸ Poland, Ministry of Climate and Environment (*Ministerstwo Klimatu i Środowiska*), 'Draft of the NECP 2030. - version for public consultation dated 10.2024.', 11 October 2024, pp. 71-72.

⁴⁹ Poland, Ministry of Climate and Environment (*Ministerstwo Klimatu i Środowiska*), 'Draft of the NECP 2030. - version for public consultation dated 10.2024.', 11 October 2024, p. 73.

⁵⁰ Poland, Ministry of Climate and Environment (*Ministerstwo Klimatu i Środowiska*), 'Draft of the NECP 2030. - version for public consultation dated 10.2024.', 11 October 2024, p. 75.

The aforementioned actions carry the risk of providing less assistance to people outside urban centres and, on the other hand, to people not living in single-family houses.

Generating savings in final energy consumption

EU member states are obligated to achieve new annual savings in final energy consumption:

- 2021–2023 – 0.8% of annual final energy consumption (i.e., 566 ktoe);
- 2024–2025 – 1.3% of annual final energy consumption (i.e., 920 ktoe);
- 2026–2027 – 1.5% of annual final energy consumption (i.e., 1047 ktoe);
- 2028–2030 – 1.9% of annual final energy consumption (i.e., 1326 ktoe).

The total cumulative final energy consumption savings to be achieved in the period 2021-2030 have been calculated for Poland at the level of 44,870 ktoe. Member States decide how to distribute the calculated amount of new savings in each of the above-mentioned periods, provided that at the end of the period covered by the obligation, the required total cumulative final energy consumption savings are achieved.⁵¹ Poland, in the NECP draft, sets the path for achieving 44,465 ktoe in the years 2021-2030, which is below the target it should achieve.⁵²

The obligation to save final energy in Poland has been implemented since 2021 through the energy efficiency obligation system – the energy efficiency certificates system – and alternative measures. In this area, the NECP proposes actions focusing on: the development of zero-emission public transport in cities; the white certificates system; the development of energy audits and energy management systems; thermomodernization; and strengthening the energy efficiency of the public sector.⁵³

⁵¹ European Parliament and Council Directive 2023/1791 of 13 September 2023 on energy efficiency and amending Regulation (EU) 2023/955 (recast). OJ L 231, Art. 8(1)(2).

⁵² Poland, Ministry of Climate and Environment (*Ministerstwo Klimatu i Środowiska*), 'Draft of the NECP 2030. - version for public consultation dated 10.2024.', 11 October 2024, p. 74.

⁵³ Poland, Ministry of Climate and Environment (*Ministerstwo Klimatu i Środowiska*), 'Draft of the NECP 2030. - version for public consultation dated 10.2024.', 11 October 2024, p. 75.

Reducing final energy consumption by public institutions

The EED obliges Member States to ensure that the total final energy consumption of all public institutions combined is reduced by at least 1.9% per year compared to 2021.⁵⁴ The obligation to reduce final energy consumption by public institutions should be implemented gradually, taking into account the size of administrative units. Due to the ongoing work aimed at implementing the EED directive, authors of the NEC underline that it is not possible at the time of adopting the Plan to determine the way to achieve the goal of reducing energy consumption by specific groups of public institutions. However, they have managed to set the overall yearly target. Poland will aim to achieve the goal of reducing final energy consumption by all public institutions so that in 2030 it reaches a reduction of 78.17 ktoe per year. To achieve this, instruments from the Energy Efficiency Act, as well as the white certificates system and actions in the area of an energy-efficient public sector, will be used.⁵⁵

Low-emission buildings

Buildings across all sectors in the Union are responsible for 40% of energy consumption and 36 % of carbon emissions. Heating, cooling, and domestic hot water account for 80% of the energy consumed by households.⁵⁶ Therefore, buildings can play an important role in climate change mitigation.

The NECP sets two main targets in this area:

1. The target in terms of reducing the energy demand of existing buildings is to ensure that by 2035 all buildings with an EP index above 230 kWh/(m²/year) are modernized, with the priority being the elimination of coal use in residential buildings.

⁵⁴ European Parliament and Council Directive 2023/1791 of 13 September 2023 on energy efficiency and amending Regulation (EU) 2023/955 (recast). OJ L 231, art. 5.

⁵⁵ Poland, Ministry of Climate and Environment (*Ministerstwo Klimatu i Środowiska*) (2024) 'Draft of the NECP 2030. - version for public consultation dated 10.2024.', 11.10.2024., pp. 75-76

⁵⁶ European Commission, About [Energy Performance of Buildings Directive](#), press release, 28 May 2024. In Poland specifically, heating and cooling is responsible for 81% of final energy consumption - European Commission (2024) State of the Energy Union 2024: Poland, Press release, IP/24/4581, 11 September 2024, p. 3.

2. The goal in terms of energy demand for new buildings is to ensure that from January 1, 2030, all new buildings constructed in Poland are zero-emission, and in the case of buildings occupied by public authorities from January 1, 2028.⁵⁷

Contribution to EU climate targets

By implementing these programs and addressing the challenges, Poland can contribute to the EU's climate targets and achieve its own climate neutrality goals. The transition to a low-carbon economy will not only reduce emissions but also stimulate economic growth, enhance competitiveness, and improve public health.

The authors of the NECP estimate that the WAM (with additional measures) scenario will achieve an emission reduction of -44.5% in 2030 and -65.7% in 2040 compared to the 1990 level (excluding the LULUCF sector). Compared to the WEM (with existing measures) scenario, total GHG emissions (excluding the LULUCF sector) in the WAM scenario will be lower by 18.9 million t CO₂e in 2030 and 33.5 million t CO₂e in 2040.

The pathway and contribution of Poland to achieving the EU climate neutrality goal will be more specifically defined by the long-term strategy to 2050, which is being developed by the Ministry of Climate and Environment.⁵⁸

⁵⁷ Poland, Ministry of Climate and Environment (*Ministerstwo Klimatu i Środowiska*) (2024) 'Draft of the NECP 2030. - version for public consultation dated 10.2024.', 11.10.2024., pp. 77-81.

⁵⁸ Poland, Ministry of Climate and Environment (*Ministerstwo Klimatu i Środowiska*) (2024) 'Draft of the NECP 2030. - version for public consultation dated 10.2024.', Appendix 1, 11.10.2024, p. 104.4

2.2. Just transition

2.2.1. Just transition in Poland

Just Transition in Poland concerns the energy transition, as the current energy structure in Poland is based on coal and other fossil fuels.⁵⁹ However, a rapid energy transition would have enormous social effects, as in some regions whole economy is based on coal mining and related industries. A sudden closure of the hard coal market would lead to significant job losses for thousands of people⁶⁰ employed in the mining industry and related branches. As a result, there would be high unemployment in the region, which would be difficult to manage, and this would have a negative social impact in many respects.

The concept of just transition in Poland is focused on coal regions – dolnośląskie province (województwo dolnośląskie), łódzkie province (województwo łódzkie), małopolskie province (województwo małopolskie), wielkopolskie province (województwo wielkopolskie), śląskie province (województwo śląskie). In these regions, there is a need to prepare for future energy transition and reduction in demand for mined coal. National and regional politics is oriented towards creating new jobs and giving the employees other qualifications, based on their current job at the mine.

2.2.2. Legal framework

Legal instruments of just transition are Territorial Just Transition Plans (Terytorialny Plan Sprawiedliwej Transformacji) and Just Transition Fund, funded by EU. These instruments are of course not the only ones, as the course of just transition in Poland is influenced by development plans for the regions, but also by plans to modernise the transport network, the energy grid and other measures taken by the state. Some remarks on just

⁵⁹ Fossil fuels account for 86% of Poland's Energy mix. European Commission (2024) [State of the Energy Union 2024: Poland](#), Press release, IP/24/4581, 11 September 2024, p. 1.

⁶⁰ According to data provided by The higher mining office employment in hard coal and lignite mining at the end of 2023 would be 106 thousands people, The higher mining office (2023), [Nadzorowane zakłady](#), press release.

transition are included in the draft of the National Energy and Climate Plan (NECP) in its Chapter 4.5 (Just transition and customer protection).⁶¹

Implementing JTF is very demanding for regions, as they should prepare detailed planning on what activities should be funded by JTF, which would be helpful for the region. These activities are included in Detailed Description of Priorities (Szczegółowy Opis Priorytetów) documents based on Territorial Just Transition Plans for every region. The plans would support job change for people employed in mining companies, education (for youth and adults), research and development sector in companies, regional investments in transport, energy production (with focus on renewable energy sources). These actions should mitigate negative impact of energy transition in Poland. We will present only main comments on local priorities, but these programmes are very broad.

Detailed Description of Priorities Dolnośląskie Province (Szczegółowy Opis Priorytetów Województwo Dolnośląskie)⁶²

The Plan focuses on Wałbrzyski sub-region. According to the Plan, the Wałbrzyski sub-region is already disadvantaged in the process of the just transition. Therefore, priorities for this region include support for education, especially in the subject of renewable energy solutions, but also real support for the creation of new enterprises that contribute to the expansion of the enterprise, the increase of energy efficiency of enterprises and the development of a low-carbon economy, the creation of new enterprises support for subsidy and consultancy support, investments in Research and Development activities, investments in the infrastructure of heating enterprises leading to the change of energy and heat sources to efficient systems using RES.

The plan provides also support for brownfields projects, for recultivation or remediation of post-mining areas respecting the polluter-pays principle.

⁶¹ Poland, Ministry of Climate and Environment (*Ministerstwo Klimatu i Środowiska*) (2024) 'Draft of the NECP 2030. - version for public consultation dated 10.2024.', 11.10.2024., Chapter 4.5 p. 116 – 124.

⁶² Detailed description of priorities dolnośląskie voivodeship available at: <https://funduszeudolnoslaskie.pl/dokumenty/4182-szczegolowy-opis-priorytetow-feds-2021-2027>.

Detailed Description of Priorities Łódzkie Province (Szczegółowy Opis Priorytetów Województwo Łódzkie)⁶³

The Plan focuses on two sub-regions: piotrkowski and sieradzki that include 35 municipalities. These two sub-regions may be most affected by the transformation due to the mining and energy industry operating in the sub-regions. The Plan is divided into three actions on the economy, society and space in transition. Supporting education, subsidising enterprise activities and rehabilitating post-mining areas are planned. This plan is not precise and much may depend on how the funds are used in practice.

Detailed Description of Priorities Małopolskie Province (Szczegółowy Opis Priorytetów Województwo Małopolskie)⁶⁴

Małopolska region is not per se a coal region, the JTF support include only small area including the oświęcimski sub-region (composed of chrzanowski, olkuski, oświęcimski and wadowicki districts⁶⁵). The sub-region is strongly dependent on mining industry and other forms of heavy industry as well as strongly connected to Śląsk via economy and social ties.

This plan does not provide much support for job change, the plan will have different impact than just transition understood as job market change. It provides support for the older people, support for respite care, investment in public transport and education. Some projects seem to be less connected with just transition aim, such as the project supporting fablab organisation. Such support would fund workshops for youth, or place for spending time in the district, but it does not provide direct support for people employed in mining companies, which should be main goal of the just transition in Poland.

Detailed Description of Priorities Śląskie Province (Szczegółowy Opis Priorytetów Województwo Śląskie)⁶⁶

⁶³ Detailed description of priorities łódzkie province available at:

<https://funduszeue.lodzkie.pl/dokumenty/szczegolowy-opis-priorytetow-programu-fundusze-europejskie-dla-lodzkiego-2021-2027.>)

⁶⁴ Detailed description of priorities małopolskie province available at:

<https://fundusze.malopolska.pl/szop.>

⁶⁵ The second-level unit of [local government](#) and administration in [Poland](#).

⁶⁶ Detailed description of priorities śląskie province available at:

https://funduszeue.slaskie.pl/dokument/szop_fesl_2021_2027_v12.)

The plan covers 7 subregions in the Śląskie province (katowicki, sosnowiecki, tyski, bytomski, gliwicki, rybnicki, and bielski districts). These selected districts represent the vast majority of the Śląskie province. The economy of this province is the most dependent on the mining industry, and the Śląskie province therefore received the most support among the regions. The description of priorities ensures financial support in main just transition areas – job transition, education, industry and help for the general economy of the region.

The transition plan in Silesia region includes financial support for the establishment of new businesses, retraining of workers in mining-related sectors. The Detailed Description of Priorities document provides support also for education, including higher education and research and development area to prepare future specialists in renewable energy solution sector, as opposed to long time tradition of mining education in the region.

Silesia region also plans to shift local industry from coal use to other areas, including building infrastructure for the production or storage of energy from renewable sources. A gaming and technology hub is envisaged in Katowice, which will create new jobs for specialists.

Detailed Description of Priorities Wielkopolskie Province (Szczegółowy Opis Priorytetów Województwo Wielkopolskie)⁶⁷

The Plan focuses on the Konin city and koniński, słupecki and turecki districts. These subregions were selected due to their social and economic dependency on exploitation of fossil fuels and their economic disadvantages.

Wielkopolska established the transition plan in cooperation with the mining industry. One of the project was focused on helping with economic mobilisation of those affected by the transition, i.e. mining employees (including those made redundant since the beginning of 2018). This project was prepared in very detailed way.

Another project provides support for investment in SMEs and large companies in adapting their operations to market conditions, increasing energy efficiency, investing in green technologies.

⁶⁷ Detailed description of priorities wielkopolskie province available at:

<https://wrpo.wielkopolskie.pl/dowiedz-sie-wiecej-o-programie/fundusze-europejskie-dla-Wielkopolski-2021-2027/zapoznaj-sie-z-prawem-i-dokumentami-few-2021-2027/1329>.

