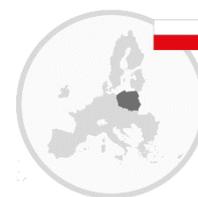


Poland's National Recovery and Resilience Plan



Latest state of play

OVERALL RESOURCES

Recovery and Resilience Facility (RRF): **€35.36 billion**

RRF grants: 67 % RRF loans: 33 %

Share of total EU RRF: 4.9 % Share of national GDP: 6.6 %

Major objectives

Green transition: **€15.1 billion** 42.7 %

RRF target: 37 %

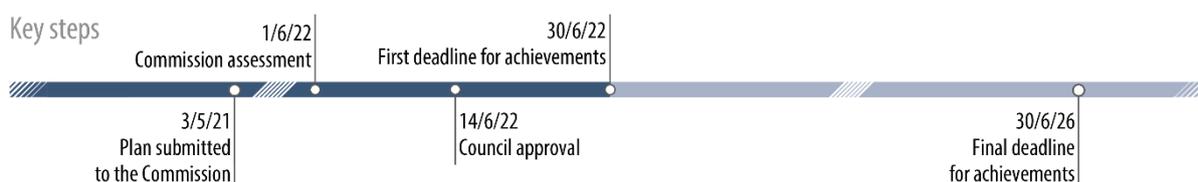
Digital transformation: **€7.5 billion** 21.3 %

RRF target: 20 %

In nominal terms, Poland is the fourth biggest beneficiary of the Recovery and Resilience Facility (RRF), after Italy, Spain and France¹. EU support for implementing Poland's National Recovery and Resilience Plan (NRRP) – [Krajowy Plan Odbudowy](#) – amounts to €35.36 billion, and includes €23.85 billion in grants and €11.51 billion in loans (a third of the maximum amount of loans available)². The total allocation (grants and loans) has to be paid out to Poland by the end of 2026; this amount represents almost 5 % of the total RRF and stood at 6.6 % of the country's gross domestic product (GDP) in 2019 (the RRF being 5.2 % of EU-27 GDP in 2019)³. RRF support per capita for Poland totals €935. Following the revision

of the maximum national allocations carried out by the Commission on 30 June 2022, the RRF non-repayable contribution to Poland's NRRP was reduced to €22.53 billion (-5.6 %). Owing to the plan's late approval, Poland was not eligible for pre-financing. Disbursement of the allocation for Poland – divided into nine instalments for grants and nine for loans – will depend on progress in implementing the plan. In particular, the first instalment can be made only if the commitments concerning the reforms of the judicial system are fulfilled. Poland's NRRP includes 50 reforms and 54 investments, designed to tackle both the Covid-19 pandemic's socioeconomic consequences and more long-standing challenges facing the country. The plan is strongly focused on the green transition and digital transformation. Planned spending on these areas exceeds the compulsory targets, totalling 42.7 % for climate and 21.3 % for digital. Other priority areas include competitiveness of the economy, healthcare, well-functioning public institutions and the judiciary.

The European Parliament participates in interinstitutional forums for cooperation and discussion on RRF implementation, and scrutinises the European Commission's work.



This briefing is one in a series covering all EU Member States.



Country-specific challenges

In the context of the [European Semester](#), the Council adopts country-specific recommendations (CSRs). These provide Member States with policy guidance on how to boost jobs, growth and investment, while maintaining sound public finances. Poland's NRRP under the RRF should address effectively at least the major challenges identified in the [2019](#) and [2020](#) CSRs. The European Commission [classifies](#) these in six broad categories: 1) transition towards a higher value-added economy; 2) tackling structural deficiencies in the country's social services, labour market and education system; 3) favourable business and investment environment; 4) safe public finances; 5) green transition; and 6) digital transformation.

In 2019, the Council recommended that Poland take steps to improve the efficiency of public spending, including by reforming the budgetary system. To ensure the adequacy of future pension benefits and the sustainability of the pension system, the country should raise the effective retirement age and reform preferential pension schemes. According to the Council, without any action, the current decline in the working-age population is likely to affect economic growth.

The 2019 Council CSRs, as well as a [report](#) by the Organisation for Economic Co-operation and Development, highlighted the need for Poland to improve labour market participation, particularly of [women](#), older workers and people with disabilities. This can be achieved by implementing measures such as easier access to childcare and long-term care, and removing obstacles to more permanent types of employment. These efforts should be complemented by nourishing quality education and [skills](#) suitable for the labour market, with emphasis on [adult learning](#). Poland lags behind most EU countries on [innovation](#). To change this, the Council recommends stronger investment in innovation, and supporting research institutions and their closer collaboration with the private sector.

