



Republic
of Poland



**ANNUAL PROGRESS REPORT
ON THE IMPLEMENTATION OF
THE MEDIUM-TERM FISCAL-
STRUCTURAL PLAN FOR
2025-2028**

Warsaw, April 2025

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INTRODUCTION

The Member States of the European Union are required to report annually, by 30 April, on the implementation of their medium-term fiscal-structural plans¹. In line with the European Commission's² guidelines, these reports present the situation in the current and previous years covered by the plan. The Polish 'Medium-Term Fiscal-Structural Plan for 2025-2028'³ (hereinafter referred to as the Plan) was adopted by the Council of Ministers on 8 October 2024. It aims to limit, as required by EU legislation, the increase in expenditure in 2025 to a rate that allows for a gradual reduction of the general government deficit to below 3% of GDP in 2028 and for general government debt to remain at prudent levels over the medium term.

The European Commission positively assessed the expenditure path as a key element of the Plan on 26 November 2024. It was endorsed by the ECOFIN Council on 21 January 2025⁴. In separate recommendations issued on the same day the Council set 2028 as the deadline for bringing the excessive deficit to an end and indicated that it was necessary to respect the pace of expenditure growth set out in the Plan⁵. At the same time, it required Poland to present, on a semi-annual basis, actions to put an end to the excessive deficit situation, for the first time in this year's Annual Progress Report of the Plan (hereinafter referred to as the Report).

On 19 March 2025, the European Commission proposed to all Member States a temporary departure from the expenditure path previously recommended by the ECOFIN Council. In the Commission's view, this would allow EU countries a transition to a structurally higher level of defence expenditure, necessary due to the exceptional circumstances of Russia's aggression against Ukraine and the related threat to European security. The European Commission invited countries to request the activation of the so-called national escape clause to the ECOFIN Council in April this year. Given the increase in overall uncertainty, Poland intends to make use of this clause.

The budgetary part of the Report (Chapter I) provides an estimate of the pace of expenditure in 2024 and its forecast for 2025, together with up-to-date information on the measures to support the correction of the excessive deficit, in particular those contained in the 2025 Budget Law. The structural part (Chapter II) presents progress in the implementation of the reforms and investments outlined in the Plan to address the EU's common priorities and the Council's recommendations to Poland issued during the European Semester. In addition, it includes information on actions to implement the European Pillar of Social Rights, information on the implementation of the Sustainable Development Goals, a report on the implementation of the Council Country-Specific Recommendations to Poland, as well as information on the implementation of the National Energy and Climate Plan and progress on the digital transition.

This Report was adopted by the Council of Ministers in April 2025. It uses information available until 31 March 2025 (unless indicated otherwise).

¹ Article 21 of [Regulation \(EU\) 2024/1263 of the European Parliament and of the Council of 29 April 2024 on the effective coordination of economic policies and on multilateral budgetary surveillance and repealing Council Regulation \(EC\) No 1466/97](#) (hereinafter referred to as the Plan Regulation).

² [Guidance to Member States on information requirements for medium-term fiscal-structural plans and annual progress reports](#)

³ <https://www.gov.pl/web/finanse/sredniookresowy-plan-budzetowo-strukturalny>

⁴ [Council Recommendation on the approval of the national medium-term fiscal-structural plan of Poland](#)

⁵ [Council Recommendation with a view to bringing an end to the situation of an excessive deficit in Poland](#)

I. NET EXPENDITURE PATH 2024-2025

Council Recommendations

Since July 2024, Poland has been⁶ subject to an excessive deficit procedure on the basis of a decision of the EU Council. On 21 January 2025, the EU Council adopted recommendations to Poland to put an end to the excessive deficit situation, setting 2028 as the deadline for bringing the excessive deficit to an end. It also indicated that to this aim, it was essential to respect the pace of expenditure growth set out in the Plan adopted by the government and submitted to the EU institutions in October 2024.

The European Commission's cyclical assessment of Member States' implementation of the EU Council recommendations (both on the excessive deficit procedure and on the approval of medium-term fiscal-structural plans) relies solely on the assessment of compliance with the expenditure path recommended by the EU Council. In particular, the current Report contains a forecast of expenditure growth for 2025. It is net nationally financed expenditure which is subject to surveillance of EU institutions (cf. Box 1).

Box 1. Net expenditure in EU legislation

Net expenditure is general government expenditure less:

- debt service costs,
- the level of measures implemented by the government and impacted in the year in question, which have a lasting increase in the level of the general government revenue (so-called discretionary revenue measures),
- expenditure on programmes of the Union fully matched by revenue from Union funds,
- national expenditure on co-financing of programmes funded by the Union,
- cyclical expenditure on unemployment, and
- one-off and temporary expenditure (having an incidental and non-permanent impact on the general government expenditure, so-called one-off expenditure).

Source: Ministry of Finance.

Table 1. Net expenditure path in the Council recommendations approving the Plan

Years		2025	2026	2027	2028
Growth rates (%)	Annual	6,3	4,4	4,0	3,5
	Cumulative*	19,6	24,9	29,9	34,4

* – the cumulative growth rates are calculated by reference to the base year of 2023.

Source: Council Recommendation on the approval of the national medium-term fiscal-structural plan of Poland.

⁶Council [Decision \(EU\) 2024/2133 of 26 July 2024 on the existence of an excessive deficit in Poland](#).

Implementation of the Council Recommendation for 2025

The assessment of compliance with the recommended expenditure path is carried out by the Commission on the basis of the final data for the previous year, so for expenditure incurred in 2025 it will take place in 2026. However, bearing in mind that the recommendations for 2025 set both a maximum increase in net expenditure in 2025 compared to the previous year and a maximum cumulative increase covering 2024 and 2025, the Report assesses the execution of 2024 and the expected execution of 2025.

In 2024, there were two opposite effects affecting the dynamics of national net expenditure. On the one hand, expenditure execution in 2024 was higher than initially forecasted (in particular public consumption and nationally financed investment) and, on the other hand, data for 2023 (increase in expenditure – including nationally financed investment and public consumption) were revised. This ultimately resulted in an increase in annual expenditure dynamics in 2024, although it was limited by the effect of expenditure growth in the base year (2023).

In turn, the level of expenditure in 2025 is determined by the stabilising expenditure rule (SRW) and the expenditure limit set out in the Budget Act. As a result, given the existing rigidities on the expenditure side resulting from fiscal rules in terms of possible expenditure growth, as well as the increased level of expenditure in 2023-2024 (which serves as a reference point for annual and cumulative dynamics), a lower than initially forecasted net expenditure dynamics in 2025 are expected. Thus, expenditure growth should be lower in 2025 than recommended by the Council, both on an annual and cumulative basis.

The forecast of the net expenditure path for 2024-2025 takes into account the impact of the flooding costs in the Oder river basin in September of the previous year, the largest in more than a quarter of the century. According to current estimates, flood-related expenditure (nationally financed) is PLN 2.4 billion in 2024 and PLN 3.7 billion in 2025. These include emergency assistance and allowances paid to victims, flood prevention measures, and flood recovery efforts (e.g. measures to protect persons and property, cleaning up, repair and reconstruction of damaged infrastructure, purchase of damaged equipment).

The main risk to the projected growth rate of net expenditure in 2025 is the level of implementation of expenditure on EU programmes fully funded in the EU due to the high variability of this expenditure position in 2024 and their projected significant volume in 2025 (2.1% of GDP – cf. Table 8).

Table 2. Forecast net expenditure path 2024-2025

	2024	2025
Council recommendation		
1a. Net nationally financed primary expenditure (annual growth rate)	12,5	6,3
2a. Net nationally financed primary expenditure (cumulative growth rate)	12,5	19,6
Outturn / projection		
1b. Net nationally financed primary expenditure (annual growth rate)	12,7	5,8
2b. Net nationally financed primary expenditure (cumulative growth rate)	12,7	19,2

Source: Ministry of Finance, Council Recommendation on the approval of Poland's national medium-term fiscal-structural plan.

I.1. Macroeconomic assumptions for 2025

Macroeconomic scenario

In 2023, the Polish economy slowed down, which was connected, inter alia, with a slowdown in economic growth in the main trading partners (0.4% of GDP growth in the euro area) and to persistently high inflation in the country (consumer prices increased by 11.4% on average). In 2024, the Polish economy accelerated markedly, reaching a growth rate of 2.9%. The rapid recovery of domestic demand, in particular private and public consumption, contributed to the recovery. At the same time, consumer inflation fell to 3.6% on an annual average basis, although remaining above the inflation target of the National Bank of Poland.

The presented macroeconomic scenario is consistent with 'Multi-annual macroeconomic assumptions for 2025-2029'. The forecast assumes the cut-off date at the end of March this year. The outlook for the Polish economy is subject to uncertainty about the situation in the external environment of the Polish economy (the impact of US customs policy, the impact as well as the possible escalation of the war in Ukraine, the economic situation in Germany). Among the national risk factors, the further evolution of demographic change and migration, which is linked to the war situation in Ukraine, should be mentioned.

Despite high uncertainty about the economic and geopolitical situation in the surroundings of Poland, the domestic economy is expected to accelerate further in 2025, with real GDP growth of 3.7%. This will be driven by an increase in domestic demand, an expected faster growth in private consumption and a return to positive investment dynamics, which declined in real terms in 2024. Private consumption will increase by 3.3%, reflecting real growth in disposable income and a slight decrease in the savings rate. The increase in disposable income will be driven by continued favourable economic and labour market conditions. Public consumption growth in 2025 will be 3.2% and will be lower than in the previous year, also due to lower increases in compensations of employees in the public sector. The strong growth rate in 2025 (above potential GDP growth of 3.2%) will narrow the negative output gap to -0.2%, from -0.7% last year.

The increase in defense expenditure, the implementation of projects from the National Recovery and Resilience Plan (NRP) and other key public investments will increase overall investment. Total investment will increase by 8.9% in 2025. Due to the economic slowdown in the EU, exports will increase only by 2.4% in 2025. Import growth will slow down to 3.8%. As a result, the contribution of net exports to GDP growth in 2024 will be -0.5 percentage points.

Consumer prices will increase by 4.5% in 2025, up from 3.6% in 2024. Energy prices, in particular gas prices for households, which have increased by 6% since 1 January 2025, will contribute to staying above the NBP target. Energy prices for individual consumers will not change due to the evolution of commodity prices on global markets. Therefore, there will be no need to extend the shields (freezing of the prices).

Like consumer inflation, the GDP deflator will increase to 4.1% in 2025 from 3.6% last year. Among the components of the GDP deflator this year, lower price dynamics will be observed in exports and imports (after both deflators fell last year), while the remaining deflators will achieve similar dynamics to the overall GDP deflator.

Unemployment in Poland remains historically low and there is no argument for changing this trend. The LFS unemployment rate will increase to 3.0% on average in 2025, from 2.9% on average in 2024, and will remain slightly above the NAWRU equilibrium unemployment rate of 2.7%. While the number of workers will fall by 0.1%, this will be mainly due to a decline in labour supply due to demographic reasons (population ageing and negative net migration).

For exchange rates, a technical assumption was made for stabilising exchange rates from the first quarter of the current year at EUR/PLN 4.17 and USD/PLN 3.96 (average exchange rates from two weeks from 24.02 to 7.3.2025). Oil prices were adopted on the basis of the average futures price of the first week of March 2025. The assumptions for economic growth in the European Union and globally are in line with the European Central Bank's March forecast.

According to the latest data, GDP growth in 2024 was below the forecast used in the Plan by 0.2 percentage points. (2.9% execution, forecast 3.1%). This was due to a stronger negative contribution of net exports to GDP growth (a gap of -0.4 percentage points), only partially offset by a faster-than-expected domestic demand growth. The real GDP growth projection in 2025 was also reduced by 0.2 percentage points compared to the Plan, again due to a downward revision of 0.3 percentage points to the contribution of the external balance of goods and services, while increasing the contribution of domestic demand by 0.1 percentage points. In the current forecast for 2025 the composition of domestic demand growth has changed, with a higher growth in gross fixed capital formation (due to planned higher spending from the RRP) and lower overall consumption dynamics, reflecting a lower-than-expected translation of real household disposable income growth into consumption expenditure.

This macroeconomic scenario was prepared without taking into account the tariff increases announced by the US government in early April (the cut-off date of the forecast is the end of March, therefore this situation was mentioned as a risk factor for the scenario). The direct and indirect impact on the Polish and European economy remains difficult to predict and depends on the final decisions of the US administration and on the scale of the response of European countries and the rest of the world.