Just Transition in NECP WAM project

NECP envisages energy transition in few years. Therefore, is it clear also for authors of the project, that the social aspect of energy transition (just transition) must be taken into account. At the same time NECP assumes, that coal mines would be active until 2049 according to the “social contract”, signed by previous government and the miners’ representatives. Deactivation of coal mines would take place gradually until the year 2049.

During the time of transition NECP plans to support creating new job places by mapping regional needs and supporting new industries, especially renewable energy solutions, electromobility, climate change adaptation and mitigation (green jobs). NECP assumes usage of the JTF and other resources.⁶⁸ According to NECP qualification change could be financed also with sources from Social Climate Fund, connected with EU ETS system.

2.2.3. Energy poverty and energy effectiveness

Most of the energy poverty and energy effectiveness topic is included in the main part of the NECP and will be described in another part of the document.⁶⁹

However, JTF implementation in Poland also includes this topic. Just transition projects provide support for administration to improve energy effectiveness for example to replace their heat source with renewable energy sources according to their individual needs.⁷⁰ Investment is also envisaged for the development of non-fossil fuel heat generation companies, what could have positive results in dual perspective.⁷¹ Such support of enterprises can reduce the price of energy and heat for residents, and influence the employment of former mine workers.

⁶⁸ Poland, Ministry of Climate and Environment (*Ministerstwo Klimatu i Środowiska*) (2024) ‘Draft of the NECP 2030. - version for public consultation dated 10.2024.’, 11.10.2024. Attachment number 5, p. 28.

⁶⁹ Chapter 2.1 of this document.

⁷⁰ For example, project FEWP.10.06. Detailed description of priorities wielkopolskie province available at:

<https://wrpo.wielkopolskie.pl/dowiedz-sie-wiecej-o-programie/fundusze-europejskie-dla-Wielkopolski-2021-2027/zapoznaj-sie-z-prawem-i-dokumentami-few-2021-2027/1329>

⁷¹ For example, project FESL.10.06. Detailed description of priorities śląskie province available at: https://funduszeue.slaskie.pl/dokument/szop_fesl_2021_2027_v12

2.2.4. Leaving no one behind in just transition plans in Poland

Just transition plans in Poland are focused on helping mine workers in changing employment to other, more sustainable job. In this way, the support is intended to protect these people from unemployment and negative social consequences. Just transition plans include support for recultivation post-mine areas and creating new work places. In addition, these plans provide support for education and R&D sector. Plans should be executed without any discrimination, in accordance with EU CFR.

2.3. Energy poverty

2.3.1. Introduction

The issue of energy poverty has become particularly significant in Poland during the energy crisis associated with the substantial increase in energy prices in the consumer market. This crisis has been observed in Poland since 2021, with its causes attributed, among other things, to the impoverishment of Polish society due to the COVID-19 pandemic.⁷² The crisis further intensified in 2022 after the onset of Russian aggression against Ukraine, which necessitated the cessation of importing energy resources from Russia.⁷³

In response to this crisis, Poland adopted a series of legal acts directly related to energy poverty and intended to provide an immediate response to the risk of its deepening. The most important of these include the Act on protective allowance,⁷⁴ the Act on coal

⁷² Lipiński, K., Juszcak, A. (2023), [*Cztery oblicza ubóstwa energetycznego. Polskie gospodarstwa domowe w czasie kryzysu 2021-2023*](#), Polski Instytut Ekonomiczny, Warszawa, p. 21.

⁷³ Poland, [Impact assessment of the regulation for the draft law on special solutions for the protection of electricity consumers in 2023 in connection with the situation on the electricity market and on the amendment of some other laws](#) (*Ocena skutków ustawy o zmianie ustawy o szczególnych rozwiązaniach służących ochronie odbiorców energii elektrycznej w 2023 roku w związku z sytuacją na rynku energii elektrycznej oraz niektórych innych ustaw*), 5 July 2023, p. 1.

⁷⁴ Poland, Act on protective allowance ([Ustawa o dodatku ośłonowym](#)), 17 December 2021.

allowance,⁷⁵ and the Act on special solutions for the protection of electricity consumers in 2023 in connection with the situation on the electricity market⁷⁶.

2.3.2. The Team for the Support of Vulnerable Consumers and the Reduction of Energy Poverty in Poland

The Act on Protective Allowance, which also added the definition of energy poverty to the Energy law, was based, among other things, on the work of the Team for the support of vulnerable consumers and the reduction of energy poverty in Poland (Zespół ds. wsparcia odbiorcy wrażliwego oraz redukcji ubóstwa energetycznego w Polsce).⁷⁷ This advisory team has been operating under the Minister of Climate and Environment since February 23, 2021.⁷⁸ Among its goals were, inter alia⁷⁹:

1. Analysis of the functioning of the support system for vulnerable electricity and gas consumers;
2. Evaluation of the developed definition of energy poverty in Poland and instruments contributing to the mitigation of energy poverty, taking into account

⁷⁵ Poland, Act on coal allowance ([Ustawa o dodatku węglowym](#)), 5 August 2022.

⁷⁶ Poland, Act on special solutions for the protection of electricity consumers in 2023 in connection with the situation on the electricity market ([Ustawa o szczególnych rozwiązaniach służących ochronie odbiorców energii elektrycznej w 2023 roku oraz w 2024 roku w związku z sytuacją na rynku energii elektrycznej](#)), 7 October 2022.

⁷⁷ Poland, [The justification of the draft law on the protective allowance](#), (*Uzasadnienie projektu ustawy o dodatku ośłonowym*), 6 December 2021, pp. 1-2; Ministry of Climate and Environment (*Ministerstwo Klimatu i Środowiska*), "[Powstał Zespół ds. wsparcia odbiorcy wrażliwego oraz redukcji ubóstwa energetycznego w Polsce](#)", press release, 8 March 2021.

⁷⁸ Ministry of Climate and Environment (*Ministerstwo Klimatu i Środowiska*), "[Order of the Minister of Climate and Environment of February 22, 2021, on the establishment of the Team for the support of vulnerable consumers and the reduction of energy poverty in Poland](#)" (*Zarządzenie Ministra Klimatu i Środowiska z dnia 22 lutego 2021 r. w sprawie powołania Zespołu do spraw wsparcia odbiorcy wrażliwego oraz redukcji ubóstwa energetycznego w Polsce*), 23 February 2021.

⁷⁹ As a result of the work of the Team, Ministry published Set of good practice for local government: Ministry of Climate and Environment (*Ministerstwo Klimatu i Środowiska*), "[Jak wspierać odbiorcę wrażliwego energii i zredukować ubóstwo energetyczne? Bank Dobrych Praktyk już dostępny dla gmin](#)", press release 25 March 2022.

the division into instruments affecting household income and instruments potentially reducing household expenses on electricity, heat, and gas fuels in Poland;

3. Determination of public policy directions aimed at reducing energy poverty;
4. Development of proposals for changes contributing to effective support for vulnerable electricity and gas consumers;
5. Preparation of proposals for educational programs to improve energy awareness in society.⁸⁰

2.3.3. Housing and energy allowances

Before the Protective Allowance Act was passed, there was no definition of energy poverty in Polish law. However, regulations related to this phenomenon have existed to some extent. In 2013, Article 3(13c) and (13d) were added to the Energy Law, defining vulnerable electricity and gas consumers.⁸¹ These consumers are individuals meeting certain income criteria and receiving housing allowances,⁸² which can be used, among other things, to pay for heating.⁸³ Additionally, these consumers are entitled to:

1. An energy allowance, amounting to no more than 30% of the product of the electricity consumption limit annually and the average price of electricity for a household consumer,⁸⁴ and

⁸⁰ Ministry of Climate and Environment (*Ministerstwo Klimatu i Środowiska*), ""Order of the Minister of Climate and Environment of February 22, 2021, on the establishment of the Team for the support of vulnerable consumers and the reduction of energy poverty in Poland" (*Zarządzenie Ministra Klimatu i Środowiska z dnia 22 lutego 2021 r. w sprawie powołania Zespołu do spraw wsparcia odbiorcy wrażliwego oraz redukcji ubóstwa energetycznego w Polsce*), press release, 23 February 2021, §4..

⁸¹ Poland, Act amending the Energy law and certain other acts ([Ustawa o zmianie ustawy - Prawo energetyczne oraz niektórych innych ustaw](#)), 26 July 2013.

⁸² In the meaning of the Act on housing allowances ([Ustawa o dodatkach mieszkaniowych](#)), 21 June 2001.

⁸³ Poland, Act on housing allowances ([Ustawa o dodatkach mieszkaniowych](#)), 21 June 2001, Article 6.

⁸⁴ Poland, Energy law ([Prawo energetyczne](#)), 10 April 1997, Article 5c.

2. Participation in a support program for overdue and current payments for electricity or gas fuels or services provided by electricity or gas fuel suppliers.⁸⁵

2.3.4. Legal definition of energy poverty

According to the definition of energy poverty included in the Energy Law, which was introduced in 2021, such poverty is considered to be a situation in which an individual household cannot secure sufficient heat, cooling and electricity to power appliances and for lighting, where the household collectively meets the following conditions: has a low income; incurs high energy expenses and resides in premises or a building with low energy efficiency.⁸⁶ Concrete thresholds of the criteria weren't defined at the national level, but they could be defined for programmes introducing energy poverty reduction instruments.⁸⁷ The legislator's intention was to use this definition in programs introducing instruments to reduce energy poverty, while simultaneously defining detailed poverty criteria each time.⁸⁸

This leads to a situation in which, within different legal regulations or support programmes, the exact values of energy poverty criteria will be determined in different ways.⁸⁹

Under the Protective Allowance Act, the protective allowance is available to a person:

- a) in a one-person household – whose average monthly income does not exceed the amount of PLN 2,100 (approx. EUR 485);
- b) in a multi-person household – if the amount of the average monthly income does not exceed PLN 1,500 per person (approx. EUR 346).

⁸⁵ Poland, Energy law ([Prawo energetyczne](#)), 10 April 1997, Article 5g.

⁸⁶ Poland, Energy law ([Prawo energetyczne](#)), 10 April 1997, Article 5gb.

⁸⁷ Poland, Energy law ([Prawo energetyczne](#)), 10 April 1997, Article 5gb.

⁸⁸ Poland, Energy law ([Prawo energetyczne](#)), 10 April 1997, Article 6(2); Poland, The justification of the draft law on the protective allowance, (*Uzasadnienie projektu ustawy o dodatku osłonowym*), 6 December 2021, p.4.

⁸⁹ Lipiński, K., Juszcak, A. (2023), 'Cztery oblicza ubóstwa energetycznego. Polskie gospodarstwa domowe w czasie kryzysu 2021-2023', *Polski Instytut Ekonomiczny*, Warszawa, p. 4.

In the case of a person in a one-person household, if their average monthly income exceeds PLN 2,100 (EUR 493), the benefit is the difference between the shielding allowance and the amount by which the average monthly income has been exceeded.⁹⁰

Income is calculated according to the rules set out in the Act on family benefits of 2003.⁹¹

The protective allowance is available to persons with Polish citizenship who are resident and residing in the territory of the Republic of Poland. Unless international agreements provide otherwise, it is also available to foreigners who reside and reside on the territory of the Republic of Poland.

The definition of energy poverty included in the Energy Law refers to the definition of energy poverty contained in Article 2(52) of the EED, according to which 'energy poverty' means a household's lack of access to essential energy services, where such services provide basic levels and decent standards of living and health, including adequate heating, hot water, cooling, lighting, and energy to power appliances, in the relevant national context, existing national social policy and other relevant national policies, caused by a combination of factors, including at least non-affordability, insufficient disposable income, high energy expenditure and poor energy efficiency of homes. This latter definition and its related regulations are crucial for the Polish government in developing a strategy to reduce energy poverty, which is part of the update to the National Energy and Climate Plan for 2030.

2.3.5. Energy poverty in the update to the National Energy and Climate Plan for 2030

In October 2024, the government submitted for public consultation a draft update to the National Energy and Climate Plan for 2021-2030.⁹² One of the goals of the presented document, which defines assumptions and objectives as well as policies and actions aimed at achieving the EU's climate and energy goals, is the reduction of energy poverty. According to the authors of the draft, energy poverty in Poland is a complex issue that combines social, technical, and economic aspects. It affects both rural and urban areas,

⁹⁰ Poland, Act on protective allowance ([Ustawa o dodatku osłonowym](#)), 17 December 2021, Article 2.

⁹¹ Poland, Act on family benefits ([Ustawa o świadczeniach rodzinnych](#)), 28 November 2003, Article 3(1).