In 2020, the Council CSRs focused on enhancing investment while pursuing prudent fiscal policies and ensuring debt sustainability. Polish [healthcare](#) spending has been relatively low over the past decades, and remains below EU average. The number of practising doctors and nurses relative to the population is still among the lowest in the EU, with the healthcare workforce distributed unevenly across the country. Poland should improve health system resilience, accessibility and effectiveness by substantially increasing investment and accelerating deployment of e-health services.

To address the impact of the pandemic on the job market, the country needs to develop further flexible and short-time working arrangements. As the largest increase in extreme poverty was observed for people or families living on allowances, social benefits ought to be targeted more effectively to ensure they reach those in need. According to the Council, the government should boost digital skills among the citizens, and further promote the digital transformation of companies and public administration. Being heavily based on small and medium-sized enterprises ([SMEs](#)), Poland is also advised to provide firms with easier access to finance and liquidity, and promote private investment to support the recovery.

Both sets of CSRs recommend that public investment target innovation, healthcare, and the digital and energy transitions (including the necessary infrastructure), while taking into account regional disparities. The Polish economy is among the [least carbon-efficient](#) in the EU. Investment should therefore focus on clean and efficient production and use of energy, and sustainable transport in order to enable progressive decarbonisation of the economy, including in the coal regions.

Since both a stable and predictable business environment and a friendly investment climate play a key role in post-pandemic economic recovery, the Council underlined the need to safeguard judicial independence and address concerns over the rule of law in Poland. The 2019 and 2020 CSRs also highlight that Poland should improve consultation with social partners and the public during the legislative process, as their – as yet – insufficient involvement is impacting the quality of laws, and the stability and robustness of the business environment.

Objectives and structure of the plan

Figure 1 – Breakdown of funding by component



The overall goal of Poland's NRRP is to support the country's economic and social recovery from the Covid-19 crisis, enhance the competitiveness of the economy, and increase citizens' standard of living. The plan addresses a significant subset of the above-mentioned challenges identified in the context of the European Semester in 2019 and 2020, and is in line with the [strategy](#) for responsible development (with a 2030 perspective) adopted by the Polish government on 14 February 2017.

Poland's NRRP envisages a mix of complementary reforms (50) and

investments (54), grouped under six key development areas – **components A to F** (for more details, see also Table 1 further below).



A. Resilience and competitiveness of the economy. This component includes a broad range of reforms (18) and investments (16) intended to build a crisis-resilient economy, increase productivity and generate quality jobs. The measures under the component aim at improvements in areas such as sustainability and adequacy of the fiscal framework; reduction of the regulatory and administrative burden affecting businesses; legal framework for land-use planning; competitiveness and protection of producers and consumers in the agricultural sector; robotisation and digitalisation of enterprises; circular economy; use of unmanned aerial vehicles; cooperation between science and industry; labour market (preparedness for the green transition and digital transformation, effective institutions, access to and quality of childcare facilities, teleworking); social economy; long-term care; cultural sector; and creative industries. The component's cost amounts to 13 % of the total allocation and will be financed mostly from grants.



B. Green energy and energy intensity reduction. The main challenges address by this component are decarbonisation and air pollution. It includes 13 reforms and 16 investments focused on facilitating the deployment of renewables (for example by constructing wind farms and offshore infrastructure in Łeba and Ustka); increasing the use of alternative energy sources such as hydrogen and biogas; modernising heating installations and energy efficiency (of residential buildings, schools, social-activity facilities); neutralising threats and rehabilitating large-scale degraded areas and the Baltic Sea; sustainable water management in agriculture and rural areas; and climate mitigation and adaptation in urban areas. With some 39 % of the overall budget (grants and loans) allocated to it, component B is the biggest in Poland's NRRP.



C. Digital transformation. The component includes five reforms and seven investments meant to accelerate the country's digitalisation. The measures concern, for instance, improving access to high-speed internet; developing and consolidating e-services; making digital services in the public and business sectors faster and safer; supplying all schools with state-of-the-art multimedia equipment; increasing security in cyberspace; and providing training in digital skills. The cost of the reforms and investment under the component amount to 14 % of the total allocation and will be financed by grants and loans.



D. Efficiency, accessibility and quality of the health system. The five reforms and six investments under this component address major challenges Poland faces in the area of healthcare, including long-term care. The measures are designed to improve the financial situation and management of hospitals, develop their infrastructure, accelerate their

digital transformation, increase the number of medical staff, develop research in the field of medical and health sciences, and increase the production of medicines and active pharmaceutical ingredients (APIs) in Poland. The allocation amounts to 12 % of the NRRP's cost and will be financed from both loans and grants.