Table 3. Macroeconomic assumptions

	ESA Code	2023 (Levels)	2023	2024	2025
GDP		bn NAC	growth rate	growth rate	growth rate
1. Real GDP	B.1*g		0,2	2,9	3,7
2. GDP deflator			9,9	3,6	4,1
3. Nominal GDP	B.1*g	3415,3	10,1	6,6	7,9
Components of real GDP			growth rate	growth rate	growth rate
4. Private consumption expenditure	P.3		-0,3	3,0	3,3
5. Government consumption expenditure	P.3		4,5	8,2	3,2
6. Gross fixed capital formation	P.51		12,7	-2,2	8,9
7. Changes in inventories and net acquisition of valuables (% of GDP)	P.52 + P.53				
8. Exports of goods and services	P.6		3,7	2,0	2,4
9. Imports of goods and services	P.7		-1,5	4,2	3,8
Contribution to real GDP growth			growth rate	growth rate	growth rate
10. Final domestic demand			-3,0	4,0	4,2
11. Changes in inventories and net acquisition of value	P.52 + P.53		-5,7	1,1	0,2
12. External balance of goods and services	B.11		3,2	-1,1	-0,5
Deflators and HICP			growth rate	growth rate	growth rate
13. Private consumption deflator			9,5	3,4	4
14. p.m. HICP			10,9	3,7	4,5
15. Government consumption deflator			10,2	8,0	4,0
16. Investment deflator			6,5	2,9	4,0

17. Export price deflator (goods and services)			-1,4	-5,5	3,6
18. Import price deflator (goods and services)			-3,9	-5,2	3,6
Labour market		level	growth rate	growth rate	growth rate
19. Domestic employment (1000 persons, national accounts)		13839,2	0,0	0,7	0,4
20. Average annual hours worked per person employed		2019,5	-0,9	-0,1	-0,1
21. Real GDP per person employed			0,2	2,2	3,3
22. Real GDP per hour worked			1,1	2,3	3,4
23. Compensation of employees (bn NAC)	D.1	1321,3	12,8	13,8	2,8
24. Compensation per employee (= 23 / 19)		95,5	12,8	13,0	2,4
			%	%	%
25. Unemployment rate (%)			2,8	2,9	3,0
Potential GDP and components			growth rate	growth rate	growth rate
26. Potential GDP			3,1	2,9	3,2
Contribution to potential growth					
27. Labour			0,1	-0,1	0,1
28. Capital			1,7	1,6	1,8
29. Total factor productivity			1,3	1,4	1,3
			% pot. GDP	% pot. GDP	% pot. GDP
30. Output gap			-0,8	-0,7	-0,2

* CPI forecast.

** For employment, the source of data used for the scenario is the LFS (number of employees in thousands).

Source: Ministry of Finance.

Table 4. External assumptions

	Description	2023	2024	2025
1. Short-term interest rate	(%, annual average)	6,5	5,9	5,2
2. Long-term interest rate	(%, annual average)	5,8	5,6	5,2
3. USD/EUR exchange rate	(annual average)	1,08	1,08	1,05
4. NAC/EUR exchange rate (only for non-EA Member States)	(annual average)	4,54	4,31	4,17
5. World real GDP (excluding EU)	(growth rate)	3,7	3,5	3,6
6. EU real GDP	(growth rate)	0,4	1,0	1,5
7. World import volumes, excluding EU	(growth rate)	1,3	3,2	3,3
8. Oil prices	(Brent, USD/barrel)	83,2	81,2	73,1

Source: Ministry of Finance.

Table 5. Recovery and Resilience Facility grants

%GDP	2020	2021	2022	2023	2024	2025	2026
Revenue from RRF grants							
1. RRF grants as included in the revenue projections			0,0	0,1	0,3	1,5	0,9
2. Cash disbursements of RRF grants from EU			0,0	0,1	0,8	0,4	1,4
Expenditure financed by RRF grants							
3. Total current expenditure			0,0	0,1	0,2	0,6	0,3
4. Gross fixed capital formation							
5. Other capital expenditure							
6. Total capital expenditure (= 4+5)			0,0	0,0	0,1	0,9	0,6
Other costs financed by RRF grants							
7. Reduction in tax revenue							
8. Other costs with impact on revenue							
9. Financial transactions							

Source: Ministry of Development Funds and Regional Policy

Table 6. Loans from the Recovery and Resilience Facility

%GDP	2020	2021	2022	2023	2024	2025	2026
Revenue from RRF loans							
1. Disbursements of RRF loans from EU				0,6	1,0	0,3	1,8
2. Repayment of RRF loans to EU							
Expenditure financed by RRF loans							
3. Total current expenditure					0,0	0,5	1,6
4. Gross fixed capital formation							
5. Other capital expenditure							
6. Total capital expenditure (4+5)					0,1	0,5	1,0
Other costs financed by RRF loans							
7. Reduction in tax revenue							
8. Other costs with impact on revenue							
9. Financial transactions							

Source: Ministry of Development Funds and Regional Policy

I.2. Budgetary projection

Table 7. Main fiscal variables until 2025

	2023	2024	2025
	% GDP	% GDP	% GDP
1. Net lending/borrowing	−5,3	−6,6	−6,3
2. Structural balance	−4,9	−6,2	−6,2
3. Structural primary balance	−2,8	−4,0	−3,6
4. Gross debt	49,5	55,3	57,8
5. Change in gross debt	0,7	5,7	2,6

Source: Ministry of Finance, Statistics Poland.

Updated deficit forecast for 2024-2025

The general government deficit in 2024 was 6.6% of GDP, according to information published by Statistics Poland on 22 April 2025. This is 1.3 percentage points higher than in 2023 and 0.9 pp. higher than forecasted for 2024 in the Plan. The larger-than-expected GG deficit was significantly affected by lower-than-expected revenues, in particular from VAT, as a result of macroeconomic indicators that are less favourable from the point of view of the tax base, including lower-than-expected private consumption.

The higher deficit was also contributed to by the accelerated expenditure on rebuilding defense capabilities (according to EU methodology) and flood-related expenditures. Additionally, the execution of expenditures in 2024 was influenced by higher-than-anticipated public consumption, alongside greater investments financed from national funds.

The general government deficit is forecasted at 6.3% of GDP in 2025. This implies a deficit reduction in 2025 compared to 2024 close to the deficit reduction set out in the Plan.

The 2025 outturn forecast deteriorated by 0.8 percentage points compared to the Plan. This is mainly influenced by lower projected revenue executions, in particular tax revenues. The lower forecast of tax receipts (mainly VAT) is due, inter alia, to a lower execution of revenue in 2024, which reduced VAT revenues for subsequent years, and a revision of the macroeconomic forecast determining the tax base.

The forecasted changes (compared to the Plan) in the level and composition of expenditure for 2025 are due to the inclusion of new forecasts related to investment plans in the area of infrastructure and the supply of military equipment, as well as the execution of 2024. At the same time, it should be noted that the level of expenditure in 2025 is determined by the stabilising expenditure rule (SRW) and the limit set out in the Budget Act limiting the possibilities for expenditure increases.

Table 8. Budgetary outlook

	ESA Code	2023 (Levels)	2023	2024	2025
Revenue		bn NAC	% GDP	% GDP	% GDP
1. Taxes on production and imports	D.2	482,6	14,1	14,5	14,3
2. Current taxes on income, wealth, etc	D.5	252,9	7,4	7,8	8,3

	ESA Code	2023 (Levels)	2023	2024	2025
3. Social contributions	D.61 (P.11+P.12+P.131) + D.39 + D.4	486,1	14,2	15,2	15,2
4. Other current revenue	+ D.7	168,6	4,9	4,7	4,9
5. Capital taxes	D.91	0,6	0,0	0,0	0,0
6. Other capital revenue	D.92+D.99	29,6	0,9	0,5	1,3
7. Total revenue (= 1+2+3+4+5+6)	TR	1420,5	41,6	42,8	44,0
8. Of which: Transfers from the EU (accrued revenue, not cash)	D.7EU+D.9EU	46,0	1,3	1,0	2,1
9. Total revenue other than transfers from the EU (= 7-8)		1374,4	40,2	41,9	41,9
10. p.m. Revenue measures (increments, excluding EU funded measures)		55,1	1,6	0,4	0,2
10b. p.m. Revenue reductions funded by transfers from the EU (levels)					
11. p.m. One-off revenue included in the projections (levels, excluding EU funded measures)		0,0	0,0	0,0	0,0
Expenditure		bn NAC	% GDP	% GDP	% GDP
12. Compensation of employees	D.1	348,8	10,2	11,5	11,5
13. Intermediate consumption	P.2	225,4	6,6	6,7	6,6
14. Interest expenditure	D.41	70,8	2,1	2,2	2,5
15. Social benefits other than social transfers in kind	D.62	532,8	15,6	17,1	17,6
16. Social transfers in kind via market producers	D.632	66,4	1,9	2,3	2,3
17. Subsidies	D.3 D.29 + (D.4-D.41) + D.5 + D.7 + D.8	70,6	2,1	1,2	0,7
18. Other current expenditure		60,6	1,8	2,2	2,4
19. Gross fixed capital formation	P.51	174,5	5,1	4,9	5,2
20. Of which: Nationally financed public investment		140,7	4,1	4,5	4,1
21. Capital transfers	D.9	51,9	1,5	1,2	1,5
22. Other capital expenditure	P.52+P.53+NP	-1,2	0,0	0,1	0,0
23. Total expenditure (= 12+13+14+15+16+17+18+19+21+22)	TE	1600,5	46,9	49,4	50,3
24. Of which: Expenditure funded by transfers from the EU (= 8-10b)		46,0	1,3	1,0	2,1
25. Nationally financed expenditure (23-24)		1554,5	45,5	48,5	48,2
26. p.m. National co-financing of programmes funded by the Union		14,0	0,4	0,3	0,4
27. p.m. Cyclical component of unemployment benefits		0,0	0,0	0,0	0,0
28. p.m. One-off expenditure included in the projections (levels, excluding EU funded measures)		0,0	0,0	0,1	0,1
29. Net nationally financed primary expenditure (before revenue measures) (= 25-26-27-28-14)		1469,8	43,0	45,9	45,2
Net nationally financed primary expenditure			growth rate	growth rate	

	ESA Code	2023 (Levels)	2023	2024	2025
30. Net nationally financed primary expenditure growth				12,7	5,8
Balances		bn NAC	% GDP	% GDP	% GDP
31. Net lending/borrowing (= 7-23)	B.9	-180,1	-5,3	-6,6	-6,3
32. Primary balance (= 31+14)	B.9-D.41p	-109,3	-3,2	-4,4	-3,8
Cyclical adjustment			% GDP	% GDP	% GDP
33. Structural balance			-4,9	-6,2	-6,2
34. Structural primary balance			-2,8	-4,0	-3,6
Debt		bn NAC	% GDP	% GDP	% GDP
35. Gross debt		1691,2	49,5	55,3	57,8
36. Change in gross debt		178,5	0,7	5,7	2,6
Contributions to changes in gross debt					
37. Primary balance (= minus 32)			3,2	4,4	3,8
38. Snowball effect			-2,4	-0,8	-1,4
39. Interest expenditure (= minus 14)			2,1	2,2	2,5
40. Growth			-0,1	-1,4	-1,9
41. Inflation			-4,4	-1,6	-2,1
42. Stock-flow adjustment (= 36-38-39)			-0,1	2,2	0,2
			%	%	%
43. p.m. Implicit interest rate on debt (= 14 / DEBT(t-1))			4,7	4,7	5,0

Source: Ministry of Finance, Statistics Poland.

Impact of the national escape clause on the recommended expenditure path

The Council of the EU may, at the request of a Member State, supported by an assessment by the European Commission, allow a deviation from the net expenditure path previously set by the Council of the EU when exceptional circumstances outside the control of the Member State have a major impact on its public finances⁷. This is the so-called national escape clause (NEC). A condition for its application is the European Commission's assessment that the activation of the clause will not endanger fiscal sustainability over the medium term.

In its communication published on 19 March⁸ the European Commission proposed that all Member States use the national escape clause in a coordinated manner due to the exceptional circumstances of Russia's aggression against Ukraine and the deteriorating security environment.

⁷ Article 26 of the Plan Regulation.

⁸ [Accelerating increased defence expenditure within the Stability and Growth Pact \(C\(2025\) 2000 final\)](#).

Box 2. Characteristics of the national escape clause proposed by the European Commission

According to the European Commission's communication of 19 March, the national escape clause:

- 1) would be available to countries for which the EU has assessed medium-term plans and approved expenditure paths (currently 22, including Poland), also for countries subject to an excessive deficit procedure (currently 8, including Poland)
- 2) it would apply from 2025 for a period of 4 years (not excluded that also after 2028: EU rules provide for the extension of the clause if the conditions of Article 26 of the Plan Regulation continue to be met)
- 3) it would allow to move away from the previously recommended expenditure path by the ECOFIN Council to 1.5% of GDP per year. This should, in the view of the European Commission, allow EU countries to achieve sustainable higher defence spending. The scale and reasons for this departure would be assessed on the basis of historical data (e.g. the execution of 2025 would be assessed by the European Commission in 2026). Moreover, if military contracts concluded during the period of the clause were to result in an increase in the deficit only after 2028, this would also have no consequences for EU fiscal surveillance.
- 4) it would concern defence expenditure according to the EU definition of COFOG (Classification of government expenditure by function) and the increase in defence expenditure would be considered compared to 2021.

The European Commission invited countries to submit proposals to the ECOFIN Council in April to activate the clause. As a result, the Ecofin Council could in July, on the basis of an assessment by the Commission, allow these countries to depart from previous Council recommendations. The activation of the clause would mean that:

- if a country is already subject to the Excessive Deficit Procedure (EDP) and in the course of the EDP, it will not be exposed to tightening up the EDP (such as restrictions on access to EU funds, sanctions for euro area countries) as long as the overrun of the recommended expenditure path is solely due to an increase in defence expenditure. The closure of the EDP would follow the existing rules requiring the headline deficit to be permanently below 3% of GDP.
- if a country does not respect the expenditure path recommended by the ECOFIN Council (after the assessment of its medium-term plan or in the context of an excessive deficit procedure), and this cannot be justified by an increase in defence expenditure, it would be exposed to the consequences of EU fiscal surveillance.

Source: Ministry of Finance based on the European Commission Communication Accommodating increased defence expenditure within the Stability and Growth Pact.