⁹² Poland, Ministry of Climate and Environment (*Ministerstwo Klimatu i Środowiska*), 'Draft of the NECP 2030. - version for public consultation dated 10.2024.', 11 October 2024.

single-family homes, and multi-apartment buildings. Effective combating of energy poverty requires a precise identification of its causes and the implementation of solutions tailored to the individual situation of each household. The NECP update identifies high energy costs, low incomes, and the poor technical condition of buildings as causes of energy poverty.⁹³

The level of energy poverty

There is no database that collects information on energy and transport poverty in a regular and systematic manner. Information on these issues is dispersed among several reports and publications prepared by both state authorities (e.g., the Statistics Poland – *Główny Urząd Statystyczny*) and NGOs. For instance, in recent years, the Statistics Poland (*Główny Urząd Statystyczny*) published an analysis on energy poverty,⁹⁴ while NGOs such as UNICEF have highlighted the issue of transport poverty affecting children's well-being.⁹⁵ Furthermore, in 2023 the think tank Polish Economic Institute published an analysis on the energy poverty in Poland.⁹⁶

As a consequence, many different methods and indicators are used to determine the level of energy poverty. The Statistics Poland (*Główny Urząd Statystyczny*) and public authorities use the set of indicators to measure the energy poverty. Among the indicators are indicators LIHC (high-low income), 2M indicator (double the median energy expenditure) and Bills (ability to pay bills on time). The latest available data covers 2022 and according to them LIHC equalled 10,47%, 2M – 19,3% and Bills – 1,13%.⁹⁷

⁹³ Poland, Ministry of Climate and Environment (*Ministerstwo Klimatu i Środowiska*), 'Draft of the NECP 2030. - version for public consultation dated 10.2024.', 11 October 2024, p. 117.

⁹⁴ Poland, Statistics Poland (*Główny Urząd Statystyczny - GUS*), ['Zużycie energii w gospodarstwach domowych w 2021 r.'](#), 19 May 2023.

⁹⁵ United Nations Children's Fund (UNICEF), [„Ile dzieci w Polsce jest wykluczonych transportowo?”](#). Press release, 21 September 2023.

⁹⁶ Lipiński, K., Juszczak, A. (2023), [Cztery oblicza ubóstwa energetycznego. Polskie gospodarstwa domowe w czasie kryzysu 2021-2023](#), Polski Instytut Ekonomiczny, Warszawa.

⁹⁷ Poland, Ministry of Climate and Environment (*Ministerstwo Klimatu i Środowiska*), ['Energy poverty – indicators'](#), press release, 17 June 2024.

In accordance with the EED⁹⁸ Member States shall, in their assessment of the share of energy poverty in their national energy and climate plans, consider the following indicators:

- a) the inability to keep the home adequately warm;
- b) the arrears on utility bills;
- c) the total population living in a dwelling with a leaking roof, damp walls, floors or foundation, or rot in window frames or floor;
- d) at-risk-of-poverty rate.

Using the aforementioned criteria, the authors of the NECP update assessed that the level of energy poverty in Poland was 9.05% in 2019 (used as the reference year). This indicator consists of:

- a) the inability to keep the home adequately warm – 4,2%;
- b) the arrears on utility bills – 5,8%;
- c) the total population living in a dwelling with a leaking roof, damp walls, floors or foundation, or rot in window frames or floor – 10,8%;
- d) at-risk-of-poverty rate – 15,4%.⁹⁹

The data presented in the draft NECP update may appear outdated, as it not only refers to the data from 5 years ago but also omits the crucial years 2021-2022 for energy poverty. However, due to the very complex nature of the phenomenon of energy poverty and the multitude of possible indicators characterizing it, it is extremely difficult to definitively state whether there was an increase in energy poverty in 2021-2022 (based on 2M and Bills), or if the phenomenon has remained at a similar level (according to LIHC).¹⁰⁰

In response to the comments from the European Commission, which are not an integral part of the NECP but are appended to it, the Polish government indicated that data collected by the Statistics Poland (Główny Urząd Statystyczny - GUS) showed a

⁹⁸ European Parliament and Council Directive 2023/1791 of 13 September 2023 on energy efficiency and amending Regulation (EU) 2023/955 (recast). OJ L 231, Article 8(3).

⁹⁹ Poland, Ministry of Climate and Environment (*Ministerstwo Klimatu i Środowiska*), 'Draft of the NECP 2030. - version for public consultation dated 10.2024.', 11 October 2024, p. 117.

¹⁰⁰ Lipiński, K., Juszcak, A. (2023), *Cztery oblicza ubóstwa energetycznego. Polskie gospodarstwa domowe w czasie kryzysu 2021-2023*, Polski Instytut Ekonomiczny, Warszawa, p. 21.

systematic decline in the energy poverty index until 2019. From 2020, this trend changed, which was related to the increase in energy market prices caused by the COVID-19 pandemic and the subsequent aggression of Russia towards Ukraine. As a result, in 2022, the problem of energy poverty in Poland affected approximately 10.5% of households.¹⁰¹

Energy poverty reduction targets and planned actions

The update to the NECP assumes that energy poverty in Poland will decrease by an average of 0.25 percentage points annually. The minimum target is to reduce energy poverty to 6.3% by 2030 and to 3.8% by 2040. However, despite earlier information on the need for precise identification of causes and tailored solutions, the Plan's draft lacks a thorough analysis of the phenomenon of energy poverty, the reasons for its various manifestations, as well as specific targets and methods of action to reduce individual indicators.

To achieve the overall goal of reducing energy poverty, the government plans to:

1. Develop a Social Climate Plan, which will relate to the Social Climate Fund, expected to be one of the main sources of funding for actions related to reducing energy poverty;
2. Implement coordinated actions at various levels of administration – from central authorities to local governments and social assistance institutions;
3. Monitor the number of households affected by energy poverty;
4. Continue implementing programs financed by public funds (including EU funds) aimed at replacing heating sources with emission-free alternatives and financing modernization activities to improve energy efficiency, which in the opinion of authors of the Plan's draft will help reduce energy consumption costs and alleviate – not only energy - poverty.¹⁰²

Assuming the use of zero-emission heating sources, alongside a change in Poland's energy mix and a shift away from fossil fuels, which will help reduce household costs

¹⁰¹ Poland, Ministry of Climate and Environment (*Ministerstwo Klimatu i Środowiska*) (2024) 'Draft of the NECP 2030. - version for public consultation dated 10.2024.', Appendix 6 - reference to the recommendations of the European Commission, 11 October 2024, p. 16.

¹⁰² Poland, Ministry of Climate and Environment (*Ministerstwo Klimatu i Środowiska*) (2024) 'Draft of the NECP 2030. - version for public consultation dated 10.2024.', 11 October 2024, p. 118.

associated with payments under the ETS and ETS2 systems, the last of the presented assumptions may be plausible.¹⁰³

To achieve the goal of reducing energy poverty, the government proposes continuing or initiating 10 actions, most of which are to be based on the priority programmes of the National Fund for Environmental Protection and Water Management, including the Clean Air Programme. These programs are to focus on thermal modernization, replacement of heating sources, and the development of renewable energy sources. Simultaneously, one of the actions proposes the introduction of a tax relief for expenses incurred on thermal modernization of single-family residential buildings.¹⁰⁴

As detailed descriptions of these actions show, the vast majority of funds will be directed to people living in single-family houses. Only one program is directly addressed to people living in multi-apartment buildings. This could unintentionally worsen the situation of the latter, especially if they are unable to switch to zero-emission heating sources in their households due to economic, factual, or legal reasons. This will become particularly relevant with the implementation of the ETS2 system, which will indirectly significantly affect people living in multi-apartment buildings.¹⁰⁵

Additionally, it is surprising to include the Energy Plus program among those aimed at eliminating energy poverty, as it is directed at entrepreneurs and its goal is to "reduce the negative impact of enterprises on the environment, including improving air quality, through the support of investment projects".¹⁰⁶

Finally, at this stage, the action described as "related to the modification of existing or the introduction of new forms of support in the area of social policy, increasing the energy efficiency of buildings, as well as in the sphere of educational activities aimed at

¹⁰³ T. Adamczewski, P. Kleinschmidt, [Budynki w pułapce gazowej. Dlaczego rozwój mikroinstalacji i pomp ciepła w Polsce spowalnia](#), Forum Energii, 2024, p.18.

¹⁰⁴ Poland, Ministry of Climate and Environment (*Ministerstwo Klimatu i Środowiska*) (2024) 'Draft of the NECP 2030. - version for public consultation dated 10.2024.', 11 October 2024, p. 118.

¹⁰⁵ T. Adamczewski, P. Kleinschmidt, [Budynki w pułapce gazowej. Dlaczego rozwój mikroinstalacji i pomp ciepła w Polsce spowalnia](#), Forum Energii, 2024.

¹⁰⁶ National Fund for Environmental Protection and Water Management (*Narodowy Fundusz Ochrony Środowiska i Gospodarki wodnej*), [Nabór Energia Plus](#), press release, 2019.

supporting the most needy consumers and reducing the phenomenon of energy poverty" seems – due to its extraordinary generality - unclear.¹⁰⁷

In response to the comments from the European Commission, the government additionally indicated that a comprehensive program to combat energy poverty is planned for the coming years. In addition to direct subsidies for low-income individuals, the introduction of funding for energy efficiency improvements in a different scope than before is being considered (including, for example, conducting an energy audit of a building or replacing household appliances with more energy-efficient ones), as well as educational activities.¹⁰⁸

To combat existing energy poverty, energy needs reduction is also used. Article 8(3) of the EED requires that a certain percentage of the cumulative savings in final energy consumption be associated with actions taken among people affected by energy poverty, vulnerable consumers, and social housing occupants. Poland will aim to achieve total cumulative final energy consumption savings of 2,678 ktoe among people affected by energy poverty in the years 2024-2030.¹⁰⁹

2.3.6. Effects of implemented to reduce energy poverty

The problem of combating the energy poverty is an objective included also in five JTP and in the programs for implementation the EU regional funds (FENIKS).¹¹⁰ The FENIKS program aims at among others decarbonization of the economy transformation towards an environmentally friendly and closed-cycle economy and building an efficient and resilient transportation system with the lowest possible negative impact on the

¹⁰⁷ Poland, Ministry of Climate and Environment (*Ministerstwo Klimatu i Środowiska*) (2024) 'Draft of the NECP 2030. - version for public consultation dated 10.2024.', 11 October 2024, p. 157.

¹⁰⁸ Poland, Ministry of Climate and Environment (*Ministerstwo Klimatu i Środowiska*) (2024) 'Draft of the NECP 2030. - version for public consultation dated 10.2024.', 11 October 2024, Appendix 6 - reference to the recommendations of the European Commission, p. 16.

¹⁰⁹ Poland, Ministry of Climate and Environment (*Ministerstwo Klimatu i Środowiska*) (2024) 'Draft of the NECP 2030. - version for public consultation dated 10.2024.', 11 October 2024, p. 75.

¹¹⁰ More information available at: [Program Fundusze Europejskie na Infrastrukture, Klimat, Środowisko, https://www.feniks.gov.pl/strony/dowiedz-sie-wiecej-o-programie/program-feniks/](https://www.feniks.gov.pl/strony/dowiedz-sie-wiecej-o-programie/program-feniks/)

environment. It is too early to assess the actual effects of these programs at this moment. However, based on the data published by the Statistics Poland (Główny Urząd Statystyczny - GUS) which were referred above, a significant decrease in the level of energy poverty should not be expected in the near future.

In addition to the protective allowance there are also several other financial support schemes that in the short-term aim at reducing the prices of energy. Among them are e.g. coal allowance, energy allowances and energy voucher. These instruments have been finished by the middle of 2024. There are plans for the continuation of the energy voucher and for freezing energy prices in 2025, but these solutions are not yet certain. Neither the protective allowance nor the other mentioned instruments are effective means of reducing energy poverty. Their design is based either on transferring specific amounts of money to beneficiaries or on freezing energy or fuel prices on the consumer market. Such solutions provide temporary relief to household budgets but do not support a lasting exit from energy poverty. In many cases they can even exacerbate it by discouraging beneficiaries from switching to more efficient and environmentally friendly energy sources. Additionally, some of these instruments are directed at all individuals, regardless of their financial status. For these reasons, these solutions have been criticized, particularly the coal allowance, which have not included any income criteria, supported the use of the most harmful heating sources for air quality and reduced the pressure to replace these sources with more ecological or even zero-emission ones.¹¹¹ The coal allowance was not continued, so these issues were not addressed by government.

Therefore, the key gaps and risks related to the protection of fundamental rights concerning anti-energy poverty policies pertain to their relatively short-term nature. The majority of these policies focus on financial schemes aimed at reducing energy costs. However, in the long term, these programs may contribute to stabilizing the status quo, including the issue of energy poverty.

The government has also noticed this issue and emphasizes that the described programs for building renovation and heating source replacement in the NECP, such as 'Czyste Powietrze' (Clean Air), will help address the root causes of energy poverty.¹¹²

¹¹¹ Frank Bold Foundation (Fundacja Frank Bold), [Dodatek energetyczny zamiast węglowego – organizacje apelują o sprawiedliwe wsparcie dla najbardziej potrzebujących](#), press release, 28 July 2022.

¹¹² Poland, Ministry of Climate and Environment (*Ministerstwo Klimatu i Środowiska*) (2024) 'Draft of the NECP 2030. - version for public consultation dated 10.2024.', 11

In addition to these issues, there is a systemic gap in the entire transformation process, namely the lack of a legally binding plan that includes decarbonization timelines for industries, buildings, and transport. This lack of planning is further compounded by inadequate social communication that fails to explain the necessity of the transformation and its various stages. This situation will not be changed by the final adoption of the update to the National Energy and Climate Plan for 2030, due to the fact that the Plan is not a legal act. Though draft of the NECP foresees adoption of some legal acts, there are no plans for complex legal act on energy transformation and NECP has different meaning as it is not a legally binding act.

2.3.7. Transport poverty

An analysis of available sources did not identify any unified legal definition of **transport poverty** in the Polish legal system. In the draft update to the National Energy and Climate Plan for 2021-2030 transport poverty is defined as “the difficulties that individuals and households encounter in accessing private or public transportation, resulting in limitations in utilizing basic services and participating in socio-economic life”.¹¹³ This phenomenon occurs particularly in less developed regions of Poland and in rural areas, where access to public transport is difficult or entirely impossible.¹¹⁴

In rural areas, which constitute a significant portion of Poland, transport exclusion often results from the discontinuation of bus services, the closure of railway stations, or the absence of alternative transportation options, which intensified after the Covid-19 pandemic due to the bankruptcies of some carriers.¹¹⁵ In sparsely populated regions,

October 2024, Appendix 6 - reference to the recommendations of the European Commission , p. 16.