E. Green, smart mobility. Decarbonisation and reduction of air pollution are the main challenges addressed under this component. The measure promote use of sustainable, public urban transport; zero-emission vehicles; modal shift from road to railways (by increasing the railway sector's attractiveness); intermodal transport; and transport safety and digitalisation. The five reforms and nine investments under the component are predominantly financed by grants. The component is the plan's second biggest area of expenditure (21 % of the total allocation).



F. Improving the quality of institutions and the conditions for the implementation of the RRP. This component, which consists only of reforms (four), is fundamental for implementing Poland's NRRP, as [no payment](#) under the plan can be made until the commitments included in the reforms are fulfilled. The reforms have been designed to solve long-standing issues relating to the investment climate, and to ensure that the RRF can be implemented effectively in Poland. They concern certain aspects of the independence and impartiality of courts; the situation of judges affected by the decisions of the Supreme Court's Disciplinary Chamber in disciplinary and judicial-immunity cases; the consultation of social partners in the law-making process; the use of impact assessments and fast-track procedures in law-making; the consultation of social partners and stakeholders in implementing the NRRP; the establishment of a monitoring committee for the plan's implementation; and the application of the [Arachne](#) risk-scoring tool. The component is not linked to any financial cost.

The green transition is the plan's key spending priority. The overall contribution to climate objectives is estimated at €15.1 billion and represents 42.7 % of the plan's total cost, thus exceeding the minimum 37 % target set in [Regulation \(EU\) 2021/241](#) on the RRF ('RRF Regulation'). This echoes Poland's aim of speeding up decarbonisation of its economy, in line with national strategic documents such as the national energy and climate plan [2021-2030](#) and the energy policy until [2040](#). Key measures are included under components B (Green energy and energy intensity reduction) and E (Green, smart mobility). Those with a particular focus on addressing climate change will support energy efficiency, renewables, decarbonisation, mobility, and sustainable water use.

The Polish plan exceeds by 1.3 % the minimum 20 % spending target in the area of digital transformation. All components – except component F, which has a specific profile and is dedicated to the reforms of Poland's judicial system and the conditions for implementing the NRRP – have been tagged as contributing to this objective. Almost the entire component C (Digital transformation), and one fourth of the resources of components A (Resilience and competitiveness of the economy) and D (Efficiency, accessibility and quality of the health system) are dedicated to the digital transformation. The relevant reforms and investments concern, for instance, access to high-speed internet (including 5G network); digitalisation of public administration, education, agriculture, business and healthcare; and cybersecurity. In addition, Poland committed to participating in a [multi-country project](#) on next-generation cloud infrastructure and edge services.

[Gender equality](#) is among the horizontal aspects to be taken into account in the NRRPs. The Polish plan includes a separate section on the issue, which states that respect for gender equality is a horizontal principle, safeguarded at all stages of preparation and implementation of the reforms and investments. While the Commission [estimated](#) that about 4.8 % of all measures in Poland's NRRP focus on gender equality, specific references to gender equality and women in the [milestones and targets](#) are scarce. They are highlighted mainly in the context of the measures to enhance the quality and availability of childcare and long-term care facilities, thus improving conditions for women's labour market participation, and as one of the challenges to be addressed in relation to the functioning of Poland's cultural sector.

Table 1 – RRF allocation for Poland by component (€ billion)