The increase in defence spending in Poland, according to the EU COFOG definition, compared to 2021 (reference year proposed by the Commission) will be 1.1 percentage points for 2024-25 respectively. GDP and 1.3% of GDP.

Updated forecast of measures to reduce the excessive deficit for 2024-2025

As a result of increasing defence spending since 2022, Poland intends to propose to the Council of the EU to activate the national escape clause. Nevertheless, the actions outlined in the Plan and foreseen in the 2025 Budget Law to reduce the excessive deficit will be continued. The total level of discretionary measures over the period 2024-2025 is estimated by the Ministry of Finance at 0.4% of GDP and 0.2% of GDP respectively. These figures remained virtually unchanged compared to the Plan (an increase of 0.06% of GDP in 2024, unchanged in 2025). Table 9 shows significant (by the size) discretionary measures in the period 2024-2025.

Table 9. Estimated impact of material discretionary measures

Title/description of the action		One off	Expenditure/revenue	ESA code	2024 % GDP	2025 % GDP
I.	VAT activities (total) including:	No	Income		0,23	0,12
	1. Effect of the withdrawal of the “VAT Anti-Inflationary Shield” – implemented in 2023	No	Income	D.2	0,29	
	2. Temporary reduction of VAT rates in 2024	No	Income	D.2	−0,08	0,07
II.	Activities in the field of excise duty , including:	No	Income		0,06	0,15
	1. 2022-2027 Excise Road Map	No	Income	D.2	0,06	0,06
	2. Indexation of excise duty rates (update of the Excise Road Map)	No	Income	D.2		0,09
III.	Personal income tax activities (total) , including:	No	Income		0,44	0,32
	Maintenance of the parameters of the tax scale in the PIT	No	Income	D.5	0,44	0,32
IV.	Other activities (total) including:	No	Income	0	−0,30	−0,44
	1. “Low taxes”	No	Income	D.5	0,24	
	2. Energy revenue in 2023 (energy and gas write-off)	No	Income	D.2	−0,81	
	3. Energy revenue 2024 (energy and gas write-off)	No	Income	D.2	0,42	−0,39
	4. Reduction of the health contribution	No	Income	D.61	−0,04	−0,09
	SUM				0,44	0,21

Source: Ministry of Finance.

Key discretionary measures in the Plan in 2024-2025 (above 0.1% of GDP)

I. Actions in the area of VAT (total)

In 2023, the Anti-Inflation Shield, which included a reduction in VAT rates for certain foodstuffs, was extended to Q1 2024. This means that VAT rates have returned to the statutory (higher) level since Q2 2024.

(% of GDP)	2024	2025
Plan	0,23	0,14
Report	0,23	0,12
Difference	0	−0,02

Source: Ministry of Finance.

II. Activities in the field of excise duty (total)

(% of GDP)	2024	2025
Plan	0,06	0,15
Report	0,06	0,15
Difference	0,00	0,00

Source: Ministry of Finance.

• 2022-2027 Excise Road Map

Mechanism of action: an increase in excise duty rates on alcohol products⁹, tobacco products¹⁰ and novelty products¹¹, as well as the establishment of a minimum rate for smoking tobacco from 2022¹², as well as an increase in the minimum rate for cigarettes as of 2022¹³.

Methodology: the method for estimating the effects of the measure is presented in the Impact Assessment of the legislative process (1617 script¹⁴). These effects take into account both excise and VAT receipts.

• Update of the Excise Road Map from 2025

Mechanism of action: increasing excise duties on tobacco products and substitutes¹⁵ and including electronic cigarette liquid within the scope of the map for 2025-2027; introduction of

⁹ Indexation of rates for ethyl alcohol, beer, wine, fermented beverages excluding cider and perry and intermediate products by 10% in 2022 and by 5% each year between 2023 and 2027.

¹⁰ Indexation of the quota rate each year by 10% between 2023 and 2027 for cigarettes, smoking tobacco, cigars and cigarillos and for dried tobacco.

¹¹ Indexation of the quota rate by 100% as of 1.01.2022 and by 10% each year for the period 2023-2027.

¹² At 100% of the total amount of excise duty, calculated on a price equal to the weighted average retail selling price of smoking tobacco.

¹³ Up to 105% of the total amount of excise duty, calculated on a price equal to the weighted average retail selling price.

¹⁴ <https://www.sejm.gov.pl/Sejm9.nsf/druk.xsp?nr=1673>

¹⁵ An increase of 25% in the amount of excise duty on cigarettes compared to the rate in force in 2024 and a 38% increase in the amount of excise duty on smoking tobacco compared to the rate applicable in 2024, and an increase of 50% in the amount of excise duty on novel products compared to the rate applicable in 2024.

the annual validity of excise stamps on electronic cigarette liquid due to the inclusion of this liquid in an excise road map.

No deviations from the assumptions in the Excise Duty Revenue Plan are foreseen for the period 2024-2025.

Methodology: the method for estimating the effects of the measure is set out in the Impact Assessment of the legislative process (series 692¹⁶). The effects take into account both excise and VAT receipts.

III. Activities in the area of personal income tax (total)

• **Maintaining the parameters of the tax scale in personal income tax (PIT)**

(% of GDP)	2024	2025
Plan	0,38	0,25
Report	0,44	0,32
Difference	0,06	0,07

Source: Ministry of Finance.

Mechanism of action: the effect is due to the progressivity of the PIT system as regards taxable persons' income under the so-called tax scale.

Methodology: the progressivity effect was estimated using the POLSIM microsimulation model on anonymized data from individual tax returns for 2023 that were indexed for the years in question.

Implicit and contingent liabilities

The guarantees provided by the State Treasury for non-general government entities as at 31.12.2024 are:

- guarantees granted for PKP Intercity S.A.: PLN 2.4 billion;
- guarantees granted for Węglokoks S.A.: PLN 1.5 billion.

In the absence of material risks of the guarantee and guarantee portfolio and the absence of disbursements since 2015, no expenditure is foreseen. Nor is the government debt expected to be taken over by the State Treasury.

At the same time, the Government's Bank Guarantee Fund, which protects funds/deposits accumulated at national banks, cooperative savings and credit unions and branches of foreign banks, including as a resolution authority, provided guarantees and guarantees for loss coverage in the processes related to the forced restructuring of banks at risk of bankruptcy.

This also covers the period before 2024 and guarantees granted and loss coverage during that period result in contingent liabilities amounting to PLN 16.7 billion as of 31 December 2024. This amounted to only PLN 1.2 billion, of which new provisions for PLN 123 thousand were entered into in 2024. It should be noted that these are guarantees provided in the ordinary course of business of the BGF.

¹⁶ <https://www.sejm.gov.pl/Sejm10.nsf/druk.xsp?nr=692>

Updated debt forecast for 2024-2025

Public debt management is focused on implementation the objective set out in the ‘Public Finance Debt Management Strategy’, i.e. to finance borrowing needs in a way that ensures that debt service costs are minimised over the long term with adopted risk constraints.

The public debt-to-GDP ratio, as defined by the EU, is projected to increase to 57.8% in 2025, meaning that the 60% debt reference value of the Treaty on the Functioning of the EU will not be exceeded. The increase in the debt-to-GDP ratio in 2025 will mainly be a consequence of the evolution of the borrowing needs of the state budget and of the funds set up at Bank Gospodarstwa Krajowego, mainly the Armed Forces Support Fund, and the pace of nominal GDP growth.

Table 10. General government debt, 2024-2025

% OF GDP	2024	2025
Gross debt	55,3	57,8
Change in debt ratio	5,7	2,6
Plan: gross debt	54,6	58,4
Difference (gross debt – Plan)	0,7	–0,6

Source: Ministry of Finance.

The higher general government debt-to-GDP ratio in 2024 compared to the forecast in the Plan was mainly due to higher State Treasury debt, which was largely due to a lower-than-projected cash revenue execution plan. The lower projected ratio in 2025 to the Plan is mainly due to a decrease in the funds in the state budget accounts accumulated in 2024 due to the lower than planned execution of borrowing needs in 2024 and the evolution of nominal GDP growth.

II. REFORMS AND INVESTMENTS

The structural part of the Report consists of a list of reforms and investments planned for 2025-2028 (Table 11). These actions are included in the Plan adopted by the Council of Ministers on 8 October 2024. The table provides a list of actions with an indication of their implementation status. More information on the implementation of each of these actions can be found later in the Report. The measures taken so far under each reform or investment and the actions to be taken in 2025 are described.

The tabular annexes of the Report, which provide information on the implementation of the European Pillar of Social Rights (EPSR) and the Sustainable Development Goals (SDGs), indicate actions outside the scope of the Plan. The aim is to show a wider range of actions responding to the needs arising from the EPSR principles and the Sustainable Development Goals. With regard to the progress made in implementing the EU Council Recommendations to Poland (CSR), for reasons of transparency of the document, information was shown on the actions taken in 2024.

The report in the structural part includes the measures present in the RRP. As expected by the Commission, they are reported in the European FENIX database. The overlapping of the deadline for submitting the Report to the European Commission and the deadline for updating the European FENIX database with data from the first quarter of 2025 makes it impossible to provide in the Report up-to-date and complete information on the implementation of the measures included in the RRP. For this reason, the extract from the FENIX database will not be annexed to this Report. The FENIX database will be completed by the RRP Coordinating Authority – Ministry of Development Funds and Regional Policy by 30 April 2025 at the latest. Information will be available at: <https://webgate.ec.europa.eu/fenix/bi-annual/milestones>.

Table 11. Reforms and investments in 2025-2028 against the 2024 EU Council recommendations and common EU priorities

LP.	Reforms and investments	RRP/Partnership Agreement	EU Council recommendations to	Common EU priorities ¹⁷	Status of the action ¹⁸
	Competitiveness of the economy				
1.	Increasing innovation and competitiveness of the economy – Draft Act – Industrial Property Law – PORP/MEDT ¹⁹			Priority 1 Priority 2	Not completed
2.	Extending access to public procurement for the small and medium-sized enterprises sector – MRiT		CSR 3.2	Priority 1	On-track
	Labour market				
3.	a) Reform and investment in support of labour market institution reform – MFLSP	RRP A.4.1: <i>Effective institutions for the labour market.</i> RRP A4.1.1: <i>Investment in support of labour market institution reform.</i>		Priority 2	Completed
	b) Increasing labour market participation through the development of long-term care – MH/MFLSP/CPM (Minister for Senior Policy)	RRP A4.6: <i>Increase labour market participation of certain groups by developing long-term</i>	CSR 3.1		On-track

¹⁷ List of priorities: 1) Just green and digital transitions, 2) Social and economic resilience, 3) energy security.

¹⁸ Possible action status markings: “**completed**” (reform/investment completed), “**scheduled**” (on schedule and to be completed as planned), “**delayed**” (to be completed later than planned and planned completion date not yet expired at the time of reporting), “**not completed**” (note: this does not mean that the action has been abandoned, but that the reform/investment is delayed and the **originally planned completion date expired when the report was submitted**).

¹⁹ The full names of the institutions responsible for the action are given in Chapter II.1.

		<u>Partnership Agreement 2021-2027</u> Policy Objective 1.4. “A more social Europe” (PO4).			
	Digitalisation of the economy				
4.	Universal access to high-speed internet – MD	<i>RRP C1.1.1 Ensuring access to very high-speed internet in white spots.</i> <u>Partnership Agreement 2021-2027</u> Policy Objective 1.1. ‘A more competitive and smarter Europe by promoting innovative and smart economic transformation’	CSR 3.3	Priority 1	Delayed
5.	Robotisation and digitalisation of businesses – MSA	<i>RRP A2.1.1: Investments supporting robotisation and digitalisation in enterprises.</i> <u>Partnership Agreement 2021-2027</u> Policy Objective 1.1. “A more competitive and smarter Europe by promoting innovative and smart	CSR 3.3	Priority 1	On-track
6.	Digital transformation of businesses through the use of cloud computing technologies – MD	<i>RRP C4.1.1: Supporting the digital transformation of businesses through the use of cloud computing.</i>	CSR 3.3	Priority 1	On-track

	Green economy/sustainable development				
7.	Green transition in urban areas Draft Act amending the Environmental Protection Act and certain other acts (UC33) – MCE/MDFRP	RRP B3.4: Investments for the comprehensive green transition of cities. <u>Partnership Agreement 2021-2027</u> Policy Objective 1.2 A greener, low-carbon Europe (PO2).	CSR 4.1 CSR 4.2	Priority 1	Completed
8.	More sustainable use of water resources in rural areas – MARD	RRP B3.3.1. Investments in increasing the potential of sustainable water management in rural areas. Support under the Strategic Plan for the Common Agricultural Policy 2023-2027.	CSR 4.2	Priority 1 Priority 2	Delayed On-track
9.	Implementation of Directive 2020/2184 of the European Parliament and of the Council of 16 December 2020 on the quality of water intended for human consumption – MI		CSR 4.2	Priority 2	Delayed
	Energy infrastructure/energy security				
10.	a) Wind energy reform –MCE b) Construction of offshore wind farms (offshore wind energy fund) – MSA.	RRP B2.3: Support for investments in offshore wind farms. RRP B3.6 Improving the conditions for the development of renewable energy sources. <u>RRP G3.1.5: Construction of offshore wind farms (offshore</u>	CSR 4.1	Priority 1 Priority 3	On-track

		wind energy) – repayable support.			
11.	Energy storage systems – MCE Launch of a large-scale energy storage system (BESS). Modernisation of pumped storage facility – 2nd quarter 2026	RRP G1.1.3: Energy storage systems – non-repayable support. RRP G3.3.1: Energy storage systems – repayable support.	CSR 4.1	Priority 1 Priority 3	On-track
12.	Development of hydrogen technologies (a) Investments in hydrogen technologies, hydrogen production, storage and transport – MCE (b) Improving conditions for the development of hydrogen technologies and other decarbonised gases – MCE	RRP B2.1.1: Investment in hydrogen, hydrogen manufacturing, storage and transport. RRP B2.1: Improving the conditions for the development of hydrogen technologies and other decarbonised gases.	CSR 4.1	Priority 1 Priority 3	On-track Completed
13.	Energy infrastructure; (a) Development of transmission networks, smart electricity infrastructure – MCE (b) Construction or modernisation of electricity distribution networks in rural areas to connect new RES (renewable energy sources) – MCE (c) Energy infrastructure (measure 2.3 FEnIKS) – MCE	RRP G1.2.3: Development of transmission network, smart electricity infrastructure, including a scaled-up part – non-repayable support. RRP G1.2.4: Construction or modernisation of electricity distribution networks in rural areas to enable the connection of new renewable energy sources – non-repayable support. Partnership Agreement 2021-2027:	CSR 4.1	Priority 1 Priority 3	On-track On-track On-track On-track

	(d) European Funds for Eastern Poland 2021-2027 programme (FEPW) Measure 02.01 Energy Distribution – MCE	Policy Objective 2: A greener, low-carbon Europe (PO2). Specific objective 2.3 “Development of smart energy systems and grids and energy storage systems outside the Trans-European Energy Network (TEN-E)”.			
14.	Support for sectors of the Polish economy which directly bear the costs of the energy transition – MCE	RRP G3.1.4 <i>Support to the national energy system (Energy Support Fund)</i> .	CSR 4.1	Priority 1 Priority 3	On-track

Source: Ministry of Economic Development and Technology.