¹¹³ Poland, Ministry of Climate and Environment (*Ministerstwo Klimatu i Środowiska*) (2024) ‘Draft of the NECP 2030. - version for public consultation dated 10.2024.’, 11 October 2024, p. 118.

¹¹⁴ Poland, Ministry of Climate and Environment (*Ministerstwo Klimatu i Środowiska*) (2024) ‘Draft of the NECP 2030. - version for public consultation dated 10.2024.’, 11 October 2024, p. 118.

¹¹⁵ Poland, Ombudsman's office (Biuro Rzecznika Praw Obywatelskich), [“Zapewnić każdemu transport publiczny choć do siedziby władz jego gminy - RPO o wykluczeniu transportowym. Stanowisko Ministra Infrastruktury”](#), press release, 3 November 2021.

residents are required to cover considerable distances to access work, schools, healthcare facilities, or government offices, leading to increased reliance on private vehicles. However, for many individuals, the costs of maintaining a personal vehicle are prohibitively high, resulting in marginalization and social exclusion.¹¹⁶

According to the position of the Ombudsman transport exclusion affects especially vulnerable citizens, including seniors, people with disabilities and their caregivers and children. It is “a real obstacle to the realization of constitutional rights and civil liberties, such as:

- the freedom of movement (Article 52, paragraph 1 of the Constitution);
- the right to health protection (Article 68, paragraph 1 of the Constitution);
- the right of people with disabilities to assistance from public authorities in social communication (Article 69 of the Constitution);
- the right to education (Article 70, paragraph 1 of the Constitution), and without accessible transport, one cannot utilize public services guaranteeing a dignified standard of living (Article 30 of the Constitution)”.¹¹⁷

Although this issue has been one of the most frequently raised problems during regional meetings of the Ombudsman across Poland since 2015, little has changed in this area. The Act of December 16, 2010, on public collective transport¹¹⁸ does not grant citizens the right to public transport. This means that there are currently no legal grounds for individuals deprived of access to public transport to pursue individual claims.

On July 18, 2019, the Act on the fund for the development of public utility bus transport¹¹⁹ came into force. Its aim was to solve the problem of ensuring the availability of public bus transport for citizens, which results from an insufficient level of financial

¹¹⁶ Poland, Ministry of Climate and Environment (*Ministerstwo Klimatu i Środowiska*) (2024) ‘Draft of the NECP 2030. - version for public consultation dated 10.2024.’ 11 October 2024, pp. 118-119.

¹¹⁷ Poland, Ombudsman's office (Biuro Rzecznika Praw Obywatelskich), [“Zapewnić każdemu transport publiczny choć do siedziby władz jego gminy - RPO o wykluczeniu transportowym. Stanowisko Ministra Infrastruktury”](#), press release, 3 November 2021.

¹¹⁸ Poland, Act on public collective transport ([Ustawa o publicznym transporcie zbiorowym](#)), 16 December 2010.

¹¹⁹ Poland, Act on the Fund for the development of public utility bus transport ([Ustawa o Funduszu rozwoju przewozów autobusowych o charakterze użyteczności publicznej](#)), 16 May 2019.

resources.¹²⁰ According to the statement of the Ombudsman's office, this problem has not only not been resolved but has even intensified after the Covid-19 pandemic. For this reason, the Ombudsman appealed for the establishment of an obligation of public authorities to ensure access to public transport, with a minimum requirement to ensure that everyone has a connection to a headquarters of a municipality. This request was not taken into account by the government in 2021.¹²¹

However, in the current draft update of the NECP, the Ministry of Climate and Environment proposes a number of actions aimed at reducing transport poverty. At the same time, the authors of the update have neither identified the scale of this phenomenon nor defined – as is the case with energy poverty – the targets for reducing transport poverty. Notably, in one of the first sentences describing the planned actions, the authors of the document emphasize that the policy on reducing transport poverty 'will not involve banning the use of private cars.' This may be a response to the frequently circulating information that climate policy and the introduction of clean transport zones aim to ban Polish citizens from using cars.¹²²

The government primarily plans to restore bus connections using funds from the aforementioned Fund for the Development of Public Utility Bus Transport. At the same time, investments are announced for the modernization and expansion of the railway network, the development of local roads, and the construction of infrastructure for public transport in cities.¹²³ One can only hope that these actions will not focus solely on larger urban centres and will help reduce transport poverty where it is most severe, namely in rural and poorly urbanized areas, because acknowledging the problem in non-

¹²⁰ Poland, [The justification of the draft law on Fund for the development of public utility bus transport](#) (*Uzasadnienie ustawy z dnia 16 maja 2019 r. o Funduszu rozwoju przewozów autobusowych o charakterze użyteczności publicznej*), p. 1.

¹²¹ Poland, Ombudsman's office (Biuro Rzecznika Praw Obywatelskich), ["Zapewnić każdemu transport publiczny choć do siedziby władz jego gminy - RPO o wykluczeniu transportowym. Stanowisko Ministra Infrastruktury"](#), press release, 3 November 2021.

¹²² Warzecha Ł., (2024) ['Nieczyste zagrania z czystymi strefami'](#), *Do rzeczy*, No. 1., Polonia Christiana (2021), ['Walka z klimatem, czy mieszkańcem? Wkrótce zakaz wjazdu "starych" aut do centrum Krakowa'](#), press release 29 December 2021; Bęldowicz A., (2024), 'Kto w Polsce nie chce Stref Czystego Transportu? Badanie pokazało prawidłowość', *Rzeczpospolita*, 19 July 2024.

¹²³ Poland, Ministry of Climate and Environment (*Ministerstwo Klimatu i Środowiska*) (2024) 'Draft of the NECP 2030. - version for public consultation dated 10.2024.', 11 October 2024, p. 119.

binding document such as the draft of the NECP does not guarantee adoption of new legal acts.

Additionally, the authors of the update announce financial support for individuals at risk of transport exclusion, in the form of discounts and subsidies for public transport.¹²⁴ These actions will only make sense if the public transport network is properly developed. Currently, the main obstacle to using public transport is its low availability, not the high cost.¹²⁵

The government also plans to promote alternative forms of transport, such as the development of infrastructure for bicycles, electric bicycles and scooters, as well as car sharing.¹²⁶

Finally, and perhaps most importantly in the planned actions, the authors of the update announce the integration of spatial planning with transport planning, which aims to minimize the distance between places of residence and places of work, as well as access to services.¹²⁷ However, there is a lack of any more detailed information in this regard, particularly related to the scope of the necessary legislative changes in the area of spatial planning.

A total of 13 actions have been included in the plan update, aimed at achieving the aforementioned objectives. These actions cover, among others, financial instruments,

¹²⁴ Poland, Ministry of Climate and Environment (*Ministerstwo Klimatu i Środowiska*) (2024) 'Draft of the NECP 2030. - version for public consultation dated 10.2024.', 11 October 2024, p.119.

¹²⁵ Nearly 47% of village citizens would like to use public transport as main form of transport, see Governmental Centre for Analysis (*Rządowe Centrum Analiz*), [Transport exclusion in Poland - scale of the problem, causes and recommendations](#) (Wykluczenie transportowe w Polsce – skala problemu, przyczyny oraz rekomendacje), 5 October 2023.

¹²⁶ Poland, Ministry of Climate and Environment (*Ministerstwo Klimatu i Środowiska*) (2024) 'Draft of the NECP 2030. - version for public consultation dated 10.2024.', 11 October 2024, p.119.

¹²⁷ Poland, Ministry of Climate and Environment (*Ministerstwo Klimatu i Środowiska*) (2024) 'Draft of the NECP 2030. - version for public consultation dated 10.2024.', 11 October 2024, p. 119.

the development of road and rail infrastructure, the development of zero-emission transport, and the development of electromobility.¹²⁸

2.4. Fundamental rights impact assessment

In general, there is no legal obligation to undertake a social impact or fundamental rights impact assessment when preparing legislation or national programs, including national energy and climate change programs. The Regulation on the rules of legislative technique¹²⁹ and the Guidelines on preparing the assessment of the impact of regulation¹³⁰ lack any provisions that would obligate authorities to include perspectives on fundamental rights protection in the preparation of new legislation.

Regarding the preparation of national energy or climate change mitigation programs, the only relevant document is the Ministry of Climate and Environment issued guidelines on preparing regional, district, and local programs for environmental protection.¹³¹ However, these guidelines do not include the obligation to incorporate social impact or fundamental rights impact assessments in the process of preparing the programs. Nevertheless, the guidelines indicate that consultations with various stakeholders are required in the process of drafting the programs.

¹²⁸ Poland, Ministry of Climate and Environment (*Ministerstwo Klimatu i Środowiska*) (2024) 'Draft of the NECP 2030. - version for public consultation dated 10.2024.', 11 October 2024, pp.119-120.

¹²⁹ Poland, Regulation the President of the Council of Ministers on 'Principles of Legislative Techniques' ([Zasady techniki prawodawczej](#)), 20 June 2002.

¹³⁰ Poland, Guideline for carrying out impact assessment and public consultation within the governmental legislative process ([Wytyczne do przeprowadzenia oceny skutków regulacji](#)), 29 October 2013.

¹³¹ Poland, Ministry of Climate and Environment (*Ministerstwo Klimatu i Środowiska*), Guidelines for drawing up provincial, district and municipal environmental protection programmes ([Wytyczne do opracowania wojewódzkich, powiatowych i gminnych programów ochrony środowiska](#)), 30 June 2017.

3. Addressing different aspects of energy efficiency and energy poverty: The Clean Air Program

The Clean Air Program (*Program Czyste Powietrze*) is a nationwide grant program that provides funding for replacing high-emission individual heating sources and for thermal modernization of buildings. It is aimed at owners and co-owners of single-family houses or units within single-family houses (under Polish law a single-family house is defined as a building with a maximum of two separate units), whose annual income does not exceed PLN 135,000 (approx. EUR 31,000).¹³² This income threshold is set at a high level, allowing around 90% of single-family homeowners in Poland to qualify for participation in the Program. According to data from the Statistics Poland (*Główny Urząd Statystyczny* -GUS), the average monthly salary in June 2024 was PLN 8,057 (approx. EUR 1,891), the median salary was PLN 6,507 (approx. EUR 1,527), and the top 10% of earners had a monthly income of PLN 12,722 (approx. EUR 2,986), equivalent to PLN 152,664 (approx. EUR 35,837) annually.¹³³ The Program does not cover multi-family buildings, however, over 59% of Poles live in single-family homes.¹³⁴

The Clean Air Program was launched in September 2018. Its launch was prompted by Poland's very poor air quality and record-high concentrations of particulate matter and benzo(a)pyrene occurring throughout the country. The main cause of the problem was emission of pollutants from burning coal and wood in small boilers and stoves used for heating. At the same time the Program was being implemented, Polish provinces were adopting so-called "anti-smog resolutions." These acts of local law introduced bans on the use of the most polluting solid fuel boilers and stoves. Currently, such laws are in force in 14 out of 16 provinces.¹³⁵ The Program was created largely to help achieve the

¹³² Poland, National Fund for Environmental Protection (*Narodowy Fundusz Ochrony Środowiska i Gospodarki Wodnej*), '[For whom?](#)', 2 May 2024.

¹³³ Poland, Statistics Poland (*Główny Urząd Statystyczny*), 'Distribution of Salaries in the National Economy in June 2024', 4 December 2024.

¹³⁴ B. Turek, '[The majority of Poles live in houses rather than apartment blocks](#)', wGospodarce.pl, 5 August 2024.

¹³⁵ Two provinces that have not adopted such acts by 2024 are podlaskie and warmińsko-mazurskie, both with rather low levels of air pollution compared to the rest of the country.

goals set forth in the anti-smog resolutions, as well as in provincial air quality plans adopted under the Directive 2008/50/EC on ambient air quality.

The original aim of the Program was to improve air quality. Therefore, initially, the Clean Air Program focused on the replacement of old boilers and stoves with new, lower-emission heating devices. This included heat pumps, gas boilers, and modern solid fuel boilers. Over time, the thermal modernization component of the Program was further developed and expanded. Currently, the Program covers i.a. a comprehensive thermal modernization based on an energy audit. Additionally, since 2022 funding of coal boilers was excluded from the Program - this change resulted from the European Commission's guidelines and the commitments outlined in the National Recovery Plan.¹³⁶ As a result, in addition to improving air quality, the Program's objectives have been expanded to include improving energy efficiency, combating energy poverty, and reducing greenhouse gas emissions.

The direct cause that led to the strengthening of the thermomodernisation component in the Clean Air Programme was Russia's aggression against Ukraine in 2022 and the resulting energy crisis. Key changes were introduced at the turn of 2022 and 2023, including additional funding for so-called comprehensive thermomodernisation. Comprehensive thermomodernisation involves conducting an energy audit and implementing all measures specified in the audit, which guarantee a reduction in the building's useful energy demand to no more than 80 kWh/(m²*year), or at least 40%.¹³⁷

The expansion of the thermomodernisation component has significantly raised investment costs, thereby increasing the program's budgetary requirements. One interviewee commented that while they viewed this expansion positively, they also saw a significant challenge in balancing the program's two primary goals:

Reconciling these two priorities is challenging, and there is a risk that one of them may suffer at the expense of the other.