Components and subcomponents	Grants	Loans	Total	Share of total
A. Resilience and competitiveness of the economy	4.46	0.25	4.71	13.3 %
A1. Reducing the impact of Covid-19 and the subsequent crisis for businesses	2.27		2.27	
A2. Development of a national innovation system: strengthening innovation capacity and cooperation between enterprises and research institutes in key areas for the development of the economy (digitalisation and greening)	1.27	0.25	1.52	
A3. Education for the modern economy: improving skills development, the vocational education and training system and lifelong learning to better match needs of the modern economy	0.40		0.40	
A4. Increasing structural matching, efficiency and crisis resilience of the labour market	0.52		0.52	
B. Green energy and energy intensity reduction	5.69	8.17	13.86	39.2 %
B1. Improving the energy efficiency of the economy	3.86	0.30	4.16	
B2. Increasing the use of renewable energy sources and the development of alternative generation sources	1.63	3.45	5.08	
B3. Adapting to climate change and reducing its negative environmental impact	0.20	4.42	4.62	
C. Digital transformation	2.79	2.10	4.89	13.8 %
C1. Improving access to high-speed internet	1.20		1.20	
C2. Developing and consolidating e-services, creating the conditions for the development of digital technologies for the economy, and improving communication between public institutions, citizens and businesses	0.42	1.40	1.82	
C3. Boosting digital skills and the digitalisation of education	0.73	0.70	1.43	
C4. Increasing cyberspace security, ensuring and digitalising safe data processing infrastructure	0.44		0.44	
D. Efficiency, accessibility and quality of the health system	4.09	0.29	4.38	12.4 %
D1. Improving the efficiency of the health system, particularly in the hospital sector, its accessibility and the quality of health services, including by making more use of digital systems	3.12	0.15	3.27	
D2. Developing healthcare staff and strengthening the capacity of medical universities and healthcare providers involved in the training of medical personnel	0.70		0.70	
D3. Supporting scientific research and the pharmaceutical sector to strengthen the resilience of the health system	0.27	0.14	0.41	
E. Green, smart mobility	6.81	0.70	7.51	21.3 %
E1. Increasing the share of zero- and low-emission transport, and reducing the negative environmental impact of transport	2.24	0.20	2.44	
E2. Enhancing transport accessibility and digitalisation as well as its safety and security	4.57	0.50	5.07	
F. Improving the quality of institutions and the conditions for the implementation of the RRP	-	0	0	0 %
17. Strengthening the independence and impartiality of courts, and remedying the situation of judges affected by the decisions of the Disciplinary Chamber of the Polish Supreme Court				
18. Enhancing consultation of social partners and the use of impact assessments, and reducing the use of fast-track procedures in the law-making process				
19. Ensuring proper consultation of social partners and stakeholders and application of the Arachne risk-scoring tool in implementing the plan				
Total	23.84	11.51	35.35	100 %

Data source: Poland's NRRP ([Krajowy Plan Odbudowy](#)), June 2022. Any discrepancies are due to rounding.

Reforms

Poland's NRRP includes a coherent set of 50 reforms, measured by the 106 milestones and targets specified in the [annex](#) to the Council's implementing decision on the Polish plan. Most reforms (18) are linked to component A (Resilience and competitiveness of the economy), and range from improving the investment climate and innovation capacity, to reforming the fiscal system and land-use planning. However, those in component F (Improving the quality of institutions and the conditions for the implementation of the RRP) are the most challenging, and crucial for the mobilisation of the first payment under the Polish plan.

Table 2 – Examples of reforms under Poland's NRRP

	 Component A	 Component B	 Component C	 Component D	 Component E	 Component F
No of reforms	18	13	5	5	5	4
Examples of reforms by component	Reduction of the administrative and regulatory burden affecting business in Poland Creating conditions for the transition to a circular economy ...	Improving the conditions for the development of hydrogen technologies and other decarbonised gases Facilitating the energy saving obligation for energy companies ...	Scaling up digital applications in the public sphere, the economy and society Increasing the level of accessibility and use of modern wired and wireless communication for social and economic needs ...	Creating the right conditions for an increase in the number of medical staff Creation of favourable conditions for the development of the medicines and medical devices sector ...	Increase in the use of environmentally friendly transport Enhance transport safety ...	Reform strengthening the independence and impartiality of courts. Improving the process of law-making ...
Examples of activities	Adoption of two legislative packages: 'Legal Shield' and 'Investment Zone Act' Adoption of new legislation enabling trade in selected secondary raw material	Entry into force of the law laying down rules for hydrogen Entry into force of the implementing regulation to the Energy Efficiency Act	Entry into force of the amendment to the act on computerisation of the activities of entities performing public tasks New legal act eliminating barriers to the implementation of the 5G network by vertical industries	Amendments to the law on higher education and science and on the professions of physician and dentist Entry into force of a regulatory framework for increasing the production of medicines and APIs	Introducing measures to support development and implementation of sustainable urban mobility plans (SUMPs) Entry into force of legal acts promoting road safety (e.g. priority for pedestrians at crossings, minimum distance between vehicles)	Entry into force of a reform strengthening the independence and impartiality of courts Entry into force of amendments to the rules of procedure of the Sejm, the Senate and the Council of Ministers

Data source: Council implementing decision on the approval of the assessment of Poland's NRRP ([Annex](#)).

Investment

Investments under the Polish NRRP complement EU cohesion fund measures in the 2021-2027 programming period ([€76.5 billion](#)). Together, the two sources of EU support will boost the Polish economy by some €110 billion. The NRRP includes 54 investments linked to 177 milestones and targets. In financial terms, the largest investments are under component B (Green energy and energy intensity reduction), with total resources set at €13.9 billion, representing 39.2 % of RRF support for the plan. The component is mostly financed by loans (€8.2 billion). Topping the list of individual investments are those in offshore wind farms (€3.3 billion in loans) and in the replacement of heat sources in residential buildings (€3.2 billion in grants). Jointly, those two investments account for some 18 % of the plan. None of the investments is financed from both loans and grants.