II.1. Information on the implementation of reforms and investments from Table 11

Area: Competitiveness of the economy

1. Increasing innovation and competitiveness of the economy – Draft Industrial Property Act (Patent Office of the Republic of Poland/Ministry of Economic Development and Technology)

The draft law was included in the list of legislative and programme work of the Council of Ministers on 23 December 2024, thus proceeding with a delay. Therefore, it was not possible for the Cabinet to adopt the draft in the first quarter of 2025, as originally planned. The updated timetable for work on the draft is to be adopted by the Council of Ministers in the third quarter of 2025. As a result, the draft should undergo a legislative procedure in 2025, i.e. subject to a consultation process, adopted by the Council of Ministers and adopted by Parliament.

2. Extending access to public procurement for the SME sector (Ministry of Economic Development and Technology)

Main actions taken:

- Substantive support for small and medium-sized enterprises (SMEs) in the form of a training cycle in the field of public procurement: in 2024, the training cycle started in 2023 for SMEs continued. More than 500 SME representatives were trained as part of free and full-day training in provincial cities.
- Creation of an online platform pzp.gov.pl for public procurement market participants. The platform will provide a modern and intuitive repository of knowledge on public procurement. In 2024, the second phase of the project was received (in accordance with the timetable). Work is currently underway to make the platform available to external users.
- Introduction of certification of public procurement contractors: a government legislative process was launched in 2024. The draft law on the certification of public procurement contractors was adopted by the Cabinet on 8 April 2025.

Main actions to be taken in 2025:

- Continuation of the training cycle for SMEs on public procurement.
- Making the pzp.gov.pl platform available for public use by public procurement market participants.
- Finalisation of the legislative process for the certification of public procurement contractors.

Area: Labour market

3.

a) Reform and investment supporting the reform of labour market institutions (Ministry of Family, Labour and Social Policy)

According to the second revision of the RRP, the implementation of the reform was due to be completed by 31 December 2024. The legislative process of the legal acts was completed in Q2 2025.

The Act on the labour market and employment services and the Act on the conditions for the permissibility of employment foreign nationals in the territory of the Republic of

Poland have been signed by the President of the Republic of Poland on 10 April 2025. The investment part shall be implemented in accordance with the timetable.

Main actions taken:

- Preliminary draft standards for public employment services (PES) in Poland (*management performance framework*) have been prepared.
- Training for PES staff was launched to improve PES' capacity to support the labour market.

Main actions to be taken in 2025:

- Complete the legislative process of the laws and enter into force of the new legislation.
- Implementation of training for staff of the PES.

b) Increasing labour market participation through the development of long-term care (Ministry of Health/Ministry of Family, Labour and Social Policy/Chancellery of the Prime Minister – Minister responsible for senior policy)

Main actions taken:

- Published on 28 June 2024 in the Public Information Bulletins of MFSLP and MH Strategic Review of long-term care in Poland and a public consultation report drawn up by the World Bank in cooperation with the relevant departments.
 - The development of the definition of 'long-term care', 'informal care', and "informal carer", common to health and social assistance systems, with a catalogue of long-term care benefits and services in both systems.
 - Analyse, through the long-term care working group, cases of communication between health and social assistance systems to provide information on individuals requiring long-term care.
- Submission by the Minister for Senior Policy proposal to the European Commission for support under the Technical Support Instrument to prepare a document proposing solutions to improve the quality of long-term care in social and healthcare systems.

Main actions to be taken in 2025:

- Carry out an analysis of the existing quality standards for social assistance services included in the long-term care system with a view to identifying changes to be made in this area.
- Conduct public expenditure review to assess the effectiveness of public financing on long-term care and propose budgetary solutions to ensure the financial sustainability of the system
- Prepare a draft report proposing solutions to improve the quality of long-term care in social and healthcare systems.

Area: Digitalisation of the economy

4. Universal high-speed internet access (Ministry of Digitalisation)

Providing access to high-speed internet in areas with limited connectivity (white spots). The measure is implemented under Investment C1.1.1 of the RRP. Providing access to very fast internet in white spots. The progressive elimination of white spots is becoming a growing challenge due to the need to reach the most difficult investment areas, where the cost of connecting white spots is high, investments are time-consuming and areas

unattractive for commercial investment, due to low population density or diffuse development. In addition, the limited duration of implementation of the investment, determined by the final date of the RRP, also affects the decision of entrepreneurs to participate in competitions. In 2023-2024, many project co-financing agreements were terminated under investment C1.1.1. The beneficiaries, for various business reasons, also waived the signature of the contracts after the competitive procedure had been completed. These factors, and above all the decisions of telecommunications undertakings, make it difficult to achieve investment rates at the planned level.

Main actions taken:

- So far, under investment C1.1.1, 3 competitions have been launched to co-finance the construction of broadband internet networks in white spots (two in 2023 and one in 2024). Currently, 225 projects, amounting to almost PLN 2.39 billion, will give almost 671 thousand households access to Gigabit services.

Main actions to be taken in 2025:

- A further call under the RRP is planned to continue supporting the roll-out of broadband in areas with limited internet access. The Ministry of Digitalisation is working on a funding model and specific support rules. The aim is to ensure that future support responds effectively to the needs of residents and contributes to the elimination of digital exclusion in Poland.

5. Robotisation and digitalisation of enterprises (Ministry of State Assets)

Main actions taken:

- Issued²⁰ and subsequently amended the order²¹ of the *Minister of State Assets of 30 March 2023 on granting aid for investments supporting robotisation and digitalisation in enterprises under the Recovery and Resilience Plan*.
- An agreement was concluded between MSA and MDFRP on the implementation of investments under the development plan and an agreement between the MSA and the Polish Development Fund (PFR) on the financing of investments.
- To date (as of 4 February 2025), 39 contracts have been concluded to support projects selected for co-financing when assessing applications submitted in a call for tenders under the open competition procedure for all large enterprises. In addition, 9 agreements were also concluded to support projects selected for co-financing when assessing applications submitted in a non-competitive call, i.e. for projects included in the list of strategic projects under investment A2.1.1 from the RRP.

Main actions to be taken in 2025:

- Conclusion of agreements to support projects selected for funding by competitive procedure in connection with the update of the ranking list of 4 February 2025.²²
- Signing of 10 annexes to the agreements concluded with the Final Recipients of Support, allowing support to be increased from reduced to full (requested), in connection with the update of the ranking list referred to above.

²⁰ Journal of Laws 2023, item 621.

²¹ Journal of Laws 2023, item 2604.

²² <https://www.gov.pl/web/aktywa-panstwowe/aktualizacja-listy-rankingowej---a211>

- Verification and settlement of payment claims and payment of co-financing.

6. *Digital transformation of businesses through the use of cloud computing technologies (Ministry of Digitalisation)*

Investment C4.1.1 plans to make repayable financing (loans) available to companies, regardless of their size, to fill the gap related to the acquisition by entrepreneurs of commercial investments related to the implementation of the digital transformation processes using cloud computing, to accelerate and scale up these investments. The aim is also to increase the competitiveness of Polish entrepreneurs and to improve infrastructure security and build digital competences for the digital transformation, with a particular focus on cloud computing and other modern technology solutions.

Main actions taken:

- Issue of the “Business Cloud” guide.
- Signing an agreement with Bank Gospodarstwa Krajowego for the implementation of investment C4.1.1.

Main actions to be taken in 2025:

- Publication of the first call for applications for funding.

Area: Green economy/sustainable development

7. *Green transition in urban areas. Draft Act amending the Environmental Protection Act and certain other acts (UC33) (Ministry of Climate and Environment/Ministry of Development Funds and Regional Policy)*

Main actions taken:

- Processing of the draft act, including amendments to the Act on the rules governing development policy concerning the scope of the Regional Development Fund.
- 19 December 2024 Act amending the Environmental Protection Act and some other acts have been signed by the President of the Republic.
- The call under the Green Facility was launched on 5 April 2024 Urban transformation (Investment B3.4.1 of the RRP).
- On 3 December 2024, a conference took place at the National Library in Warsaw summarising the first effects of the implementation of the IZTM.
- By 31 December 2024, 430 contracts had been concluded for a total value of almost PLN 1 287 million (achievement of the B26L target).

Main actions to be taken in 2025:

- Preparations for the operationalisation of the Regional Development Fund
- Launch of a call for entrepreneurs under the Urban Green Transition Facility as of 1 April 2025.
- Achievement of the B27L target, i.e. the signature of 438 loan agreements for investments in green urban development projects.
- Organisation of a conference to take stock of the implementation of the Green Urban Transition Facility.

8. More sustainable use of water resources in rural areas (Ministry of Agriculture and Rural Development)

The delay in the selection of the supporting entity for the investment (area B) affected the implementation of the measure implementing investment RRP B3.3.1 *Investments in increasing the potential of sustainable water management in rural areas*.

State of play of the interventions of the Strategic Plan for the Common Agricultural Policy 2023-2027: I.10.4 *Investments contributing to environmental and climate protection*, I.10.8 *Land-consolidation and post-scale development*, I.10.10 *Infrastructure in rural areas and implementation of the smart villages concept* (area A *Investments in individual waste water treatment systems*) according to the timetable.

Main actions taken:

as regards investments in the RRP:

- 16 support units (voivodship governments) were selected for the implementation of investment B3.3.1 under the Recovery and Resilience Plan (RRP) and 16 entrustment agreements were concluded with them. The annexes to the above-mentioned amendments have been prepared and concluded. 16 agreements entrusting 16 provincial governments with the implementation of part of the tasks related to the implementation of investment B3.3.1 as part of the RRP.
- On 31 January 2025, the Ministry of Agriculture and Rural Development (MARD) completed the call for proposals for support for farm advisory units for the activation of rural residents with the participation of Local Water Partnerships (LPW). 15 applications were submitted for a total amount of more than PLN 17 million. The purpose of the projects carried out is, inter alia, to raise awareness of water management among people living in the village and to assist the LPW in updating/developing the diagnosis of the status of water resources in the district and investment plans for improving water retention.

for the 2023-2027 SP CAP:

- The first call for proposals was carried out in intervention I.10.4 of the SP CAP 2023-2027 (from 23 October to 20 November 2024); under the call, 28954 aid applications totalling PLN 5 billion were submitted. Calls for proposals were carried out under intervention I.10.8 of the SP CAP 2023-2027 (call deadlines set separately for each region); by 5 February 2025, 10 aid applications had been submitted for an amount of approx. PLN 94 million.

Main actions to be taken in 2025:

- Signature of grant agreements with supporting bodies under investment B3.3.1 of the RRP (voivodship governments).
- Publication and selection of applications for support under investment B3.3.1.
- Settlement of investment B3.3.1.

9. Implementation of Directive 2020/2184 of the European Parliament and of the Council of 16 December 2020 on the quality of water intended for human consumption (Ministry of Infrastructure)

The delay in implementing Directive (EU) 2020/2184 is linked, inter alia, to the need to amend a number of legal acts, in particular the Act of 7 June 2001 on collective water supply and collective waste water disposal and the Act of 14 March 1985 on the State Sanitary Inspectorate. Such a wide range of legislative changes requires close cooperation between a number of stakeholders, in particular the Ministry of Health and the Chief Sanitary Inspectorate.

The draft Act amending the Collective Water Supply and Collective Wastewater Disposal Act and certain other acts was adopted by the Cabinet Standing Committee and forwarded to the Legislative Commission. It will then be referred to the Council of Ministers. Once adopted by the Council of Ministers, further steps in the legislative process will be carried out with a view to the adoption and entry into force of the Act.