The Program provides three levels of funding based on the beneficiary's financial situation:

¹³⁶ Poland, National Fund for Environmental Protection, '[Important Changes to the Clean Air Programme – Withdrawal of Subsidies for Coal Boilers and an Increase in Income Thresholds](#)', press release, 21 May 2021.

¹³⁷ Poland, National Fund for Environmental Protection, '[Changes to the Clean Air Programme](#)', press release, 16 December 2022.

1. Basic Funding Level – Subsidy of 40-55% of net costs, depending on the investment, up to a maximum of PLN 66,000 (approx. EUR 15,493).
2. Increased Funding Level for beneficiaries whose average income per household member does not exceed PLN 1,894 (EUR 445) in a multi-person household or PLN 2,651 (EUR 622) in a single-person household – Subsidy of 70-80% of net costs, depending on the investment, up to a maximum of PLN 99,000 (EUR 23,239).
3. Maximum Funding Level for beneficiaries whose average income per household member does not exceed PLN 1,090 (EUR 256) in a multi-person household or PLN 1,526 (EUR 358) in a single-person household – 100% coverage of net costs, up to PLN 135,000 (EUR 31,690).

The maximum subsidy amounts are set for specific types of investments. The highest possible subsidy (135,000 PLN) is available at the maximum funding level for the dismantling of an inefficient heating device and the installation of a heat pump, combined with comprehensive thermomodernisation and the installation of a small-scale photovoltaic system.¹³⁸

Additionally, at each level, 100% of the cost of the energy audit is covered (PLN 1,200 / EUR 282).

For beneficiaries qualifying for the increased and maximum funding levels, there is an option to use pre-financing. This means that part of the funding can be paid directly to the contractor before the work begins.

The Program operates on a continuous application basis. Changes to the programme are introduced gradually as needs are identified, for example, in April 2024, changes were introduced, including restrictions on the ability to use the highest level of funding for more than one building owned by the same individual (due to identified abuses) and the requirement to purchase only pellet boilers and heat pumps listed on the "green devices and materials" list (to eliminate funding for low-quality equipment).¹³⁹ These changes are made relatively frequently; in 2024 alone, the Program was modified twice, and another big reform is being prepared. The Program is set to run until 2029, with agreements with beneficiaries to be signed by the end of 2027, however, there are

¹³⁸ Poland, National Fund for Environmental Protection (*Narodowy Fundusz Ochrony Środowiska i Gospodarki Wodnej*), '[For what and how much?](#)', 1 October 2024.

¹³⁹ Poland, National Fund for Environmental Protection, '[From 22 April new rules in the Clean Air Programme](#)', press release, 22 April 2024.

voices advocating for its prolongation. Currently, the achievement indicators are defined as follows:

- Number of buildings/residential units with improved energy efficiency: 3,030,000 units.
- Number of inefficient heat sources replaced with low-emission ones in buildings/residential units: 3,000,000 units.
- Additional capacity for electricity generation from installed photovoltaic micro-installations: 750 MWe.
- Reduction in final energy consumption: 38,100,000 MWh/year.
- Reduction in emissions of PM10: 213,000 Mg/year.
- Reduction in emissions of benzo(a)pyrene: 142 Mg/year.
- Reduction in CO2 emissions: 14,200,000 Mg/year.

The Program's intended budget is PLN 103 billion (approx. EUR 23,6 billion), however, this budget was not secured at the time of the Program's creation. Funding for the Program is sought on an ongoing basis. Currently, the Program is mostly financed from two sources: the National Recovery Plan and the European Funds for Infrastructure, Climate, Environment 2021-2027 programme.

As of 29 November 2024, a total of 1 024 515 applications for funding have been submitted under the Clean Air Programme, amounting to approximately PLN 37,7 billion (approx. EUR 8,85 billion). Of these, 825 329 contracts have been signed for a total of about PLN 27 billion (EUR 6,34 billion), with approximately PLN 13,6 billion (EUR 3,19 billion) already paid out in grants.¹⁴⁰

As of 30 September 2024, the share of different types of heating sources in the applications submitted to the Programme since its launch was as follows:

- air-source heat pumps: 30%
- ground-source heat pumps: 2,9%
- gas boilers: 33,4%
- oil boilers: - 0,1%
- biomass boilers: 25%
- coal boilers (no longer applicable): 7,1%
- electric heating: 1,3%
- heat substations: 0,2%.¹⁴¹

¹⁴⁰ [Data available on the Clean Air Programme's official website.](#)

¹⁴¹ [Data available on the Clea Air Programme's website.](#)

The data collected and presented by the NGO Polish Smog Alert (*Polski Alarm Smogowy*) within the 'Clean Air Programme barometer' indicates that the Clean Air Programme gained significant popularity in 2021 and then again in 2023. The number of applications submitted to the program in different years is as follows: 2018: 25,519; 2019: 85,368; 2020: 83,801; 2021: 184,267; 2022: 157,998; 2023: 217,337; 2024 (until September): 223,305.

The programme was created and is managed by the National Fund for Environmental Protection and Water Management based on the general provisions of the Environmental Protection Law. There is no specific legal basis for this particular programme regulating the functioning of the National Fund for Environmental Protection and the Provincial Funds for Environmental Protection. The Provincial Funds for Environmental Protection (which are not directly subordinate to the National Fund, the National Fund is the national entity subordinate to the Minister of Climate and Environment whereas the Provincial Funds are separate entities subordinated to the local governments of individual provinces, although the supervisory boards of the provincial funds, whose composition is determined by the Minister of Climate and Environment, have the decisive influence on the selection of the board of the provincial fund) are responsible for accepting grant applications and providing funding. Municipalities support the Program by creating Clean Air Program service points, where they assist residents with the application process. This is not obligatory for the municipalities, however, as for now around 90% of Polish municipalities signed agreements on the establishment of a service point.¹⁴² The Ministry of Climate and Environment oversees the programme, and the National Fund operates under its supervision.

Other stakeholders, besides the beneficiaries and authorities involved in the implementation of the Program, include: entrepreneurs engaged in the production and sale of heating devices and building materials, as well as building companies and installers of heating appliances; energy auditors; NGOs and grassroot organizations involved in promoting ecology and energy efficiency; energy suppliers, including gas companies; the chimney sweep industry; foreign entities providing funding and technical and organizational support (EU, World Bank); and the general society, which is indirectly impacted by the Program, primarily through the improvement of air quality.

¹⁴² [Full list](#) of municipalities that signed such agreement is available online (accessed 6.12.2024).

In October 2024, a series of consultation meetings took place for the first time in connection with the planned major reform of the Clean Air Programme.¹⁴³ According to the announcements from the National Fund, the reform aims to address various abuses, particularly those related to accessing the highest funding level.

These abuses primarily concern a large number of applications for the highest funding level submitted by individuals in favourable financial situations (e.g., concealing income or fictitiously transferring property ownership to family members without income, such as students). Additionally, numerous reports highlight dishonest companies offering low-quality services at disproportionate prices to fraudulently claim large subsidy amounts.

In addition, the introduction of "operators" is planned – entities responsible for independently identifying and providing comprehensive assistance to beneficiaries in difficult life situations. Special attention will be given to particularly vulnerable groups, including the older persons, those affected by energy poverty, individuals with disabilities, individuals with low income, and those excluded for other reasons.

The reform is also intended to redesign the IT system and improve beneficiary services. One of the programme's main challenges currently lies in months-long delays in processing applications and disbursing funds.

On 28 November 2024, during a press conference organised by the National Fund for Environmental Protection the temporary suspension of applications to the programme was announced. The official reason given was the necessity of reforming the programme to ensure beneficiary safety and financial discipline due to numerous cases of abuse.¹⁴⁴ The suspension was introduced without prior notice, and the resumption of applications was only vaguely specified as "spring 2025."

While the possibility of a temporary suspension during the implementation of the reform was mentioned in interviews, such a sudden and prolonged pause was unexpected even among most experts. This decision sparked significant controversy and

¹⁴³ Poland, National Fund for Environmental Protection, '[The first stage of consultations on the reform of the Clean Air Programme has concluded](#)', press release, 25 October 2024.

¹⁴⁴ Poland, National Fund for Environmental Protection, '[Time to Renovate the Clean Air Programme: Caring for Our Beneficiaries](#)', press release, 28 November 2024.

strong opposition from organisations such as non-governmental organisations and local governments.¹⁴⁵

In response, the National Fund began publishing information about numerous serious abuses within the programme.¹⁴⁶ However, it should be noted that the issue of these abuses had been well known and flagged for a long time, as confirmed by statements from all experts interviewed.

On December 9, 2024, public consultations on the new version of the programme's guidelines were announced¹⁴⁷. A preliminary analysis of the published draft indicates that certain changes have been introduced to reduce abuses, particularly regarding the highest funding threshold. At the same time, some proposed changes have faced criticism. For example, eligibility for the highest funding threshold is to be excluded for homes with a useful energy demand below 150 kWh/m³/year. Some experts point out that such an energy demand is still very high, and this provision in the guidelines could encourage deliberate reductions in a building's energy efficiency (e.g., by removing existing windows) to qualify for higher funding levels¹⁴⁸.

The Clean Air Program was selected for analysis due to its extensive scope, large number of potential beneficiaries, significant environmental impact (air quality improvement), energy efficiency enhancement, contribution to fighting energy poverty, and its potentially positive influence on achieving climate goals. While the program currently does not exclude the funding of fossil fuel-based sources (gas boilers), it accelerates the transition away from coal heating systems in the residential sector, thus speeding up the decarbonization of the Polish economy.

It is worth noting that after the resumption of applications in 2025, it is likely (according to information shared orally, including by employees of the National Fund) that funding for gas boilers will no longer be available. Gas boilers have previously accounted for 33%

¹⁴⁵ TVN24.pl, '[Clean Air Suspended: Local Authorities Outraged, Residents Left in the dark](#)', 28 November 2024.

¹⁴⁶ Poland, National Fund for Environmental Protection, '[Abuses in the Clean Air Programme: Suspicious contracts exceeding half a billion PLN](#)', press release, 3 December 2024.

¹⁴⁷ Poland, National Fund for Environmental Protection, '[The second stage of consultations and the presentation of the framework for the new edition of the Clean Air Programme](#)', press release, 9 December 2024.

¹⁴⁸ <https://bizblog.spidersweb.pl/>, 'The new Clean Air Programme will bring even more joy. You'll be tearing out windows to get subsidies.', 13 December 2024.

of installations under the programme¹⁴⁹ (with a significantly higher share in areas with access to the gas network). The planned withdrawal of funding for gas boilers raises significant concerns among many experts, as there is a risk that this may lead to an increase in the popularity of biomass boilers. Biomass boilers are perceived as a worse solution in terms of air quality protection and biodiversity (increased demand for biomass fuels could result in more deforestation). Moreover, the alleged climate neutrality of biomass combustion is increasingly being criticized.

3.1. Leaving no one behind – target groups, eligibility, accessibility

Available data on the share of different heating sources in the applications for the Clean Air Programme actually show a sharp rise in the popularity of biomass boilers. Heat pumps reached their peak popularity at the turn of 2022 and 2023, when their share reached 64%, after which it began to rapidly decline due to the widely reported controversy, which will be described further in the report. In September 2024, heat pumps accounted for only 24% of the requested sources (the same share as gas boilers), while biomass boilers accounted for 51% of the sources.¹⁵⁰

The Clean Air Program is designed to be universal and accessible, operating under the same rules nationwide. Essentially, almost every owner of a single-family house can benefit from the program, with the exception of a small group of the wealthiest individuals. There are no formal restrictions that would exclude beneficiaries based on gender, race, ethnicity, or similar factors. Non-Polish citizens, such as Ukrainian nationals, can also participate, provided they have a PESEL number. The only potential limitation could be the need for sufficient knowledge of the Polish language. There is no official information on the programme's website in languages other than Polish. Some municipalities in Poland as well as some regional and national media outlets, due to the large influx of refugees from Ukraine, have launched websites in Ukrainian, which also provide information about the *Clean Air Programme*. However, this is not a coordinated practice.

The Clean Air Program offers three funding levels, with the highest funding tier covering 100% of the net costs. However, beneficiaries accessing this level are still required to

¹⁴⁹ [Data available on the Clean Air Programme's website.](#)

¹⁵⁰ [Data available on the Clean Air Programme's website.](#)

pay the VAT, which is typically 8%. This requirement can pose a barrier for the poorest individuals.

A number of interviewees criticized the income thresholds for qualifying for the increased and highest levels of funding, saying they are too low. They pointed out that very few people currently earn such a low income. For example, a typical household where two people earn the minimum wage (a common situation in rural areas and smaller towns) does not qualify for either the highest or even the increased funding threshold. Meanwhile, these people live very modestly, and cannot cover more than 50% of the investment costs. In recent years, there has been a significant increase in wages in Poland, including a rise in the minimum wage [in 2020, the minimum wage in Poland was PLN 2,600 (EUR 610) gross, while in 2024, it is PLN 4,300 gross (EUR 1,009)].

In my opinion, this is a group that is deprived of support. It is very large, according to the words of local officials who serve residents. This group requires inclusion in some programme, ideally the Clean Air Programme, by raising the income thresholds.

The genuinely poor—not necessarily those living below some social minimum, but rather the honest, hard-working people earning the minimum wage—do not qualify for the increased or highest funding thresholds. This group ends up receiving the least and, in my opinion, loses the most. But they should probably be the main target group of this program. Let's be honest, it's not the wealthiest who need support, but those who (...) live modestly.