Table 3 – Examples of investment measures under Poland's NRRP, by component

	 Component A	 Component B	 Component C	 Component D	 Component E
Allocation € billion	4.70	13.87	4.90	4.38	7.52
No of investments	16	16	7	6	9
Examples of investments	Development of research capacities Modern vocational training, higher education and lifelong learning ...	Replacement of heat sources and improvement of energy efficiency in residential buildings Construction of offshore terminal infrastructure ...	Improvement of e-competences Strengthening the potential of commercial investments in modern electronic communication networks ...	Increasing admission limits for medical studies Development of long-term care by modernising medical entities' infrastructure at district level ...	Zero- and low-emission collective transport (buses) Investment in railways ...
Examples of activities	Construction and modernisation of 18 laboratories 6 000 people will have received training in the sectoral skills centres	250 000 installed heat sources fulfilling DNSH requirements Completion of the construction of two offshore service terminals (Ustka and Łeba)	At least 190 000 people completing training aimed at acquiring or developing digital competences At least 4 200 base stations delivering 5G services will be deployed in rural areas	25 400 students in the field of medicine covered by scholarship, study co-financing or mentoring Realisation of at least 50 projects aiming to develop long-term care and geriatric care provision in district hospitals	1 738 new zero-emission and low-emission buses delivered Modernisation of 478 km of railways, including 300 km with Trans-European Transport Network (TEN-T) standards

Ten largest investments		€ billion
	B2.3.1 Construction of offshore wind farms (B)	3.25
	B1.1.2 Replacement of heat sources and improvement of energy efficiency in residential buildings (B)	3.20
	B3.4.1 Investment in green transformation of cities (B)	2.80
	E2.1.1 Railways (E)	2.40
	D1.1.1 Development and modernisation of the infrastructure of highly specialised care centres and other healthcare providers (D)	2.12
	C1.2.1 Strengthening of the potential of commercial investment in modern electronic communication networks (C)	1.40
	A1.4.1. Investment to diversify and shorten the agricultural and food supply chain and build resilience of actors in the chain (A)	1.27
	C1.1.1 Access to very high-speed internet in white spots (C)	1.20
	E1.1.2 Zero- and low-emission collective transport (buses) (E)	1.13
	E1.1.1 Support for a low-carbon economy (E)	1.11

Governance

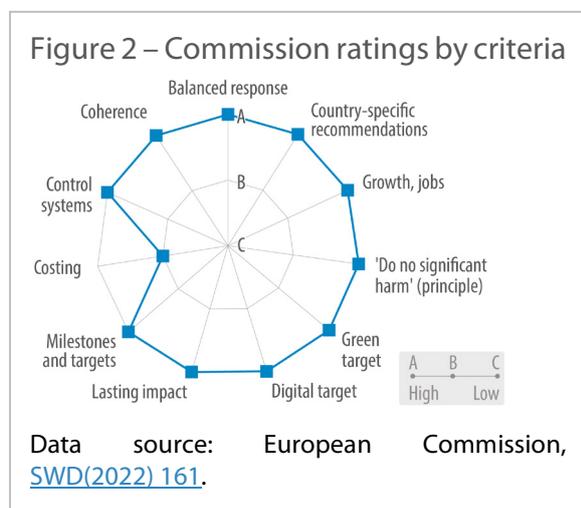
According to the Commission's assessment, Poland has set up a comprehensive system for control, monitoring and implementation of its NRRP, which consists of two levels: management verifications by institutions in charge of implementing the reforms and investments, and audits performed by the national and regional audit bodies.

The Ministry of Funds and Regional Policy ([Ministerstwo Funduszy i Polityki Regionalnej](#)) is the central coordinating body responsible for overall coordination, monitoring and reporting. Its mandate also includes preparing payment requests and claims, management declarations and audit summary. The ministry is the single point of contact for the Commission. Institutions in charge of the plan's operational implementation will carry out management verifications, assess compliance with EU and national law, and monitor progress in the achievement of defined milestones and targets.

Audits will be conducted by the National Revenue Administration ([Krajowa Administracja Skarbowa](#)), in particular the Department of Public Funds Audit at the Ministry of Finance, and by 16 regional tax administration chambers. They will cover multiple levels: the coordinating body, the organisations responsible for the reforms and investments, other bodies supporting implementation, and final recipients. Audits will verify the correctness of implementation of reforms and investments, the state of achievement of defined milestones and targets, and the effectiveness of mechanisms put in place to prevent fraud and conflicts of interest. They will be designed to detect and correct serious irregularities and spot areas where there is a risk of double funding. Finally, audits will examine the security of the IT system used for implementation of the NRRP.