Area: Energy infrastructure/energy security

10.

a) Offshore wind energy development (Ministry of Climate and Environment)

Main actions taken:

- A Regulation of the Minister for Climate and the Environment concerning the maximum price that may be indicated in bids submitted in auctions by electricity generators in offshore wind farms has been issued.
- A draft act amending the Act on the promotion of electricity generation in offshore wind farms and certain other acts (UD162) has been drawn up and submitted for public consultation, opinions and inter-ministerial consultations, which introduces, inter alia, in the auction procedure for offshore wind farms.

Main actions to be taken in 2025:

- Entry into force of the amendment to the Act on the promotion of electricity generation in offshore wind farms and certain other acts (UD162).
- Organisation of the first offshore wind auction.

b) Construction of offshore wind farms (offshore wind energy fund) (Ministry of State Assets)

Main actions taken:

- The Act of 6 December 2006 on the principles of development policy has been amended. It allows the disbursement of loans for offshore wind projects in euro (demand of companies responsible for the construction of offshore wind farms).
- An implementing agreement was signed between MAP and Bank Gospodarstwa Krajowego (BGK) entrusting BGK with tasks related to the implementation of investment G3.1.5.
- Calls for loans were launched in BGK on 13 August 2024 under the RRP's Offshore Wind Energy Fund (investment G3.1.5) for the implementation of projects for the construction of offshore wind farms. The call for proposals is open

and continuous, and so far 3 loan agreements have been concluded with two project developers.

Main actions to be taken in 2025:

- Maintain constant contact with developers of offshore wind farm projects as potential beneficiaries of support.
- Further contracting of investment G3.1.5, i.e. BGK's conclusion with borrowers of subsequent loan agreements for offshore wind farm projects.

11. Energy storage systems (Ministry of Climate and Environment)

Main actions taken

- In 2024, the programme 'Support for the use of warehouses and other equipment for stabilising the network' – programme for Distribution Network Operators (funds from the Modernisation Fund) was implemented. The objective of the programme is to support actions aimed at improving the quality performance of electricity in the distribution network by, inter alia, adapting it to the requirements relating to the dynamic development of RES sources and recharging points for vehicles. The implementation of the programme makes it possible to improve the parameters of the National Energy Network (NEC), which has an impact on the security and stability of electricity supply.
- A second call for proposals was launched (01/07/2024) and will run until 30/06/2025.
- The electricity system programme and the related infrastructure to improve the stability of the Polish electricity grid (funds from the Modernisation Fund) have been prepared. The objective of the programme is to improve the operational stability of the NEC and the country's energy security by supporting the construction of electricity storage facilities with a capacity of at least 2 MW and a capacity of not less than 4 MWh connected to the distribution and transmission network at all voltage levels.

Main actions to be taken in 2025

- The second call for proposals under the "Support for the use of warehouses and other equipment for network stabilisation" programme will be completed.
- The first call for proposals under the electricity system programme and the related infrastructure will be carried out to improve the stability of the Polish electricity grid. The planned start date is the first quarter of 2025.
- A grant call for proposals was launched on 17 February 2025 for start-up of a large-scale battery energy storage system (BESS) with a capacity of 0.9 GWh and an operating time of between 4 and 5 hours. The call was open until 14 March 2025. The aim of this investment is to ensure the continuity of electricity supply to customers and to increase the efficiency of the use of RES sources through investments in technologies facilitating electricity balancing in the electricity system.

12. Development of hydrogen technologies

a) Investments in hydrogen technologies, hydrogen production, storage and transport (Ministry of Climate and Environment)

Main actions taken:

- The Ministry of Climate and the Environment, together with Bank Gospodarstwa Krajowego, drew up a national programme of support from the RRP for the production of hydrogen. This is a support scheme for the construction of RFNBO (Renewable Fuels of Non-Biological Origin) installations with a total capacity of at least 315 MW (over PLN 2.8 billion in non-repayable aid). The call for applications under this scheme started on 20 December 2024 and lasted until 28 February 2025. With the new installations, we will produce around 45 thousand tonnes of low-carbon hydrogen and RFNBO hydrogen.
- In June 2024, the Ministry of Climate and the Environment, together with the National Fund for Environmental Protection and Water Management, launched a programme to support technology for the construction, deployment and commercialisation of innovative hydrogen-powered transport units. The budget of the announced programme is approx. PLN 500 million. The call was open until September 2024. Currently, intensive efforts are underway to conclude contracts with applicants.

Main actions to be taken in 2025:

- On 28 February 2025, the call for proposals for infrastructure was completed in investment B2.1.1. RRP – Investments in hydrogen technologies, hydrogen production, storage and transport in the form of non-repayable support provided by Bank Gospodarstwa Krajowego. 15 applications for support for the project were received for an amount of PLN 4.135 billion. The application evaluation process is currently underway and consists of two stages, i.e. formal evaluation and substantive evaluation. By 31 May 2025, it is planned to conclude the selection procedure and contracts with the Final Recipients of Support will be signed by 30 June 2025.

b) Improving conditions for the development of hydrogen technologies and other decarbonised gases (Ministry of Climate and Environment)

The action was implemented and completed in 2024.

This measure is part of the introduction of a low-carbon and renewable hydrogen economy in Poland.

It consisted of two parts:

1. Act amending the Fuel Quality Monitoring and Control System Act and other certain acts (Journal Of Laws 2021, item 1642). The Act:
 - lays down rules for the organisation and operation of a system for monitoring and quality control of fuels intended, inter alia, for vehicles,
 - monitors and controls ways to reduce life-cycle greenhouse gas emissions from transport and electricity in vehicles.

The amending law extends the scope of the law to include hydrogen.

2. Act amending the Electromobility and Alternative Fuels Act and certain other acts (Journal Of Laws 2021, item 2269). The law defines:
 - rules for the development and operation of infrastructure for the use of alternative fuels in transport,
 - obligations of public entities in relation to alternative fuels infrastructure;
 - information obligations for alternative fuels,
 - conditions for the operation of clean transport zones,

- the national policy framework for the deployment of alternative fuels infrastructure and how it will be implemented.

The amending law extends the scope of the law to include hydrogen.

No action to be taken in 2025

13. Energy infrastructure;

a) Development of transmission networks, smart electricity infrastructure (Ministry of Climate and Environment)

Main actions taken:

- Applications for non-competitive co-financing were launched for the construction and modernisation of the smart transmission grid (05/03/2025 – 30/06/2025) and the allocation of PLN 800 million. Under the FEnKS 2021-2027 programme (Priority FENX.02 Support to the energy and environment sectors from the ERDF) under measure 2.3 Energy infrastructure, support is provided for the development of smart transmission grids.
- On 25/11/2024, the call for applications under investment RRP G1.2.3 was launched. Projects will be supported to improve the functioning of the transmission grid and facilitate the integration of energy from renewable sources. The planned investment budget is up to over PLN 2.59 billion. Applications for support are open from 25 November 2024 to 30 June 2026 or until the allocation is exhausted.

Main actions to be taken in 2025:

- The call for proposals under investment RRP G1.2.3 Development of transmission networks, smart electricity infrastructure, including a scaled-up part will be continued, emphasis will be placed on improving the efficiency and reliability of the national energy system, by: expansion and modernisation of transmission networks, digitalisation and development of smart systems, better and more reliable transmission of electricity to customers.

b) Construction or modernisation of electricity distribution networks in rural areas to enable the connection of new RES sources (Ministry of Climate and Environment)

Main actions taken:

- A list of projects that together will lead to the construction or modernisation of at least 880 km of distribution networks (regardless of voltage), including the construction or upgrading of the necessary associated stations (regardless of the type of station), has been developed and approved. The identified projects, jointly or as part of specific projects, will include the necessary actions for the integration of smart grid functions, by including equipment and installations enabling two-way digital communication, real-time or close-to-real-time interactive and smart monitoring and management of electricity production, transmission, distribution, consumption within an electricity network, and in a manner contributing to the development of renewable energy sources.

Main actions to be taken in 2025:

- On 6 March 2025, the National Fund for Environmental Protection and Water Management launched a call under the priority programme 'Construction or modernisation of electricity distribution networks in rural areas to enable the

connection of new RES sources'. The programme aims at implementing investment G1.2.4. Construction or modernisation of electricity distribution networks in rural areas to enable the connection of new renewable energy sources in the RRP. The call will last until 3 p.m. on 7 May 2025 and is addressed to Distribution System Operators (DSOs) within the meaning of Article 3(25) of the Energy Law Act of 10 April 1997.

c) *Energy infrastructure – measure 2.3 FEnIKS (Ministry of Climate and Environment)*

Main actions taken:

- Calls have been launched under the FEnIKS 2021-2027 programme (Priority FENX.02 Support to the energy and environment sectors from the ERDF) under measure 2.3 Energy infrastructure support for the development of smart electricity transmission and distribution networks. The allocation for the measure is 1 471 million euro in the form of an ERDF grant. Calls for non-competitive funding applications are ongoing in the following areas:
 - Construction, extension and modernisation of smart gas transmission networks and associated infrastructure (13 January 2025 – 30 June 2025), allocation of PLN 603 million,
 - Construction and modernisation of the smart electricity grid (transmission) (5.3.2025 – 30.6.2025), allocation of PLN 800 million.
 - Construction, extension and modernisation of smart gas transmission and distribution networks and associated infrastructure in areas affected by flooding (2.1.2025 – 28.2.2025), allocation of PLN 234 million.
- Competitive calls for proposals for the construction, expansion and modernisation of smart gas distribution networks and associated infrastructure have been completed. The call for proposals ran from 18 November 2024 to 31 January 2025. 23 projects were submitted under the call for proposals for a total amount of PLN 1.193 million. The evaluation of grant applications is currently ongoing.

Main actions to be taken in 2025:

- A call for tenders for the construction and modernisation of the smart electricity grid (distribution) is planned for the period from 28.7.2025 to 30.9.2025 in competitive mode with an allocation of PLN 500 million.

d) *(D) Action FEPW 2021-2027 programme measure 02.01 Energy Distribution (Ministry of Climate and Environment)*

Main actions taken:

- In 2024, the call for proposals for funding under this measure was carried out. The call was launched between 10 April and 10 June 2024. Support is intended for the development of smart electricity grids (distribution systems) of the type smart grid.
- Another call for proposals for funding was launched. The call will run from 15/04/2025 to 30/06/2025.

14. Support for sectors of the Polish economy which directly bear the costs of the energy transition (Ministry of Climate and Environment)

Main actions taken:

- Setting up an Energy Support Fund. Pursuant to an agreement between the Ministry of Climate and the Environment and Bank Gospodarstwa Krajowego, approx. PLN 70 billion will be provided in the form of attractive preferential loans for investments supporting Poland's energy transition, such as: construction and modernisation of electricity grids; construction of renewable energy sources; construction of electricity storage facilities favouring the integration of RES into the electricity system.
- A call for proposals for electricity grids was launched on 9 September 2024 under The Energy Support Fund. The call received 7 applications amounting to PLN 164.85 billion. The Investment Committee took four positive decisions on the proposals (the remaining proposals are in the evaluation). On 17 December 2024, a loan agreement was concluded with Tauron Polska Energia S.A. for the project entitled Development and adaptation of the TAURON distribution S.A. electricity grid to the needs of the energy transition and climate change – value of the loan in the project: PLN 11 billion.
- On 19 February 2025, a loan agreement was concluded with Energa-Operator S.A. it includes PLN 7.7 billion to be used for the construction and development of smart energy systems.

Main actions to be taken in 2025:

- The call for energy transition is planned to be published at the beginning of the second quarter of 2025
- In the first half of 2025, it is planned to complete the evaluation process for projects submitted under the call for electricity grids and to sign a loan agreement for all applications with positive decisions of the Investment Committee.

II.2. Synthetic information on the implementation of the SDGs, the National Energy and Climate Plan, progress in the digital transition

Implementation of the Sustainable Development Goals (SDGs) in Poland

Poland ranked 10th in the global comparison of the 17 Sustainable Development Goals (SDGs) in 2024 with a score of 81.69 (out of 166 countries assessed)²³. According to the report, **Poland achieved two objectives: SDG 1 – No poverty and SDG 15 – Life on land**. In the latest edition (2025) of the report on a European scale, Poland ranked 11st, with a score of 73.33 (out of 34 countries assessed)²⁴.

In recent years, Poland has made progress on the social dimension of the 2030 Agenda, and in particular on poverty reduction (**SDG 1**). There is an increase in the number of dwellings, with 380 per 1000 people in 2018, 412.4 in 2022 and 419.3 in 2023. In turn, the at-risk-of-poverty

²³ Source: Global SDG Index, Sustainable Development Report 2024.

²⁴ Source: European SDG Index, Sustainable Development Report 2025.

rate after social transfers (despite year-on-year declines in previous years) increased slightly, from 13.7% in 2022 to 14% in 2023.

The level of minimum and average wages in the economy is rising. Since 1 January 2025, the minimum wage has increased to PLN 4666 gross (an increase of PLN 1176 over the last 2 years). As a result of the annual adjustment, pensioners' emoluments and survivors' pensions have also risen systematically, with the lowest pension being PLN 1878,91 gross since 1 March 2025. In addition, annual payments have been made since 2019 so-called: 13 pension, i.e. an additional annual cash benefit for pensioners. In 2024, the 14th pension for certain eligible beneficiaries was also paid. Since 1 January 2024, the amount of the child-raising allowance under the Family 800+ Programme (formerly family 500+) is PLN 800 per month per child (previously PLN 500).