The main group excluded from the Clean Air Programme are residents of multi-family buildings. Interviewees do not view this as a flaw of the program, as they believe the needs related to multi-family housing are fundamentally different and cannot be effectively addressed within the same program. Additionally, a separate subsidy program, The Warm Apartment Programme (*Program Ciepłe Mieszkanie*), has been launched for multi-family housing. However, this program has not gained significant popularity due to its conditions, which are seen as less favourable or more restrictive compared to the Clean Air Programme. Nevertheless some interviewees expressed opinion that as the individual housing sector is the main source of air pollution, it is understandable that the Clean Air Programme is given priority:

The priority given to the Clean Air Programme is justified, considering the major impact of these sources on air quality.

The assertion that emissions from fuel combustion in individual heating systems for residential buildings are the primary source of air pollution in Poland is supported by numerous documents. According to data provided by the Chief Inspectorate for Environmental Protection, emissions from the municipal and household sector have the largest share in annual average concentrations of PM10 (Fig. 3.6.14, p. 66), PM2.5 (Fig.

3.12.9, p. 102), and benzo(a)pyrene (Fig. 3.12.9, p. 102).¹⁵¹ In 2020, individual solid fuel sources in single-family homes accounted for approximately 70.8% of heating systems, with 51.4% of these being coal-fired sources and 19.4% biomass-based. In rural areas, the share of solid fuel sources was even higher, reaching 83.6%.¹⁵²

Another significant, though much smaller, excluded group consists of individuals who do not own the single-family home they live in. This includes both tenants and individuals living without legal title, as well as those who are unable to prove ownership due to formal issues (e.g., unresolved inheritance matters). Renting single family homes is not common in Poland, and some interviewees believed this was not a major issue. However, one interviewee pointed out that this problem does exist, and in the case of tenants, municipalities try to support them with their own funds, though this always requires the owner's consent.

Regarding unclear legal status of the property, some interviewees highlighted an unforeseen, positive effect of the Clean Air Programme: the desire to obtain funding often forces homeowners to regularize their legal status, for example by conducting long-delayed inheritance proceedings.

To ensure the Program's accessibility, service points have been set up in municipalities across Poland. These points operate in over 90% of municipalities, based on agreements with the National Fund for Environmental Protection and Water Management. These local service points are designed to help potential beneficiaries navigate the program, providing information and support including filling out the funding application and submitting it to the provincial fund. They also provide support on the further stages including the request for payment and, if necessary, submitting appeals against negative funding decisions.

In the municipality of one interviewee, the service point has been set up outside the city hall and is operated by a foundation selected through a public tender. According to the interviewee, this arrangement allows for even better service quality, including more flexible hours tailored to residents' needs. Another interviewee noted that the staff of the service point work "in the field," meaning they visit potential beneficiaries in their homes. This approach enables more personalized support and ensures that those who

¹⁵¹ Poland, Chief Inspectorate for Environmental Protection (*Główna Inspekcja Ochrony Środowiska*), [Air Quality Assessment in Zones in Poland for 2023](#), Fig. 3.6.14, p. 66, Fig. 3.12.9, p. 102, Fig. 3.12.9, p. 102.

¹⁵² Krakow Smog Alert (*Krakowski Alarm Smogowy*), [Single-Family Homes in Poland: Heating Sources, Energy Status, Investment Priorities](#), 2021.

may have difficulty reaching the service point still receive assistance in navigating the program.

However, this highlights that the program's effectiveness largely depends on the commitment of local officials. In municipalities where engagement is lacking, the results are significantly poorer, as shown by application statistics across municipalities.¹⁵³ There are noticeable differences in application numbers even between municipalities within the same province.

In municipalities where officials are highly involved, residents receive comprehensive support and advice. Officials visit the homes of people facing exclusion, helping them not only with completing the funding application but also advising on the appropriate technology and scope of investment. However, in many municipalities, official support is limited to receiving beneficiaries at the municipal office and providing basic information about the required documents and how to fill out the application. One interviewee, a public official, pointed out that due to this limited support, they frequently receive requests for help from people in neighbouring municipalities, and despite it being outside the interviewee's official duties, they assist such persons.

A reform is currently underway to introduce program operators, a development that many interviewees view with high expectations, while some express some scepticism. The operator's role would be to comprehensively assist beneficiaries unable to manage the investment process independently. Operators would support not only with filling out applications but also in selecting contractors, overseeing the entire investment, and managing final settlements. A pilot program was conducted in two provinces, testing two models: commercial operators and municipal operators.

Many interviewees raised concerns about potential issues if commercial entities were chosen as operators, fearing risks of abuse or misconduct. On the other hand, there are concerns that municipal officials might lack the technical expertise needed to fulfil the operator role effectively. Notably, provincial environmental fund representatives expressed strong support for municipalities assuming this role, emphasizing a preference for local governments to lead the operator function for better alignment with community needs and accountability.

Another measure aimed at increasing the Program's accessibility for the poorest individuals is prefinancing, available under the elevated and highest funding levels. Prefinancing involves a portion of funds being paid out before the investment begins, though the payment is directed to the contractor's account rather than the

¹⁵³ Poland, Ministry of Climate and Environment (*Ministerstwo Klimatu i Środowiska*) (2024) '[Ranking of municipalities](#)', press release, 28 June 2024.

beneficiary's. This setup was intended to protect the Program from abuse, but it has opened opportunities for different types of misuse. Despite these challenges, most interviewees view prefinancing as a very valuable solution that could benefit low-income individuals who lack the upfront capital for such investments.

Interviewees expressed conflicting views regarding the income thresholds for eligibility under the different funding levels. Some felt that the thresholds were too low, effectively excluding many genuinely low-income individuals who lack sufficient funds to cover even part of the investment costs from qualifying for 100% funding. One interviewee expressed opinion that the group of people in poverty yet not qualifying for the highest level of funding, are the main excluded group.

Another interviewee mentioned that the program does not provide adequate support for people who live "paycheck to paycheck", meaning they spend all their income on basic living expenses, have no savings, and only qualify for the basic level of funding, which is insufficient for them.

Two interviewees highlighted challenges faced by individuals with slightly higher incomes who nonetheless have substantial expenses related to chronic illness or disabilities (including such as people with disabilities receiving allowances or pensioners). They suggested that separate funding thresholds might be appropriate for these cases.

Conversely, some argued that beneficiaries should not be given everything entirely without cost; there should be an expectation of some financial commitment from them. This viewpoint emphasizes the importance of beneficiaries having a personal stake in the investments, which could enhance accountability and engagement with the program.

Another excluded group identified includes individuals living in the most challenging conditions, specifically in buildings that are not suitable for modernization or heating system upgrades.

Each situation must be approached individually. There are cases where buildings are in a deplorable condition. In such cases, funding is sometimes not even an option because the building would need to be rebuilt from scratch. The maintenance costs could exceed the beneficiary's capabilities.

Such houses are often heated with local room heaters such as tiled stoves or kitchen stoves, which cannot effectively support modern heating upgrades. One interviewee suggested that the ability to fund the replacement of these units with modern, biomass-fuelled room heaters that meet emission standards would be beneficial. However, the

Clean Air Program currently does not allow for financing such devices; it only permits biomass-fuelled central heating boilers.

3.2. Impact

All the interviewees, even those who provided several critical remarks, gave a generally very positive assessment of the Clean Air Programme. They noted its beneficial impact on air quality, which is already becoming very noticeable, as well as its positive effects on building energy efficiency, which, in turn, helps combat energy poverty. Every interviewee agreed that the program should continue and evolve, though they highlighted necessary improvements.

This is a key action, without it, effective implementation of anti-smog policies will not be possible.

The Clean Air Programme does not operate in isolation; it complements the implementation of existing policies and legal regulations, particularly concerning air quality. It is closely aligned with anti-smog resolutions and provincial air quality plans.

No official data is available regarding the programme's environmental impact nor are there any studies attributing air quality improvement directly to the Clean Air Programme. Nevertheless, a clear trend of improving air quality is confirmed in the annual air quality assessments published each year by the Chief Inspectorate of Environmental Protection. Measurements and modelling conducted under the State Environmental Monitoring system indicate substantial improvements in air quality including a significant reduction in areas and levels exceeding limit and target pollutant thresholds. For instance, a comparison of the number of zones and agglomerations (out of 46 in the country) with exceedances of limit and target levels reveals notable progress, as follows:

	2020 ¹⁵⁴	2023 ¹⁵⁵
PM10	16	2
PM2.5	14	0
Benzo(a)pyrene	39	21

Interviewees also highlighted other unforeseen but highly positive effects of the Clean Air Programme. These include a significant increase in public awareness of the issue of air pollution and the harmful effects of burning solid fuels in old, inefficient heating devices, the clarification of property legal statuses, and the improvement of public space aesthetics due to building thermomodernisation.

Many interviewees pointed out the significant impact of the Clean Air Programme on the heating equipment market, building materials, and construction companies. On the one hand, the program acted as a strong stimulus to support these markets. On the other hand, it also introduced numerous opportunities for abuses, often serious ones, which have harmed the beneficiaries.

One of the most serious issues faced by the Clean Air Programme was the installation of heat pumps (often of poor quality) by dishonest installers in buildings that were completely unsuitable for such technology, without prior thermal modernization. This led to exorbitant heating costs for beneficiaries, forcing many to revert to burning solid fuels. The actual number of victims was approx. 30,000 beneficiaries according to one interviewee, the issue was heavily publicized in the media, severely damaging the programme's reputation and the perception of heat pump technology, resulting in a sharp decline in interest in heat pumps, whose share in the applications submitted to the programme dropped from a record 64% in January 2023 to 24% in September 2024.¹⁵⁶ It is worth noting that no nationwide support programme has been introduced for individuals affected in this way.

To address this problem, a requirement was introduced stipulating that the installation of a heat pump must be preceded by an energy audit. Additionally, only heat pumps listed on the "green devices and materials" list (the so-called ZUM list) are now allowed for use in the programme.

The Clean Air Programme has also led to an increase in the prices of services and materials. Along with this, some unscrupulous consultancy firms began taking advantage

¹⁵⁴ Poland, Chief Inspectorate for Environmental Protection, [Air Quality Assessment in Zones in Poland for 2020](#), 2021.

¹⁵⁵ Poland, Chief Inspectorate for Environmental Protection, [Air Quality Assessment in Zones in Poland for 2023](#), 2024

¹⁵⁶ [Data available on the Clean Air Programme's website.](#)

of unaware beneficiaries. These firms would often offer services at inflated prices, providing little value or guidance, which further compounded the financial burden on participants.

The programme's conditions allow individuals who hide their income to qualify for the highest level of funding, despite being in a relatively strong financial situation. Some interviewees have even suggested that it is these individuals who are disproportionately benefiting from the top funding tier. One interviewee estimated that 30-50% funding requests for the highest level of funding are submitted by individuals hiding their income¹⁵⁷. Similar observation was shared by another interviewee:

One indicator really made us think. If we know that energy poverty affects between 15% and at most 20% of the population, but the number of applications submitted for the highest level of funding, designated for energy poverty, is 40%, even 50%, it is clear that there are abuses.

As a result, nearly all respondents emphasized the need for a reform of the programme's rules, which is set to take place at the end of 2024 or the beginning of 2025. The aim is to tighten the eligibility criteria to prevent such abuses and ensure that the funds are reaching those who genuinely need them. This reform is considered a critical priority to improve the programme's effectiveness and fairness.

An interviewee pointed out that, especially in the initial stages, the Clean Air Program primarily benefited proactive and resourceful individuals – those who would have likely replaced their heating systems even without financial assistance. For these beneficiaries, the program might have simply expedited their decision or expanded the scope of their investment. The interviewee critically assessed the allocation of public funds in such cases, suggesting that the resources might not have been optimally used.

It is important to highlight that all 10 interviewees were almost unanimous in their overall positive assessment of the programme and its impact, while also identifying numerous issues that require immediate attention. The main challenge lies in finding solutions that would "tighten" the programme without making it too formalized, which could complicate and prolong the process and increase costs excessively.

¹⁵⁷ It should be emphasized that this is the interviewee's individual assessment, based on their interactions with officials implementing the programme and a comparison of available data on the scale of energy poverty with the number of applications for the highest level of funding.

Based on the conducted interviews, one aspect of the Clean Air Programme that seems to determine its success compared to similar initiatives is high flexibility of rules governing it. This flexibility is primarily due to the fact that the Programme's rules are defined in the regulation adopted by the National Fund for Environmental Protection and Water Management, which is not an act of law. This allows for relatively quick responses to any irregularities and problems by making targeted adjustments. For example, when the issue of heat pump installation in unsuitable buildings was identified, a quick change was made to address it.

While this system is far from perfect – ad hoc changes often lead to new challenges, and the process lacks transparency – it appears that the continuous evolution of the programme, based on a "trial and error" approach, has played a crucial role in its overall success.

One interviewee pointed out a potentially negative impact of the programme that requires further investigation: the rapid increase in construction waste. According to them, there is a need to monitor what happens to this waste, particularly because it may also include hazardous materials like asbestos. However, no specific data was provided and there is no publicly available information if such a problem is in fact a significant issue.

As an example of good practice to increase accessibility, the possibility of submitting two applications in the programme was highlighted: one for the replacement of a heating source, and then another for a larger investment in thermomodernisation. According to an interviewee, this approach helps build trust in the program and encourages participation from individuals who may find it difficult to undertake a large investment in comprehensive thermomodernisation with heating replacement all at once, or who are simply wary of such commitments.