Under milestone F3.1, 'Improving the conditions for the implementation of the RRP', Poland is required to establish a monitoring committee consisting of stakeholders and social partners (by 30 June 2022). However, this has been delayed, as the [legal act](#) setting up the committee was only published on 4 August 2022. According to [press reports](#), the committee is scheduled to hold its inaugural meeting at the end of September 2022.

Commission assessment



On 1 June 2022, the [Commission](#) assessed Poland's NRRP positively, proposing that the Council approve it. For 10 out of the 11 assessment criteria set in the RRF Regulation (Annex V), the Commission gave the highest possible rating (A) to the plan. Similarly to all other Member States, the criterion No 9 (costing) received a B (medium) rating.

Under criterion No 1, the Commission concludes that the plan represents to a large extent a comprehensive and adequately balanced response to both the impact of the Covid-19 pandemic and the key structural and economic challenges that Poland faces, contributing appropriately to all six pillars referred to in

Article 3 RRF Regulation⁴. The NRRP envisages a proportionate set of reforms and investments. It outlines a strategy for promoting a more competitive and resilient economy, supporting economic growth in accord with EU's climate and digital priorities, and improving the quality of life in Poland, particularly through investments in renewable energy sources and energy efficiency, sustainable mobility, healthcare, digital technologies, and research and innovation. The Commission considers that the mutually reinforcing reforms and investments help address a significant subset of the economic and social challenges outlined in the 2019 and 2020 CSRs in an effective way (criterion No 2). The exceptions are long-term challenges linked to the labour market and the sustainability of public finances, which are addressed to a lesser extent.

The Commission estimates that the NRRP, together with other measures under the [EU Recovery Instrument](#), or Next Generation EU (NGEU), can increase Poland's GDP by between 1.1 % and 1.8 % by 2026, without taking into account the possible positive impact of structural reforms (criterion No 3).

According to the evaluation, none of the measures is expected to do significant harm to environmental objectives, in line with the '[do no significant harm](#)' (DNSH) principle (criterion No 4). The measures relevant to climate objectives account for 42.7 % of the plan's total allocation, which is above the minimum climate target of 37 % set in the RRF Regulation (criterion No 5).

At 21.3 % of the NRRP's total allocation, the measures supporting digital objectives are above the minimum threshold of 20 % required by the RRF Regulation (criterion No 6). Poland's NRRP is

expected to have lasting impact in many policy areas as well as on public administration and institutions (criterion No 7). Main projected impacts will be the decarbonisation of the economy, an improved healthcare system and increased labour market participation. The evaluation also finds the arrangements for monitoring progress and targets to be adequate (criterion No 8).

The Commission concludes that Poland has provided cost estimates for all types of measures of the NRRP using clear and comprehensible methodology. However, in some cases, the details are limited, which is the reason behind the Commission giving criterion No 9 a medium rating.

The assessment determines that the control mechanisms envisaged by the plan are adequate (criterion No 10). However, since effective judicial protection is a prerequisite for the functioning of an internal control system, the Commission set out the milestones for a reform strengthening the independence and impartiality of courts, and another to remedy the situation of judges affected by the decisions of the Supreme Court's Disciplinary Chamber. Poland should fulfil those milestones before submitting the first payment request, and no payment may be disbursed before their accomplishment.

Council decision and pre-financing

Poland was among the first EU Member States to submit an NRRP (on [3 May 2021](#)); however, the European Commission endorsed it only on [1 June 2022](#)⁵. The delay was due to difficulties in agreeing on the Polish plan's content as regards the independence of the judiciary. In its [assessment](#), the Commission pointed out that the plan includes sufficient commitments translated into milestones relating to the comprehensive reform of the disciplinary regime applicable to Polish judges, which is of particular importance to improve the investment climate and bring about the conditions for an effective implementation of the NRRP. Moreover, the Commission [emphasised](#) that Poland needs to demonstrate that these milestones are fulfilled before any disbursement under the RRF can be made. Based on the Commission's endorsement, on [14 June 2022](#), the Council adopted its implementing decision on the approval of Poland's NRRP, formally launching the plan's implementation⁶.