Progress in the area of health (SDG 3) stems from actions in the areas of reducing the incidence and mortality of civilian diseases, preventing research, reducing inequalities in access to healthcare, computerising the health system and developing telemedicine. Among other things, the National Health Programme 2021-2025 plays an important role in the implementation of these actions. Its operational objectives include, but are not limited to: prevention of overweight and obesity, addiction prevention, mental health promotion, environmental health and infectious diseases and take into account the demographic challenges we face. Improving the resilience, accessibility and effectiveness of the health system is a consequence of securing adequate resources and accelerating the deployment of e-health services.

As regards SDG 8 (Decent Work and Economic Growth), Poland aims to build the long-term competitiveness of the economy and is at the top of the EU countries in terms of economic growth. According to the projections presented in this report, GDP growth will be 3.7% in 2025. Poland's economy is particularly well in the euro area, where GDP is expected to grow by just 1.0% in 2025 (IMF and World Bank).

Poland is implementing measures to improve equal opportunities for women and men (SDG 5), in particular in the labour market. The guarantees provided by the Constitution of the Republic of Poland, the Labour Code or other acts include, inter alia: equal rights for women and men to education, employment, promotion, equal pay for work of equal value and to social security.

In April 2023, Poland amended the Labour Code by implementing the Directive on work-life balance for parents and carers (hereafter: the Work-Life Balance Directive). The aim of the changes is to achieve equality between women and men in terms of labour market opportunities and treatment in the workplace by making it easier for workers who are parents or carers to reconcile work and family life. Among other things, changes have been made to parental and paternity leave, unpaid carers' leave has been introduced, and a wider use of flexible working arrangements has been made possible to increase workers' ability to adapt their work organisation to individual needs, including by: remote working, flexible working schedules and part-time work. The participation of women in the labour market is supported by the MALUCH+ programme, which subsidises childcare for children up to the age of 3.

Poland is also activating young people, 50+, the long-term unemployed and people with disabilities. The Strategy for the Rights of Persons with Disabilities 2021-2030 aims to boost their employment in an open, accessible working environment, ensuring equality in access to employment.

Poland implements the principle of equal treatment under the National Action Programme 2022-2030. The programme includes educational measures, cooperation with social organisations and the implementation of wage transparency as a tool to tackle the pay gap.

With a view to introducing new patterns of responsible production and consumption (SDG 12), since 2022 Poland has been implementing a new State Purchasing Policy aimed at increasing the efficiency of public procurement in Poland, including the identification of

strategic and innovative contracts. It will also move away from the perception of public procurement only in terms of strictly formalised procedures, towards sustainable purchases. **Electronic waste, as well as gas emissions associated with production or imports, remain a challenge under SDG 12.** To this end, on 6 June 2023, the Council of Ministers adopted a draft amendment to the Act on the management of packaging and packaging waste. The draft brings Polish law into line with EU requirements. In Poland, it is planned to introduce a deposit and return system for single-use plastic bottles of up to 3 litres, reusable glass bottles up to 1.5 litres and metal cans with a capacity of up to 1 litre in 2025.

Poland strives for energy security and raw material independence by reducing emissions and phasing out carbon-intensive energy sources (SDG 7, SDG 13). As regards combating climate change and its impacts, Poland is phasing out carbon-intensive energy sources. This requires the achievement of the EU's climate targets as part of the 'Fit for 55' package.

It is estimated that by 2030 the share of coal in Poland's energy mix will be around 60%. Various forms of distributed energy will play an important role. According to Energy Policy of Poland 2040, Poland will increase the share of RES in electricity production. In 2023, Poland recorded a 16.56% share of RES in gross final energy consumption (16.89% in 2022). The largest RES source in Poland since 2021 has been photovoltaics. Poland notes the steady growth of micro-installations (from approx. 28.8 thousand in 2017 to more than 1.5 million at the end of 2024). The legal framework for the development of the offshore wind energy sector has also been prepared, with installed capacity of almost 6 GW by 2030 and 11 GW by 2040.

In Poland, efforts are being made to implement nuclear energy and launch the first block. Hydrogen technologies are also being developed, adapting regulation for their wider use in energy, transport and industry.

Priority Programmes such as My Electricity, Clean Air, Warm Housing and My Heat help develop prosumer energy and increase energy efficiency. As part of the Climate House Campaign, Poland encourages citizens to invest in green and clean technologies through financial support. The Eco-donations search engine provides support for actions that reduce negative environmental impacts.

Poland is performing increasingly well on SDG 9 (innovation, industry and infrastructure). **Poland ranked 40th in the Global Index Innovation 2024.** According to data Statistics Poland, in 2024, 95.9% of households in Poland had internet access (93.3% in 2023). In 2024, the share of people aged 16-74 with basic or above basic digital skills increased to 48.8% (by 4.5 pps higher than in 2023). Innovation development remains a key economic challenge.

Since 1 January 2022, legislation introducing a so-called relief for robotisation has been in force. The relief is temporary and covers the tax years 2022-2026. It is one of several fiscal preferences (beyond R&D relief, IP Box, discount for prototype and employment of innovative workers) to support innovation fiscally.

With a view to supporting and equipping public administration officials with knowledge, innovative skills and new competences for the effective implementation of the 2030 Agenda and SDG actions, Poland, in cooperation with the OECD, carried out a project under the Structural Reform Support Programme in 2020-2022 named "Capacity building programme for public administration to support the implementation of SDGs and sustainable development in Poland". In May 2024, the first edition of a workshop for public administration officials 'Sustainable development = sustainable office' was organised. The aim of the event was to strengthen the knowledge and awareness of officials in the area of sustainable development and strategic planning.

National Energy and Climate Plan (NECP) – synthetic information and statistics

Poland's energy transition is accelerating in response to global climate challenges and EU commitments. Between 1988 and 2023, Poland reduced greenhouse gas emissions by 42.75% (including LULUCF – *Land use, land use change and forestry*). The largest decreases were recorded in the sectors: Waste (-80.4%), Energy (39.5%) and Industrial Processes (-34.4%).

Poland reduces dependence on coal and develops zero-emission sources, especially RES. In 2023, the share of renewable energy in gross final energy consumption was 16.5%. In the electricity sector, RES increased its share from 21% (2022) to 27% (2023), while the share of coal fell from 70% to 61%, the lowest level in 100 years. Coal mining has decreased: 2021 – 55 million tonnes, 2022 – 52.8 million tonnes, 2023 – 48.4 million tonnes.

Between 2019 and 2024, the capacity installed in the National Energy System (NES) increased from 47 GW to 73 GW. By November 2024, Poland had reached 33.2 GW of RES capacity: 20.7 GW in photovoltaics, 10.2 GW in wind, 0.31 GW in biogas, 0.97 GW in biomass, 0.98 GW in hydropower. In 2024, RES accounted for 30% of the electricity in the NES, representing 46% of the installed capacity. The most efficient source of RES was onshore wind energy.

The rapid development of onshore photovoltaics and wind energy highlights the growing role of RES. Dispersed prosumer micro-installations showed the greatest dynamism. Hydrogen is becoming increasingly important as an energy carrier, which can become a key element of the future energy mix.

Regulatory actions

In 2024, measures to support energy consumers, RES development and air protection were introduced. Safety net schemes have been put in place, including an energy voucher and a maximum price mechanism for households, SMEs, local authorities and public institutions. Protection against high system heat prices has been extended until 30 June 2025.

The transformation of district heating plants was supported, with more than PLN 20 billion allocated to new programmes. The budget of the 'My Electricity 6.0' programme increased to PLN 1.25 billion, supporting photovoltaics with heat and power storage facilities. Energy clusters and collective prosumers, energy cooperatives, citizen energy communities, renewable self-consumers and self-consumers have been facilitated.

For the hydrogen economy and heavy-duty transport, PLN 6 billion has been allocated to the purchase of zero-emission vehicles and the construction of charging stations. The Clean Air Priority Programme has seen an increase in the number of applications and new rules, such as the energy audit obligation for heat pumps, increase the energy efficiency of buildings. The Modernisation Fund allocated PLN 10 billion to support the energy transition.

Amendments to the Renewable Energy Act have accelerated the issue of permits for renewable installations. A law on wind investment, increasing the area for wind farms and the development of biomethane, is ongoing. Hydrogen market regulation has been defined, which supports the development of the hydrogen economy.

The development of offshore wind farms has been accelerated, simplifying investment procedures and regulating the maximum energy price. Regulations on the capacity market have been introduced, ensuring stability of energy supply and amendments to the Capacity Market Act, including a derogation for coal units. The rules on connection to the RES network and energy storage have been streamlined.

Measures have been taken to improve air quality, including by tightening solid fuel quality standards and developing the Clean Air Priority Programme. A Carbon Border Adjustment Mechanism (CBAM), which takes into account CO₂ emissions upon importation, has been developed.

The Ministry of Climate and the Environment prepared an update of the National Energy and Climate Plan (NECP), which was submitted to the European Commission in March 2024. A public consultation took place from 11 October to 15 November 2024. The update of the NECP sets Poland's new 2030 climate and energy targets, ensuring energy security, economic competitiveness, environmental protection and a just transition.

Digital Decade Policy Programme 2030, Digital Economy and Society Index (DESI)

On 22 October 2024, the Council of Ministers adopted Resolution No 125 on the National Action Plan for the Digital Decade Policy Programme 2030. The document sets out the lines of action to accelerate Poland's digital transition. The plan responds to the challenges faced by Poland. They include primarily:

- the need to develop digital competences among citizens;
- further development of 5G;
- ensuring universal access to high-speed internet;
- the need to increase the use of modern technologies in SMEs;
- create new and improve the quality of existing e-services for citizens and businesses

Poland (Ministry of Digitalisation) maintains a permanent working dialogue with the Commission to present on an ongoing basis projects, programmes and actions that are in line with the objectives of the Digital Decade and possible challenges related to the implementation of the national action plan.

As part of Poland's assessment, in its latest report on the state of the Digital Decade, the Commission noted significant progress in the area of gigabit connectivity and digitalisation of SMEs. For the VHCN coverage rate, Poland scores 81.1 % of households covered above the EU average (78.8 %) and is on track to reach 100 % coverage by 2030. While the Key Performance Indicators (KPIs) on the digitalisation of businesses are below the EU average, the rate of increase in the level of digitalisation of Polish SMEs between 2021 and 2023 was 5 times higher than in the EU. According to the State of the Digital Decade report, Polish SMEs have high growth potential. The persistence of challenges in the digital transformation of businesses is due to a shortage of professionals, high costs and a lack of adequate funding. Furthermore, the report notes that significant resources will be devoted to improving the quality of telecommunications, increasing the use of digital technologies by businesses and developing digital public services, which should improve the competitiveness of the Polish economy and increase the uptake of digital technologies by society as a whole.

The next annual report on the state of implementation of the Digital Decade in Poland will be presented in mid-2025.

The Ministry of Digitalisation, in cooperation with other ministries and public institutions, coordinates the process of reviewing and revising the above-mentioned action plan, which is the responsibility of all EU countries. The updated document will be submitted to the European Commission. The revision of the action plan on the policies, measures and actions included in the plan is based on the recommendations contained in the annual report on the State of the Digital Decade in Poland.

Since 2023, the DESI (Digital Economy and Society Index) has been part of the annual report on the state of implementation of the programme. In 2024, Poland scored higher than the EU average in 6 out of 36 indicators: broadband, fixed very high capacity networks, fibre-to-premises (FTTP) coverage, cloud, pre-filled forms and access to e-medical records.

Annex 1. Information on the implementation of the EU Council Recommendations to Poland of 21 October 2024

CSR 1, Part 1: Submit the medium-term fiscal-structural plan in a timely manner – MF.

1.	The 'Mid-term fiscal-structural plan for 2025-2028' (hereinafter referred to as the Plan) was submitted to the European Commission and the Council of the EU on 9 October 2024. Poland will submit a report on the implementation of the Plan (Annual Progress Report) by the end of April of
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CSR 1, Part 2: In line with the requirements of the reformed Stability and Growth Pact, limit the growth in net expenditure in 2025 to a rate consistent with, inter alia, reducing the general government deficit towards the 3 %-of-GDP Treaty reference value and keeping the general government debt at prudent level over the medium term – MF.