3.3. Information, communication and social acceptability

According to the interviewees, the program's recognition is currently very high. Research shows a high level of satisfaction with the programme, despite the previously mentioned abuses and issues.¹⁵⁸

¹⁵⁸ Góra, D., (2024) „Czyste Powietrze” zbyt ważne, by zbankrutowało. PAS z uwagami do programu, *Teraz Środowisko*, 22 November 2024.

A key challenge highlighted by several interviewees is reaching individuals in the most difficult situations - those who are digitally excluded and do not engage with traditional media. In such cases, personal contact is crucial, and the institution of operators is expected to address this issue. Additionally, satisfied beneficiaries play an important role in promoting the program by recommending it to friends, neighbours, and family members, which often proves to be the most effective form of outreach.

One of the issues raised by an interviewee was the lack of information exchange between the institutions implementing the Clean Air Program and social welfare units. This disconnect complicates reaching those most in need of support. However, other interviewees representing municipalities pointed out that in their communities, such communication with social welfare units functions effectively.

One of the interviewees pointed out two significant issues related to social acceptance of the Clean Air Programme and its popularity. Firstly, there is a very low level of trust in public institutions in Poland, especially in the energy sector.

Poland's problem lies in the significant weakness of its institutions, and this weakness is recognized by Polish society. People perceive the Polish state as a very weak partner—an institutional partner that is ineffective in its actions. As a result, one cannot place trust in a partner that fails to meet societal expectations. Therefore, there is a dominant belief, especially since the crisis when the state was unable to ensure energy security, that it's worth securing this safety on one's own. Unfortunately, solid fuel sources are often seen as the first means to achieve individual energy security.

Regarding the Clean Air Programme, this distrust increased due to the situation described earlier, where heat pumps were installed in buildings that were not suited for them, leading to very high electricity bills. Even though this issue affected a relatively small group of beneficiaries, it was heavily publicized in the media, with the expression "horror bills" (*rachunki grozy*) becoming widely known. A sharp decline in trust is likely to be caused by the sudden decision to suspend the acceptance of applications for several months, which is a first break from the programme's operation over the years. It is worth noting that the programme's guidelines allowed for submitting an application for funding within six months from the issuance of the first invoice. As a result, many beneficiaries submitted their applications after completing and paying for part or even all of the investment. These people are currently in a difficult situation, as they are unsure whether they will be able to apply for funding after the potential resumption of the program, and under what conditions.

Secondly, one interviewee pointed out the issue of the lack of technical support from the state, which leaves many people in a difficult situation, lacking the necessary knowledge and experience. They must make difficult decisions on their own regarding

the selection of an appropriate heating technology. The problem is exacerbated by the absence of a clear declaration from the state about which technologies it intends to support in the future to ensure stable heating costs. It is worth noting that, in part, the issue of the lack of technical support is intended to be addressed by the creation of the program operators' role, who will provide comprehensive, including technical, support to beneficiaries.

One of the significant issues affecting both the availability and public perception of the Clean Air Programme is the substantial delays in processing funding applications and disbursement requests. All interviewees pointed to this problem, and several factors contribute to the situation: (1) interruption in funding continuity: between late 2023 and early 2024, the programme experienced a temporary lack of continuous funding. While applications were still being accepted, they were not processed, leading to a backlog; (2) high demand: the programme's popularity exceeded expectations. In record months like April and June 2024, over 29,000 applications were submitted across the country; (3) staff shortages: there is a shortage of employees at the provincial environmental funds, which impacts the processing speed; (4) limited automation: the application review system is not automated enough to handle the volume of applications efficiently; and (5) formalism vs. thorough review: some interviewees criticized the excessive formality in reviewing applications, while others argued that careful scrutiny was necessary to avoid future issues. This combination of factors has created significant bottlenecks.

Some interviewees pointed out an interesting issue, which is the misalignment of the communication and promotion of the programme with the situation of the beneficiaries. In their opinion, the use of high funding amounts and the presentation of modern, expensive homes in advertisements discourages low-income individuals.

No, they've never seen that kind of money. They barely get by from day to day. They pay bills from month to month, with almost no savings left. When they hear they could get 135,000 PLN, they think it's some big scam, or they imagine being in debt for 135,000 PLN and paying it off for the rest of their lives. For them, it seems unreal.

Some interviewees noted that collaboration with parish priests and reading out information about the programme during pastoral announcements after Mass is helpful in promoting the programme. The Church still enjoys significant authority, especially in rural areas and among older people, a group that constitutes one of the programme's primary target audiences.

3.4. Stakeholder engagement and participation

The Clean Air Program was not subject to public consultations, which makes it difficult to speak about significant public engagement, particularly with vulnerable groups. Program changes were typically implemented ad hoc, following informal consultations with selected stakeholders. While this allowed for swift responses to emerging issues, the drawback was a lack of transparency in the process. As a result, the program's evolution has been flexible and adaptive, but this flexibility has sometimes compromised clarity and openness regarding how decisions were made or who influenced them.

Representatives from a Provincial Environmental Protection Fund emphasized the lack of transparency in the program. They shared experiences where they were under the impression that there had been a consensus regarding a proposed change to the program, only to later discover that different solutions had been implemented without their knowledge, contradicting prior agreements.

Our fund participates in all consultations related to the program, not all funds participate, but ours does, so theoretically we know about all the planned changes, (...) we think we've already worked something out, that we have a solution, and suddenly it turns out that it's unacceptable, but we no longer receive the argument, we no longer receive the information on why it's unacceptable. We thought we had agreed on something, that something would happen, that something would work, and two days later we get the information 'this is no longer valid.

Most interviewees expressed the need for better structuring of the consultation process and for improved transparency. However, the majority were sceptical about public consultations, arguing that the input of the average citizen—who may not be familiar with the program's details—would not contribute meaningfully to the discussion. This reflects a concern that consultations might become too broad or disconnected from the technicalities of the program, leading to less informed or ineffective feedback.

Some interviewees also pointed out that business sectors, including the banking industry, will always lobby for solutions that benefit them, so their input should be treated with caution.

This area of the interviews appeared to generate the most conflicting views among the respondents. On one hand, they recognized the need to improve transparency, but on the other hand, many were satisfied with the current system, where the Ministry and the National Fund for Environmental Protection engaged with committed, proactive

units and entities (municipalities, NGOs, advisory bodies) and incorporated their suggestions when making changes to the program. Some stakeholders felt that this informal, responsive approach allowed for flexibility and more effective collaboration.

One interviewee mentioned that there would be changes aimed at ensuring greater transparency:

In the future, there are plans to systematize this process further to ensure it is conducted in a more transparent manner.

The current approach to changes certainly raises many doubts and concerns about the lack of transparency in the process and the influence of various groups on these changes. There is a need for greater openness. (...) The developed changes should be subjected to broader consultations.

Indeed, the reform currently being prepared includes open consultation meetings with various stakeholder groups. These meetings are organized in a hybrid format, allowing for active participation and feedback. However, these are not yet fully open public consultations accessible to all interested individuals.

3.5. Governance and accountability, data and monitoring

Several interviewees informed us about difficulties in the programme in the area of accountability and data monitoring. They proposed introducing a centralised database, run by the National Fund combining data from all provinces. This database should be integrated with other databases, particularly the Central Register of Emissions from Buildings. They pointed out that the lack of the centralised database of applications and beneficiaries significantly hinders and limits the ability to evaluate and monitor the Program.

The fact that the program does not have a central database of all applications, which should serve as the core for monitoring and reporting, is a significant flaw.

The creation of a central database for the programme is also one of the Disbursement-Linked Indicators (DLIs) expected to be implemented by the World Bank¹⁵⁹.

Most statistics are gathered separately by each of the 16 provincial funds for environmental protection and reported to the National Fund through weekly, monthly, semi-annual, and annual reports. Reporting primarily includes basic metrics such as the number of applications, contracts, and grants that have been paid. These figures are broken down by different levels of funding and types of projects. While this information is important for monitoring the program's overall performance, it is relatively basic and does not delve deeply into more complex issues like program impacts. Moreover, this data is not publicly available. The only data that is disclosed to the public is the number of applications and signed contracts, total amounts of funding covered by submitted applications, concluded contracts, and made payments, as well as the share of individual heating sources in the submitted applications.¹⁶⁰

According to an interviewee, part of the problem lies in the decentralisation of the provincial funds for environmental protection which use different systems to collect the data. As pointed out by representatives of the regional environmental protection funds, it was only recently that applications were made available in a digital format, which allows for more detailed data collection when necessary. Prior to this, applications were submitted in paper form, and obtaining comprehensive data on these older submissions would be extremely labour-intensive.

Unfortunately, the interviewees did not have detailed knowledge regarding the reporting to EU institutions related to the program's funding from EU sources.

A significant issue is the lack of integration between the Clean Air Programme data and the Central Register of Emissions from Buildings (*Centralna Ewidencja Emisyjności Budynków - CEEB*), a database established in 2021. This register contains information on all buildings and the individual heating sources and fuel combustion systems used within them. Submitting a declaration to the register is a legal obligation for building owners

¹⁵⁹ The World Bank, in connection with the loan granted for the programme's financing, is monitoring the implementation of a number of Disbursement-Linked Indicators (DLIs) related to the programme's operation. Some actions that constitute the World Bank's DLIs have already been completed, such as the creation of the *CEEB*. However, many of these actions are still pending, including the introduction of programme operators and the establishment of a central database.

¹⁶⁰ Data available on the Clean Air Programme's official website: '[Clean Air in numbers](#)', '[Requested heating sources in the Clean Air Programme](#)' (accessed 6.12.2024).

or managers. Very often, the replacement of heating sources under the Clean Air Programme is not recorded in the Central Register. This hinders the ability to effectively monitor the programme's outcomes.

The complaint mechanism for the Clean Air Program operates in a somewhat informal manner. Beneficiaries who have their application or funding request rejected can appeal the decision of the provincial environmental fund, as stipulated by the Guidelines for the application process: *If an application is rejected during the evaluation based on formal or substantive criteria, the applicant may request the respective provincial fund for environmental protection and water management to reconsider the application. This request must be submitted in writing with a handwritten signature, a trusted signature, or a qualified electronic signature, within no more than 10 business days.*¹⁶¹

According to an interviewee, in practice the appeal deadline is somewhat flexible, as it is often reviewed even if slightly exceeded). The appeal is handled by the same provincial fund, and while the number of rejections and appeals is low, applicants often address formal shortcomings during the appeal process, which can lead to a change in the decision. In some cases, applicants may not qualify for the program at all. The entire procedure is not considered an administrative process and is not governed by the provisions of the Code of Administrative Procedure.

In February 2024, the Provincial Administrative Court in Poznań rejected¹⁶² a complaint regarding the rejection of a funding application under the Clean Air Programme. The court justified the dismissal by stating that the case did not fall under the jurisdiction of administrative courts. The key arguments were as follows: according to Article 411(8) of the Environmental Protection Law, the National Fund and provincial funds provide grants and similar support based on civil law agreements. These funds are not administrative bodies but environmental protection institutions functioning as state and local government legal entities. The court referred to a March 2021 ruling by the Supreme Administrative Court,¹⁶³ which upheld the rejection of a similar complaint. Similar decisions have been issued repeatedly by provincial administrative courts, establishing a consistent line of jurisprudence.

The decision to award funding is made by the board of the relevant provincial environmental protection fund after the formal and substantive evaluation of the

¹⁶¹ Poland, National Fund for Environmental Protection, *Guidelines for the application process for project funding in the form of grants under the 'Clean Air' Priority Programme*, 2024, §4.7.

¹⁶² Poland, Provincial Administrative Court in Poznań, I SA/Po 29/24, 21 February 2024.

¹⁶³ Poland, Supreme Administrative Court, I GSK 149/21, 12 March 2021.

application by the fund's staff. If the decision is positive, the provincial fund enters into a civil law agreement with the beneficiary, which serves as the basis for subsequent steps, particularly the disbursement of the funding.

The situation with appeals and complaints differs significantly when it comes to disbursement of funding. A rejection of a payment request can result in material harm to the beneficiary, and because the funding is granted based on a civil agreement (between the beneficiary and the respective provincial fund for environmental protection), any refusal of payment can lead to a civil lawsuit. Although there are no available statistics on the number of such cases, an interviewee noted that they are rare.

It should be emphasized that pursuing claims through civil litigation involves costs that could be prohibitive for beneficiaries. These costs primarily include the filing fee (5% of the claim value) and the potential obligation to cover the legal representation costs of the opposing party in case of losing the case (fees also depend on the claim value). For example, suing a fund for an amount of 30,000 PLN (EUR 7,042) requires a filing fee of 1,500 PLN (EUR 352), and if the case is lost entirely, the plaintiff may be charged 3,600 PLN (EUR 845) for the defendant's legal representation costs. Additionally, the plaintiff might need to bear the costs of their own legal representation, as the complex nature of such cases typically necessitates the services of a professional lawyer.

These costs could act as a deterrent, making the current grievance mechanism questionable in terms of accessibility for some beneficiaries. However, interviews did not suggest that this has been a significant issue thus far.

4. Conclusions and key recommendations

At the national level, many actions related to the energy transition are being taken. Some of these concern the energy transition and the related social changes resulting from the closure of hard and brown coal mines, while others focus on improving energy efficiency and combatting energy poverty.

As part of our report, we have analysed the legal foundations of these actions, including the Energy Efficiency Act and Energy Law. With regard to energy efficiency, it should be noted that national targets are set below the EU target. The primary argument relates to direct costs, while ignoring the indirect costs for society associated with the failure to implement an appropriate level of energy efficiency and the ongoing climate changes.