The Council confirms that Poland is set to receive €35.36 billion (current prices, rounded) over the plan's lifetime, of which €23.85 billion in grants and €11.51 billion in loans. The grant component has two parts: a fixed allocation worth €20.27 billion, to be committed by 31 December 2022, and a provisional allocation of €3.58 billion, to be committed by 31 December 2023. In June 2022, on the basis of the relevant provisions in the RRF Regulation (Article 11(2)), and in line with economic developments, the Commission recalculated the final amount of the latter. Owing to better than expected macro-economic performance in 2020 and 2021, total allocation for Poland will decrease by some €1.3 billion. Owing to the late approval of the plan, Poland no longer has the possibility of requesting the pre-financing; this could have been granted only if the Council had approved the plan before the end of 2021.

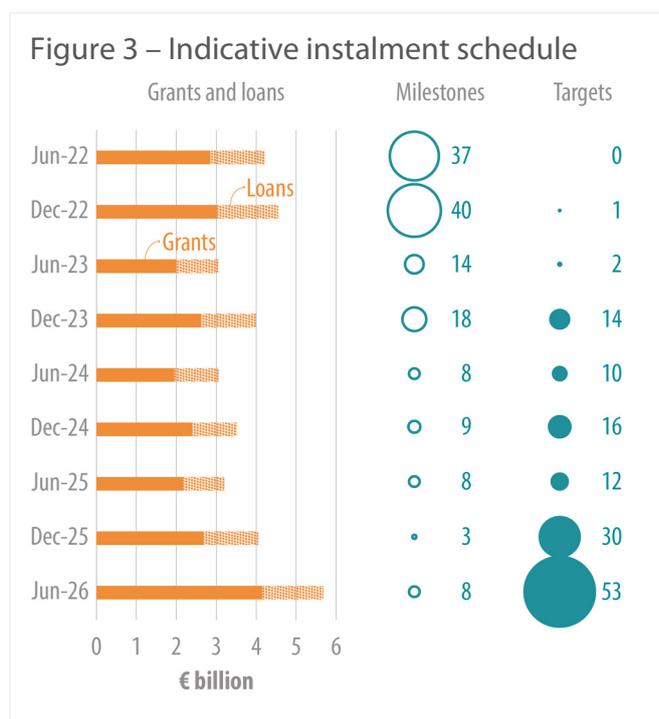
Before the first payment request can be submitted, Poland and the European Commission have to agree and sign financing and loan agreements, as well as operational arrangements (Articles 15 and 23 RRF Regulation). Poland's allocation is divided into nine instalments of each grants and loans, which have to be paid at the latest by the end of 2026. The disbursements will depend on achieving the milestones and targets outlined in the annex to the implementing decision.

European Parliament

Following the outbreak of the pandemic, the European Parliament was a [major advocate](#) of launching a common EU recovery instrument, and established the RRF as co-legislator with the Council. Based on the RRF Regulation and the [Interinstitutional Agreement](#) (IIA) on budgetary matters, Parliament can [scrutinise](#) the Commission's work on the assessment of national plans.

Within Parliament, the Conference of Presidents has established a standing working group on the scrutiny of the RRF, comprising the Committee on Budgets (BUDG) and the Committee on Economic and Monetary Affairs (ECON). This working group prepares and follows up on the recovery and resilience dialogue that Parliament holds every two months with Commission representatives. Moreover, the IIA provides for interinstitutional meetings between Parliament, Council and Commission on the implementation of the broader NGEU recovery instrument. These meetings are held *in camera* at least three times a year. Through the [discharge procedure](#), Parliament will also ensure democratic scrutiny of how NGEU resources are spent.

Parliament has discussed the approval of Poland's NRRP on many occasions, particularly in the context of the [deteriorating](#) rule of law situation in the country. On [9 June 2022](#), Members adopted by a large majority a resolution criticising the Commission for endorsing the plan, and calling on the Council to not to approve it until all conditions are met.



Milestones and targets

Disbursements under the RRF are performance-based and will reflect progress on the implementation of the milestones (qualitative goals) and targets (quantitative goals). Overall, the Polish plan consists of 145 milestones and 138 targets. Figure 3 shows that milestones are more concentrated in the first instalments, and targets more in the last.

Furthermore, instalments are not equal. The largest grant instalment is envisaged at the end of the implementation period. The loan payments are distributed more equally. The first instalment – €2.85 billion in non-repayable support (grants), and €1.37 billion in loans – is linked to the fulfilment of 37 milestones. They include those relating to reforming the judiciary⁷ and the fiscal framework, reducing

regulatory and administrative burden for business and citizens, strengthening cooperation between science and industry, and implementing the Arachne system for data collection on recipients of funds.