1.	The 'Medium-term fiscal-structural plan for 2025-2028' adopted by the Council of Ministers on 8 October 2024 assumes that, in line with the requirements of the reformed Stability and Growth Pact, net expenditure growth in 2025 is limited to a ratio that allows, inter alia, to bring the general government deficit to the 3%-of-GDP Treaty reference value and to maintain general government debt at prudent levels over the medium term. The net expenditure path included in the Plan was positively assessed by the European Commission on 26 November 2024. The recommendation on the implementation of this path was adopted by the ECOFIN Council on 21 January 2025. The plan is currently being implemented. Poland was required to take and present, by 30 April this year, in the Annual Progress Report, the action taken to reduce the excessive deficit. In addition, Poland should report every 6 months on progress in the reduction of the excessive deficit until it has been brought to an end.
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CSR 1 Part 3: Improve the efficiency of public spending, including through better targeting of social benefits (...) – MFLSP/MF

1.	Spending Reviews. The provisions of the Public Finance Act on spending reviews (Article 175a-h) entered into force on 1 January 2024. The legislation introduced spending reviews into the Polish budgetary system and describes how the results of spending reviews are linked to the budgetary process. The Regulation of the Council of Ministers on spending reviews (implementing act) entered into force on 22 May 2024. The Regulation covers, inter alia, the drawing up of the spending review plan, the review programme and the report, and the way in which the use of proposals for amendments is monitored. The first spending review plan under the new rules was signed on 28 June 2024. The plan covers the period from July 2024 to December 2026.
2.	Act 'Active Parent'. This programme includes a mechanism to differentiate the level of financial support according to the level of activity of applicants. The "Active Parent" programme is part of a comprehensive reform of the childcare support system for children up to the age of 3. The aim of the scheme is to support working parents or carers to return to work after parental leave. Act of 15 May 2024 on supporting parents in working life and in raising their child – 'Active Parent' (Journal of Laws 2024, item 858) introduced, as of October 2024, three new benefits: active parents at work, actively in the nursery, actively at home. It should be noted that each of the benefits introduced has a different function and purpose and thus has different statutory conditions for entitlement to that benefit. Benefit

<p>“active parents at work” is aimed at the economically active parents of children aged between 12 and 35 months. The Act defines the occupational activity the type and level of which entitles him to receive this benefit. The ‘active parents at work’ benefit is PLN 1500 per month for 24 months, from 12 to 35 months of the child’s age. For children with a disability certificate, the benefit is increased to PLN 1900 per month. The ‘actively in the nursery’ benefit is aimed at the parents of children attending a childcare institution up to the age of 3, i.e. a nursery, a children’s club or a day care provider, and is up to PLN 1500 per month per child or up to PLN 1900 per month per child with a disability, but not more than the fee payable by the parent for the child’s stay in the care institution. This benefit is not paid directly to the claimant but is transferred to the nursery, which reduces the fee paid by the parent for the child’s stay in the institution. The ‘active at home’ benefit is payable for every family child aged between 12 and 35 months and is PLN 500 per month for 24 months. This support is addressed to parents of children aged 12 to 35 months who are not entitled or who voluntarily decide not to benefit from the benefit of ‘active parents at work’ or ‘actively in the nursery’, especially in the case of economically inactive parents or where their child does not attend a care institution. The choice of one of these three benefits will depend on the decision of the parent, assuming that only one of the benefits can be paid for the same child for a given month. In addition, the parent will have the possibility to change benefits several times, i.e. abandon one form of support and switch to another, provided that, in a given month, the parent will be able to receive only one of the benefits of his or her choice. The ‘Active Parent’ programme has a budget of PLN 8.4 billion for 2025.</p> <p>The broader family support system until last year consisted of two types of benefits. Universal (family 800+, family care capital) and income-dependent ones for families in need of additional support (family benefits). One of the effects of the ‘Family 800 Plus’ programme is to alleviate poverty among low-income and large families. Given that most EU Member States have similar support schemes for families with children, it should be noted that the optimal balance between spending on universal and income-related programmes will vary depending on national circumstances. However, this should be seen from a broader perspective of the social benefit system as a whole and not only in the context of family benefits.</p>

CSR 1 Part 4: Improve the efficiency of public spending, including through (...) more transparency in investment planning and wider use of standardised procedures for project assessment and selection – MF/MDFRP.

<p>1. Cohesion policy. In the 2021-2027 perspective, with regard to the implementation of cohesion policy programmes, Poland adopted national legislation (Act of 28 April 2022 on the rules for the performance of tasks financed from European funds under the 2021-2027 financial perspective and adapted provisions of the Act of 15 July 2020 on the principles of development policy) in order to ensure that investment planning is as transparent as possible and that standardised procedures for project selection are applied in the implementation of programmes under the EU cohesion policy implemented under shared management. Generally applicable rules are supported by a system of guidelines from the Minister for Regional Development, which regulates in detail the issues to which the European Commission has referred in CSR, in particular: guidelines on eligibility, monitoring committees, project selection, conditions for electronic data collection. The application of the guidelines by the institutions of the implementation system has an impact on the normalisation of the procedures for selecting projects for co-financing. The assessment of the effectiveness of public spending in the area of cohesion policy ensures, in particular, a control and audit system that complies with EU law.</p>
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2.	<p>Update of the Government PPP Guidelines (Public Private Partnerships). The Guidelines consist of 4 volumes: Preparation of the PPP project, PPP procurement, PPP agreement, Management of the PPP agreement.</p> <p>The update takes into account: legal developments since January 2021, indications based on the experience of the PPP market, references to new good practices and examples.</p> <p>As a result of the update, the current wording of the Guidelines corresponds to the applicable rules and standards (both Polish and EU) concerning, inter alia, the preparation and conduct of a public procurement procedure for the implementation of public investments in the form of PPPs.</p>
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CSR 1, Part 5: Ensure the adequacy of future pension benefits and reinforce the sustainability of the pension system, including by taking measures on effective retirement age and reforming preferential pension schemes – MF/MDFRP/MARD/MIA.

1.	<p>Report assessing the impact of measures to increase the effective retirement age. In December 2024, Poland fulfilled milestone A68G, Report to evaluate the impact of measures taken to raise the effective retirement age under reform A4.5 Extend careers and promote working beyond the statutory retirement age. The purpose of this report was to assess the impact of changes in personal income tax on the actual retirement age (the so-called PIT-0 for seniors) This assessment aims to analyse the impact on the activity rate, the sustainability of the pension system, public finances and gender equality. The analysis confirmed that the existing tax relief has a positive impact on public finances, the pension system and gender equality.</p> <p>On the basis of the conclusions of the above-mentioned analysis concerning the statutory retirement age in Poland: the current retirement age ensures that older people feel safe, which is why it should continue to be 60 for women and 65 for men. Professional activity after it has been exceeded must always be part of the senior's individual decision. The general pension system currently in place in Poland based on the defined contribution principle is in itself an incentive to prolong working life. Individual replacement rates vary widely, depending on how many contributions the insured person will set and at what age they will retire. The later this happens and the more contributions are paid to the Social Insurance Fund for the person concerned, the higher the benefit he/she will receive. Despite the projected decline in the average replacement rate, pensions and their purchasing power will increase, including by paying contributions from increasing salaries over the career of successive pensioners and by adjusting benefits and adjusting contributions.</p>
Remarks/comments	
<p>Sustainability of the pension system. A defined-contribution (NDC) pension scheme has a close link between contributions and benefits. Pensions are calculated by dividing the value of the pension account by further life expectancy at retirement age. Longer work means a higher contribution income and a lower value of the denominator in the pension formula, and these two facts increase the benefit. Such schemes are less sensitive to demographic change than defined benefit schemes (DB). In the Polish pension system, only a minimum retirement age is set and the continuation of working life results in a significant increase in the level of future benefits. According to the analyses, age-related expenditure is expected to be stable. Pension expenditure remains stable over the long term and will decrease from 10.2 % of GDP in 2022 to 10.1 % of GDP in 2070. The main reason for this is the change in the demographic structure of the population.</p> <p>According to the legislation in force in Poland, pensioners who have reached the statutory retirement age have the possibility to combine the receipt of a benefit with their professional activity, without any limitation on working hours or income. Poles are increasingly aware of the relationship between the length of working life and the amount of the pension. Therefore, a further increase in labour market participation can be expected after reaching the statutory retirement age, which should have a positive impact on the sustainability of the pension system in Poland.</p>	

Farmers' social security. The farmers' social insurance scheme is a system that complements the general social security system. In Polish legislation, the general system takes precedence over the agricultural system. The separate agricultural social insurance system in Poland is not a European exception. Many major EU countries also have such social insurance for farmers, e.g. Germany, Austria, France or Finland. In accordance with the provisions in force, farmers' social security is, in principle, available only to those farmers (natural persons) who carry out an agricultural activity on the agricultural holding and this is their sole or primary source of subsistence, which means that they do not have a ZUS insurance entitlement or, exceptionally, remain in a separate system despite being covered by social insurance at ZUS, under strict conditions. The provisions on farmers' social insurance do not provide for any restrictions on the transition to insurance under the general scheme and at the same time ensure that a person who enters the general scheme retains the pension equivalent to farmers' social security contributions made during their working life after reaching retirement age.

In view of the gradual restructuring of agricultural production, insured persons are continuously transferred from KRUS to ZUS. The number of insured persons with KRUS is steadily decreasing: as of 30 June 2024, the number of persons insured with KRUS was 1 021 thousand. (compared to 1 520 thousand in 2 010.1434 thousand in 2 015.1161 thousand in 2020). In the future, there is also a systematic decline in the number of pensions in KRUS and an increase in ZUS. This is due to economic changes, in which the share of agricultural workers is decreasing as the economy develops, but also changes in the labour market. In the event of a possible reform, the oldest participants in the scheme should be excluded from the new arrangements, as is the case for most of the reforms being implemented. Given the evolution of agricultural employment, the age structure of current farmers, the transition period could turn out to cover a small group of insured persons. Therefore, no changes to the farmers' insurance scheme are planned in the near future. Supplementary pension schemes are of little importance from a sustainability point of view due to their low share. More than 90 % of insured persons are covered by the general scheme.

Continue working beyond retirement age. Data from the Social Insurance Institution (2024, 2023, 2022 and additional data made available by the Department of Statistics and Actuarial Forecasts of the Social Insurance Institution) show an increasing trend towards pensioners' work, also in the period since the end of 2021, i.e. the period in which the new tax credit applies, i.e. PIT-0 for seniors was in force. In December 2021, 812.9 thousand persons with established pension rights were covered by health insurance for reasons other than being retired and 527.1 thousand persons were covered by pension and disability insurance. One year later, the first group rose by 1.6 % y/y to 826 thousand, of which 536.3 thousand were also covered by pension insurance and in the next group the increase exceeded 3 % y/y. In December 2023, 854 thousand persons with established pension rights were covered by health insurance on a basis other than being a pensioner. Of these, 549.7 thousand were also covered by pension and disability insurance, thus earning income from full-time employment, contracts for services or running their own business (self-employment). Of working pensioners, 57.8 % were women in 2023. Almost 96 % of working pensioners are above the statutory retirement age. The average age of working pensioners was 67.3 years, 68.9 years for men and 66.1 years for women.

CSR 2: Strengthen administrative capacity to manage the recovery and resilience plan, accelerate investments and maintain momentum in the implementation of reforms. Address relevant challenges to allow for the continued, swift and effective implementation of the recovery and resilience plan, including the REPowerEU chapter, ensuring the completion of reforms and investments by August 2026. Accelerate the implementation of cohesion policy programmes. In the context of the mid-term review of those programmes, continue focusing on the agreed priorities, taking action to better support and integrate non-Union nationals, while considering the opportunities provided by the Strategic Technologies for Europe Platform initiative to improve competitiveness. – MDFRP

1.	<p>Implementation of the RRP. In 2024, the second, third, fourth and fifth instalment from the RRP were prepared and submitted under two payment requests. To date, the European Commission has provided Poland with refunds for the first, second and third instalment and advance payment for REPowerEU totalling around PLN 88.8 billion (from the advance payment for REPowerEU of approx. PLN 21.8 billion for the first payment request of approx. PLN 27 billion and for the second and third instalment approx. PLN 40 billion). As of 20 January, calls for proposals were launched (applications for support had begun) under 51 investments representing 94.4 % of the allocation of the RRP, 39 of which accounted for 93.9 % of the allocation in the grant part and 12 investments for 94.8 % of the allocation in the loan part. Under the RRP, more than PLN 44 749.5 million of support agreements were concluded under the RRP, representing 17 % of the total allocation of the RRP (37.7 % of the grant part and 1.7 % of the loan part). In 2024, the final recipients of support received more than PLN 9.6 billion. Poland is currently awaiting the Commission's decision on the correct implementation of the milestones and targets in instalments 4 and 5. Four more instalments are planned for submission in 2025-2026: the sixth and seventh in 2025 and the eighth and ninth in 2026. Intensive work is ongoing on the implementation of milestones and targets from the 6 and 7 instalments. At the date of writing of the report, 12 out of 42 measures in sixth instalment and 1 out of 36 measures in seventh instalment had been completed. The second revision of the RRP was carried out in 2024, with two more planned in 2025, aiming at facilitating the implementation of reforms and investments and improving the liquidity of the implementation</p>
2.	<p>Implementation of cohesion policy. The implementation of measures under the 2021-2027 national and regional cohesion policy programmes accelerated strongly in 2024. From the beginning of the implementation of the perspective until 31 December 2024, 2344 calls for projects with a budget of PLN 237.3 billion were launched under national and regional programmes. The beneficiaries submitted 47478 applications for funding. Eligible expenditure amounted to PLN 379.9 billion and co-financing: PLN 293.1 billion. 11432 funding agreements were signed. The amount of eligible expenditure in contracted projects amounted to PLN 142.1 billion, of which PLN 112.3 billion (35 % of the allocation) represents an EU contribution. In 2024 alone, 10246 project co-financing agreements were concluded with beneficiaries, involving EU funds amounting to PLN 81.6 billion (ca. 25 % of the allocation).</p> <p>Payment applications for the amount of eligible expenditure have been forwarded to the European Commission: PLN 20.6 billion, which made it possible to request reimbursement of expenditure amounting to EUR 3.9 billion in part of EU funding (i.e. 5.3 % of the allocation). The previous year, the reimbursement requested amounted to 11 million euro (0.01 % of the allocation).</p>
3.	<p>Mid-term review of cohesion policy programmes. In the context of the mid-term review of the 2021-2027 cohesion policy programmes, a further focus on the implementation of priorities is taking place in all cohesion policy programmes. In addition, following the flooding in September 2024, which particularly affected the south-western areas of Poland and the adoption of Regulation (EU) 2024/3236 (RESTORE), as a response to emergency situations, in the programmes (the national programme European Funds for Infrastructure, Climate and Environment 2021-2027 and the regional programmes for the voivodships: Dolnośląskie, Śląskie, Opolskie and Lubuskie) new priorities are being introduced in which support for flood areas will be implemented.</p>