In terms of combatting energy poverty, there is a lack of a convincing strategy in Polish law outlining how significant data in this area has been identified and how actions have been planned. Not all actions are focused on energy poverty; some support programmes for replacing heating sources or improving energy efficiency are aimed at businesses rather than individuals. There is no information on how the individual actions will affect the components of the energy poverty indicator, including structural, fuel, and municipal poverty, which have distinct characteristics and require specific responses. Instead, the government assumes a decrease in energy poverty as a whole.

We have also analysed the Clean Air Programme, which was supposed to improve energy effectiveness for individuals. The Clean Air Programme aims to improve energy efficiency in the country by supporting the replacement of heating sources and the thermomodernisation of buildings. Since the programme's launch, over 800,000 agreements have been signed, meaning over 800,000 households have had the opportunity to improve their energy efficiency.

We conducted interviews with individuals involved in the implementation of the Clean Air Programme. The conclusions of the interviews are easier to present due to the relative unanimity among all the interviewees, who largely agreed on most aspects. The only difference was on the emphasis put on different issues, highlighting those most relevant to their respective perspectives.

All the interviews can be summarized as acknowledging that the Clean Air Program is crucial for improving air quality, enhancing energy efficiency, and combating energy poverty. At the same time, the program requires substantial improvements to eliminate

irregularities and prevent potential abuses, while better addressing the needs of the most vulnerable groups - those excluded and living in poverty. This reform is already in progress, with discussions ongoing about its precise structure and direction.

4.1. Main effects

By the end of November 2024, over one million applications had been submitted to the Clean Air Programme, and more than 800,000 agreements had been signed. The implementation of such a large number of projects aimed at improving energy efficiency and phasing out high-emission boilers and stoves is expected to significantly reduce pollutant and CO2 emissions while alleviating energy poverty.

All the interviewees highlighted that the Clean Air Program is already yielding positive effects in terms of air quality, as evidenced by objective air quality measurement data. In its current form, the program is also contributing to energy efficiency improvements, as it significantly promotes the thermal modernization in the individual housing sector.

Some interviewees expressed concerns about whether the Clean Air Program adequately addresses energy poverty. Many pointed out that the needs of vulnerable groups are not yet properly reflected in the program. Issues highlighted include income-based programs that are not well adapted to the realities of the target population, a poorly functioning pre-financing system, and the lack of a coordinated mechanism to reach poor and marginalized individuals.

Nearly all of the interviewees pointed to the large scale of abuses both on the part of beneficiaries (e.g., individuals in a good financial situation obtaining the highest subsidies) and entrepreneurs (e.g., price inflation, unfair market practices, low-quality services, fraud).

Some interviewees pointed out additional, unforeseen positive outcomes of the Clean Air Program, such as a significant improvement in public awareness, the regulation of property legal status, and an enhancement in the aesthetics of public spaces.

4.2. Challenges and gaps

The main challenges and gaps identified by interviewees are as follows:

- Abuse by the beneficiaries who falsely claim low income to obtain the highest level of funding.
- Abuses on the side of business including inflating prices, providing subpar services.
- Ineffective targeting of vulnerable groups and insufficient financial support for low-income groups.
- Poor coordination with other databases (including the Central Database of Emissions from Buildings) and lack of efficient cooperation between authorities.
- Slow processing of applications and the delays in the disbursement of funds, which not only puts beneficiaries at risk of financial loss but also harms honest businesses relying on the pre-financing mechanism.
- Lack of stable funding for the program. Currently, the program relies on ongoing financing from EU funds, which have already been largely exhausted. By the end of 2023 and into early 2024, the program faced a temporary suspension in processing applications due to a lack of available funds, this situation may repeat according to some interviewees.

4.3. Lessons learned and good practices

A clearly positive practice identified by the interviewees is the nationwide, universally accessible nature of the Clean Air Program. There are no significant barriers that restrict the pool of potential beneficiaries, which allows it to reach a wide range of citizens. Additionally, the system of local support through municipalities works relatively well, providing targeted assistance to beneficiaries. The continuous application process is also viewed favourably, as it ensures that people can apply throughout the year without waiting for a specific call period.

Another positive practice highlighted by the majority of interviewees is the flexibility for beneficiaries to choose the heating technology that best suits their needs. This choice fosters individual empowerment and ensures that the program accommodates a wide variety of situations.

A key advantage of the Clean Air Program appears to be the flexibility of its rules. This flexibility has allowed the program to be adapted to market realities, as well as to shifting legal, political, and economic circumstances.

However, the program also led to many abuses. It must be acknowledged that the excessive freedom in shaping its guidelines, the lack of formal consultations, and the

insufficient analysis of the solutions being introduced contributed to at least a significant part of these problems.

4.4. Recommendations

Key recommendations for the Clean Air Programme are the following:

- Tightening the program's rules to significantly reduce the potential for abuses.
- Introducing a list of recommended contractors to promote reputable companies.
- Introducing price limits for specific products and services.
- Improving coordination with other databases and introducing a central database of applications and beneficiaries.
- Ensuring a stable source of funding for the program, one of the suggestions being to finance the program with funds from the sale of CO2 emission allowances (ETS).
- Introduction of the institution of operators who will provide comprehensive support to beneficiaries from vulnerable groups.
- Improving (accelerating) the process of reviewing applications.

Annexes

Annex I. Design of the action

Information about the action ¹⁶⁴	
<p>Objective</p> <p><i>Please include:</i></p> <ul style="list-style-type: none"> • Objective • Area of contribution • Explicit focus 	<p>The aim of the Clean Air Programme is to improve air quality and reduce greenhouse gas emissions by replacing heat sources and improving energy efficiency of buildings. The Programme also aims to address the problem of energy poverty. The Programme is addressed to owners of single-family houses (according to Polish law, a single-family house is a house with a maximum of two premises). Multi-family dwellings are not covered by the Programme.</p>
<p>Background</p> <p><i>Please include:</i></p> <ul style="list-style-type: none"> • Starting date • Origin and development • Rationale • Stakeholders involved 	<p>The program was launched in September 2018. Its launch was prompted by Poland's very poor air quality and record-high concentrations of particulate matter and benzo(a)pyrene occurring throughout the country. The main cause of the problem was emission of pollutants from burning coal and wood in small boilers and stoves used for heating. The main stakeholders are:</p> <ul style="list-style-type: none"> – the National Fund for Environmental Protection and Water Management as the Programme's managing entity, – Provincial Funds for Environmental Protection responsible for accepting applications and providing grants, – the Ministry of Climate and Environment as the supervising body,

¹⁶⁴ All data, unless otherwise specified, comes from the current documentation of the Clean Air Programme, available on the [official website of the programme](#), including the programme description with annexes and the guidelines for the submission of applications.

	<ul style="list-style-type: none"> – municipalities that support the application process and promote the Programme among their residents, municipal social welfare units, – the beneficiaries - individuals who are owners or co-owners of single-family houses. <p>Additionally, other entities can be considered stakeholders, such as:</p> <ul style="list-style-type: none"> – Marshal's Offices and provincial assemblies – local government authorities that adopt air quality plans and local anti-smog regulations requiring the replacement of old boilers and stoves, – producers of heat pumps, boilers, stoves and other heating appliances covered by the Programme or excluded from funding, wholesale stores, building material stores, – producers of insulation materials, windows, doors etc., – building companies, installers of heating appliances, – business and industrial associations, – gas, power and central heating utilities, – energy auditors, – chimney sweepers, – environmental NGOs, grassroot organisations. <p>Additionally, the World Bank may be considered as a stakeholder. It provided technical assistance for the implementation of the Clean Air program for the Polish government and is currently also providing funding, offering a loan, although it is a small amount.</p>
<p>Timeline</p> <p><i>Please include:</i></p> <ul style="list-style-type: none"> • Timeline and duration 	<p>The Programme operates on a continuous application basis. Changes to the programme are introduced gradually as needs are identified. These changes are made relatively</p>

<ul style="list-style-type: none"> • Milestones, reviews, amendments planned 	<p>frequently; in 2024 alone, the programme was modified twice. The Programme is set to run until 2029, with agreements with beneficiaries to be signed by the end of 2027¹⁶⁵. Currently, the programme's achievement indicators are defined as follows:</p> <ul style="list-style-type: none"> – Number of buildings/residential units with improved energy efficiency: 3,030,000 units. – Number of inefficient heat sources replaced with low-emission ones in buildings/residential units: 3,000,000 units. – Additional capacity for electricity generation from installed photovoltaic micro-installations: 750 MWe. – Reduction in final energy consumption: 38,100,000 MWh/year. – Reduction in emissions of particulate matter with a diameter of less than 10 micrometers (PM10): 213,000 Mg/year. – Reduction in emissions of benzo(a)pyrene: 142 Mg/year. <p>Reduction in CO2 emissions: 14,200,000 Mg/year.</p>
<p>Scope and development</p> <p><i>Please include:</i></p> <ul style="list-style-type: none"> • Activities included • Planned developments, phases, repetitions or other • Project continuation in the future 	<p>The programme provides grants for the replacement of heating sources. Additional grants are available if the replacement of a heating source is combined with a comprehensive thermal modernisation. An extra subsidy is also offered if the project includes the installation of a photovoltaic system. The programme also provides grants for projects that do not involve the replacement of heating sources but focus on the purchase and installation of solutions that</p>

¹⁶⁵ Poland, National Fund for Environmental Protection and Water Management (*Narodowy Fundusz Ochrony Środowiska i Gospodarki Wodnej*), '[The updated priority programme clean air](#)', press release, 11 June 2024.

	<p>enhance energy efficiency, such as windows, external doors or mechanical ventilation with heat recovery.</p> <p>The programme provides three levels of grants based on the beneficiary's financial situation.</p> <p>The programme is regularly updated. The latest planned change involves appointing so called “operators” whose task will be to support low-income beneficiaries who need comprehensive assistance with implementing the project funded by the programme.</p>
<p>Internal governance</p> <p><i>Please include:</i></p> <ul style="list-style-type: none"> • Legal basis • Bodies/units responsible for management, implementation, monitoring • Organigram (please attach if available) • Persons working on the action 	<p>The programme was created and is managed by the National Fund for Environmental Protection and Water Management based on the provisions of the Environmental Protection Law. There is no specific legal basis for this particular programme. The Provincial Funds for Environmental Protection are responsible for accepting grant applications and providing funding. Municipalities support the programme by creating Clean Air Programme service points, where they assist residents with the application process. This is not obligatory for the municipalities, however, as for now around 90% of Polish municipalities signed agreements on the establishment of a service point. The Ministry of Climate and Environment oversees the programme, and the National Fund operates under its supervision.</p> <p>The Provincial Funds for Environmental Protection are not directly subordinated to the National Fund for Environmental Protection, therefore the National Fund’s control over beneficiary services is limited.</p>
<p>External governance</p>	<p>To some extent, oversight of the programme is provided by national control institutions,</p>

<p><i>Please include:</i></p> <ul style="list-style-type: none"> • Reporting obligations • Accountability • Partnerships • Collaborations 	<p>particularly the Supreme Audit Office (which published a critical report on the programme in October 2022¹⁶⁶; however, this report was prepared based on data from 2021, when the programme was just gaining popularity. Since then, many changes have been made to the programme's guidelines, and the number of applications has increased multiple times, so the report may be considered outdated.). Due to EU funding there are likely additional reporting obligations, but the interviewees were unable to specify them.</p> <p>Additionally, the World Bank independently monitors indicators (DLIs) related to the Programme's implementation and ties the disbursement of subsequent loan tranches to achieving these indicators. For monitoring purposes, the World Bank selects an independent auditing institution, referred to as a credible verification agent. This entity has been chosen, and the World Bank is expected to receive its first official report in December. The DLIs are related to specific actions recommended by the World Bank that Poland has committed to undertake, such as legal changes or amendments to the Programme's guidelines. For example, one of these steps was the creation of the Central Register of Emissions from Buildings (<i>CEEB</i>), and another is the introduction of operators.</p>
<p>Funds</p> <p><i>Please include:</i></p> <ul style="list-style-type: none"> • Budget available for the action • Funding sources, (including administrative level) 	<p>The programme's intended budget is 103 billion PLN (23 909 905,00 EUR). However, this budget was not secured at the time of the programme's creation. Funding for the programme is sought on an ongoing basis. Currently, the programme is financed from</p>

¹⁶⁶ Poland, Supreme Audit Office, "[Clean Air](#)" – a big programme with small effects, press release, 7 October 2022.

<ul style="list-style-type: none"> • Information on fundamental rights conditionalities if any 	<p>two sources: the National Recovery Plan and the European Funds for Infrastructure, Climate, Environment 2021-2027 programme.</p> <p>Currently efforts are being made to enable the financing of the programme through funds obtained from the Emissions Trading System.</p> <p>Municipalities obtain the sum of 30 000 PLN (EUR 7 042) yearly for handling the Programme service points.</p>
<p>Other aspects to be considered</p>	<p>Comprehensive information about the programme is available on its official website: https://czystepowietrze.gov.pl/. According to the latest data on the website, over 800,000 funding agreements have been signed under the programme, amounting to a total of more than 27 billion PLN (6.3 billion EUR), of which over 13 billion PLN (3 billion EUR) has already been disbursed.</p> <p>The Polish Smog Alert (coalition of NGOs and activists focused on air protection) conducts its own continuous evaluation of the programme and publishes its results on their website: https://polskialarmsmogowy.pl/barometr-programu-czyste-powietrze/</p>