Views of Polish stakeholders

Major [civil society](#) representatives stressed in a joint statement that they were not consulted in the plan's preparatory phase. They also pointed to a lack of information on whether the feedback from public hearings with civil society, local authorities, employers, employees and citizens were taken into account when designing the plan.

After the Commission's approval of the NRPP, Polish business association [Lewiatan](#) expressed the view that the preparatory work had not been coordinated with work on a 2021-2027 [partnership agreement](#) on EU funds carried out in parallel. The association's president, [Maciej Witucki](#), has argued that the government chose the reforms randomly, and that these reforms, particularly in the areas of resilience and competitiveness of the economy, do not guarantee results that will bring about a meaningful improvement and satisfy the needs of business and the labour market. He has also called for a more detailed description of the anticipated effects of the reforms, underlining that the reforms were selected without the involvement of the social partners and businesses.

The biggest Polish trade union, [Solidarność](#), considers that the RRF and the NRRP are important tools for addressing – in the shorter run – the fallout of the pandemic and – in the longer run – the Polish economy's resilience. However, the trade union notes that the plan does not contain measures that would lead to real improvement in women's labour market participation. It calls for more clarity on actions supporting the digital skills of SME employees. Moreover, it stresses that the plan does not envisage specific measures to support non-medical professions providing care for the sick or dependent individuals in need of long-term care.

According to the Conference of Rectors of Academic Schools in Poland ([KRASP](#)), the NRRP does not offer funding that is targeted to support the educational sector's overall development, based on its progress in science and technology. Instead, the proposed support is deemed selective and sectoral.

[Environmental organisations](#) deem the NRRP a missed opportunity to transform Poland into a climate-neutral economy. They are disappointed that the plan will support investment in gas infrastructure, and that insufficient means are envisaged to improve energy efficiency of buildings and promote ecological heating systems.

The association of Polish judges, [Iustitia](#), stated that meeting the criteria to release funds under the RRF is only possible after the decisions of controversial judicial bodies established by the government have been annulled. Furthermore, in August 2022, four major [European organisations of judges](#) filed a lawsuit against the Council of the EU before the European Court of Justice (ECJ), arguing that the milestones 'fall short of what is required to ensure effective protection of the independence of judges and the judiciary and disregard the judgments of the CJEU on the matter'.

[Klub Jagielloński](#) think tank assessed that the NRRP correctly identifies the multi-faceted development challenges faced by Poland; they illustrate comprehensively problems in individual areas. However, according to the think tank, the plan focuses overly on quantitative indicators, as opposed to the reforms' desired effects. The think tank would like to add a seventh area worth supporting, namely institutional reforms aiming to improve management and conduct of public institutions in times of unexpected and deep crises such as the pandemic.

Lastly, an August 2022 [survey](#) highlighted that 42 % of Polish citizens hold the government responsible for delays in obtaining funding under the RRF. A further 13 % of citizens point to the responsibility of the Polish prime minister, Mateusz Morawiecki, while 19 % blame the EU institutions, and 10 % the opposition parties.

EUROPEAN PARLIAMENT SUPPORTING ANALYSIS

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[Recovery and Resilience Scoreboard](#) website, European Commission.

ENDNOTES

- ¹ The graphics and tables in this briefing are based on data from Poland's [NRRP](#) (version of June 2022), the Commission [assessment](#), and the [annex](#) to the Council [implementing decision](#). Data used reflect their source at the time of extraction; moreover, there may be discrepancies between data from different sources.
- ² As specified in the Council implementing decision, the estimated cost of the plan is PLN 160 967 579 300, which equals €35 363 500 000 on the basis of the EUR–PLN European Central Bank reference rate of 3 May 2021.
- ³ All the figures in this briefing are based on the plan as originally approved by the Council before the final [revision](#) of the maximum national allocations carried out by the Commission on 30 June 2022.
- ⁴ These policy areas are: green transition; digital transformation; economic cohesion, productivity and competitiveness; social and territorial cohesion; health, economic, social and institutional resilience; and policies for the next generation.
- ⁵ Commissioners Margrethe Vestager and Frans Timmermans reportedly voted against the decision (see 'Poland closer to EU aid as Brussels backs recovery plan despite doubts', *Financial Times* [article](#), 1 June 2022).
- ⁶ See 'Four European organisations of judges sue EU Council for disregarding EU Court's judgments on decision to unblock funds to Poland', International Association of Judges [press release](#), 28 August, 2022.
- ⁷ See also President Ursula von der Leyen's [speech](#) at the European Parliament plenary, Strasbourg, 7 June 2022.

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First edition. The 'NGEU delivery' briefings are updated at key stages throughout the lifecycle of the plans.