4.	<p>Support and integration of third-country nationals. Cohesion policy programmes financed by the European Social Fund Plus provide for actions on the socio-economic integration of third-country nationals, both at voivodship level (under regional programmes) and at national level (in the European Funds for Social Development 2021-2027 programme – FERS). The intervention in regional programmes focuses on direct support to foreign nationals, including Ukrainian citizens, inter alia by providing services that will enable them to better function in Polish society (e.g. Polish language courses, training on Polish values and culture, vocational training, provision of practical information on various aspects of life in Poland). Support is provided in particular using the previously developed model of the Centre for the Integration of Foreigners (so-called: one-stop shop). On the other hand, actions at national level include the development and implementation of a demand-driven system for handling foreign nationals by public employment services and supporting processes for managing labour migration in order to better exploit the potential of labour migrants and support employers seeking foreign workers. The FERS also carries out studies on the adaptation of the Polish education system to the needs of children with migration experience, and funds the performance of a baccalaureate exam and primary school final exam for students from Ukraine. In implementing the recommendation for greater support and integration of third-country nationals, the changes introduced at national level as part of the mid-term review will also develop mechanisms to support the social integration of foreign nationals who are particularly vulnerable to exclusion. In addition, actions will be launched to support the retention of Ukrainian pupils in Polish schools. This will be possible through the implementation of measures to support Polish schools, such as subsidies for the employment of intercultural assistants, training for teachers and psycho-pedagogical support for students from Ukraine.</p>
5.	<p>The Strategic Technologies for Europe Platform (STEP) initiative. Poland actively participated in the negotiations of the Regulation in order to optimise the programming of the use of this instrument in the next phase. National and regional cohesion policy programmes have analysed the possibility of introducing STEP priorities. According to its results, two programmes plan to launch the implementation of the STEP priority. Namely the national programme European Funds for Modern Economy 2021-2027 (FENG) and the regional programme European Funds for Mazovia 2021-2027. For the FENG programme, this will support the development and manufacturing of critical technologies in three sectors: digital and deep-tech innovation, clean and resource-efficient technologies and biotechnologies. The new priority is worth EUR 901 million. The amendment has already been approved by the Programme Monitoring Committee and adopted by the Council of Ministers by resolution of 25 March 2025 and forwarded to the European Commission for approval. For the European Funds for Mazovia programme, the new STEP priority will be dedicated to the development of biotechnology. The measures will focus primarily on research to develop new treatments using gene therapy. The new priority is worth EUR 25 million. The amendment has been approved by the Programme Monitoring Committee.</p>

CSR 3, Part 1: Take steps to increase labour market participation of disadvantaged groups, including by improving the quality of and access to formal home- and community-based long-term care – MFLSP/CPM/MH.

1.	<p>Strategic review of long-term care in Poland to identify reform priorities (under milestone A69G of the RRP). The analysis examined, in particular, the possibility of:</p> <ul style="list-style-type: none"> • social and health integration of long-term care; • accelerate the deinstitutionalisation of care services; • the subordination of those services to a single authority, • reducing the fragmentation of care provision; • revise the care-related benefits to enable undertaking employment; • create a stable system of adequate funding for these services, • introduce a quality framework for these services. <p>Prepared by the World Bank in cooperation with the relevant ministries, the Strategic Review of the long-term care system in Poland, resulting from the implementation of milestone A69G of the RRP, was published together with the required annexes in the Public Information Bulletins (BIP) of MFLSP and MH on 28 June 2024.</p>
2.	<p>Implementation of the long-term care reform priorities identified on the basis of the strategic review of long-term care in (under milestone A70G of the RRP).</p> <p>These priorities shall include, in particular:</p> <ul style="list-style-type: none"> • defining 'long-term care' in a coherent way throughout the country's care system and defining the concepts of 'informal care' and 'informal carer'; • increase the financing of the long-term care system by introducing the 'senior voucher'; • amending or adopting new legislation on quality standards for long-term care; • define the bodies responsible for coordination of the long-term care system, overall monitoring and evaluation of quality and information activities. • adopt the public expenditure review to evaluate the effectiveness of public finances for long-term care and propose budgetary solutions to ensure the fiscal sustainability of the system; • adopt a document proposing a harmonised definition of the quality of long-term care, as well as an integrated system for monitoring and evaluating the quality, collection and use of long-term care. <p>The status of implementation of individual measures under milestone A70G of the RRP is set out in paragraphs 3 to 6.</p>
3.	<p>The draft law on the 'senior voucher' was included in the Cabinet's legislative and programme work list on 22 March 2024. During the period from 14 October 2024 to 12 December 2024, consultations and opinions on the draft law took place. The analysis of the comments is currently ongoing. The planned date of entry into force of the Act is 1 January 2026.</p>

4.	<p>Defining 'long-term care', 'informal care' and 'informal carer', identifying the authorities responsible for coordinating the care system. As part of the work of the Working Group on Long-Term Care of the <i>Interministerial Team on Systemic Care for the Elderly</i>, definitions of long-term care, informal care and informal carers have been agreed, and the working group is currently working to develop solutions for the coordination of long-term care.</p>
5.	<p>Review of public spending on long-term care. At the request of the Minister for Senior Policy The Ministry of Finance launched a public expenditure review on long-term care. A working group on the spending review was set up and met for the first time on 20 January 2025. The aim of the review is to assess the effectiveness of public financing of long-term care and to propose budgetary solutions to ensure the financial sustainability of the system.</p>
6.	<p>Adoption of a document proposing a harmonised definition of quality of long-term care in social and health systems, as well as an integrated quality monitoring and evaluation system, data collection and the use of this data. Minister for Senior Policy submitted a request for support under the Technical Support Instrument (TSI). In December 2024, the EC informed about the initial identification of this application for support – a final decision will be issued in March 2025. Work to describe the current quality arrangements for long-term care in health and social care systems has started.</p>
7.	<p>Measures to increase young people's participation in the labour market by developing the provision and quality of service provided by the Public Employment Services (PES). In the second half of 2023 and 2024, employment offices, together with local partners, carried out pilot projects from the 'Time to young people' cycle. The aim of the pilot projects was to develop and within the call entitled 'Time for youth – youth guidance centres'. The aim of test new ways of supporting people up to the age of 30, in particular the one-stop shop approach for young people. 76 projects financed by the Labour Fund totalling more than PLN 72,7 million were implemented. Projects were implemented in poviats where the share of young people among the registered unemployed was above the national average. However, the one-stop shops for young people are foreseen as a permanent solution. In accordance with the new Act on the labour market and employment services, regional labour offices, poviat labour offices or voluntary labour corps will be able to set up a guidance centre for young people up to the age of 30, using the Labour Fund or other public funds. The law also provides for other new measures to increase the activation of young people in the labour market: the creation of an advisory function in poviat labour offices (PLOs) for persons up to the age of 30 and the carrying out of an assessment of the digital competences of young people in connection with their registration in the PLO.</p> <p>The law is part of milestone A51G of the RRP. The envisaged date for the entry into force of this Act is Q2 2025.</p>

8.	<p>In addition to legislative work, the FERS (European Funds for Social Development) programme implements projects aimed at strategically coordinating support to vulnerable groups in the labour market (young people and long-term unemployed). This type of project involves a non-competitive project and two competitions.</p> <p>The non-competitive project 'Coordination of support for young people and long-term unemployed in the labour market and strengthening its effectiveness at national level' (FERS.01.02-IP.06-0001/23) includes:</p> <ul style="list-style-type: none"> • implementation of studies and analyses on the situation of young people and long-term unemployed in the labour market; • setting up a system to monitor the follow-up activities of young people and long-term people unemployed after receiving support, • implementation of information and promotion measures aimed at young people and people long-term unemployed on available support, • implementation of evaluation studies on the results of support for young people under the Youth Guarantee and the effects of supporting the long-term unemployed in Poland. <p>First competition entitled "Standards of support for young people and the long-term unemployed in poviats labour offices" (FERS.01.02-IP.06-004/24) is expected to lead to the development of:</p> <ul style="list-style-type: none"> • standards for reaching out to young people and methods of support for this target group the target, resulting from the EU Council Recommendation on a Youth Guarantee (YG), • standards for the implementation of support for the long-term unemployed; • standards for assessing young people's digital competences. <p>The second competition complements these activities. It aims to develop a one-stop shop model for young people and the long-term unemployed in the regional and poviats labour offices (RLO and PLO). Projects will be implemented by 2028.</p>
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CSR 3, Part 2: Foster competition in public procurement processes, making such processes more efficient and less cumbersome, especially for SMEs – MEDT/PPO.

1.	<p>Draft Act on the certification of public procurement contractors. In implementing the provisions of the State Purchase Policy for 2022-2025, measures were taken to reduce formal obligations in the process of awarding public contracts. A key action is to start legislative work on the introduction into the national public procurement system of a solution in the form of certification of public procurement contractors, which will simplify the subjective verification of economic operators. Certification allows economic operators to undergo a detailed verification process once, which will end issuing a document (certificate) confirming the economic operator's situation with regard to the extent indicated by it. Contractors will be able to use the certificate in procurement procedures, without the need to collect and submit other documents on a case-by-case basis. Certification will be voluntary. It will be an additional possibility and not an obligation for the contractor. Uncertified contractors will participate in procurement procedures in accordance with the existing rules.</p>
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2.	<p>Internal and external pre-consultations of the draft amendment to the Act of 11 September 2019 Public Procurement Law. The Public Procurement Office provides for internal and external pre-consultations to be carried out for 2025 and, at the end of those consultations, for the preparation, initiation and conduct (after obtaining the authorisation of the Minister for Economic Development and Technology) of the legislative process amending the Act of 11 September 2019 – Public Procurement Law in connection with the review of the functioning of this Act. Legislative action is related, inter alia, to the need to improve the functioning of the provisions of the Public Procurement Act in terms of further increasing flexibility and improving the conditions for accessibility, including for SMEs, of public procurement procedures.</p>
3.	<p>Training for SMEs in public procurement. Since 2023, there has been a wide-ranging training programme for SME contractors that have not yet applied for public procurement. Training has been provided in all voivodship cities since 2023. During the meetings, trainers, who are also public procurement practices, present the most important provisions, how they are interpreted and discuss other practical aspects related to applying for public contracts, such as searching for information on public procurement, clarifying issues related to the use of electronic communication tools in procurement procedures, as well as constantly improving knowledge of individual procurement procedures.</p>
4.	<p>Online platform pzp.gov.pl – ‘Consortium’ module. A free and publicly accessible online platform (pzp.gov.pl) dedicated to public procurement market participants, in particular SME contractors, has been developed to build their capacities and competences. The role of the Platform will include:</p> <ul style="list-style-type: none"> • gathering materials, guidelines, good practices and knowledge on public procurement developed as part of the implementation of the purchasing policy; • enable practitioners to exchange knowledge and experience on public procurement; • providing training in the form of e-learning, which will cover key elements of the public procurement system; • ensure that control bodies can exchange information on the results of their procurement controls. <p>The ‘Consortium’ module is of particular importance for SMEs. It will ensure that economic operators seeking partners to cooperate in the implementation of contracts – whether within a consortium or subcontracting – will be given the opportunity to publish an appropriate notice and to engage in cooperation. This will make it easier for SME economic operators to apply for public contracts. The pzp.gov.pl platform is planned to be made available to users in the first half of 2025.</p>

CSR 3, Part 3: Support private investments by fostering the digitalisation of companies – MD/MEDT.

1.	<p>Policy papers to support the digital transformation of SMEs. Drawing up a Digital Business Transformation Programme, which will comprehensively address companies’ current problems in terms of technology and cybersecurity, and propose measures to achieve key objectives from the point of view of the Polish economy. An important element of the Programme will also be the work on the necessary change in the perception of digitalisation and education on how to function in the continuous change of the digital transformation. An agenda for the digital transformation of businesses is currently being developed and, as a next step, once the management of the MEDT and the Concil of Ministers accept the plan, it will be submitted for implementation.</p>
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2.	<p>Public administration digital tools to support entrepreneurs</p> <ol style="list-style-type: none"> 1. Business portal biznes.gov.pl and Business Account –service for person intending to start up and pursue an economic activity. The aim of the portal is to help with business start-up and conduct and to simplify the formalities necessary for setting up and running a business. It contains nearly 400 online services, around 500 current articles on the applicable law, the required procedures and formalities for setting up and running a business in Poland and the EU, and the Aid Centre, i.e. experts who answer questions about doing business. The project is funded by the Operational Programme Digital Poland 2014-2020 (POPC). 2. Electronisation of employers' contracts with employees or contractors – digitalisation of personnel processes in companies, which will improve the process of doing business in Poland by providing new digital services and functionalities. The project is funded by the European Funds for Digital Development 2021-2027 (FERC) programme. 3. BrandHub – extension of Trade.gov.pl portal with components providing support to entrepreneurs in developing international e-commerce activities and building online export strategies. 4. Online platform for State Purchase Policy, which aims to develop and implementation of the web portal supporting the 2022-2025 State Purchasing Policy. Through the platform, businesses will be able to acquire the necessary knowledge of the purchasing processes of public institutions, gathered in one place, and benefit from dedicated e-services.
3.	<p>The introduction of the Digital Start for Business Facility, which will support start-ups in their digital growth. This package will consist of proposals for solutions to digitalise business processes from the start of the company's operations and facilitate its running.</p>
4.	<p>Advisory support for digital change in a company:</p> <ol style="list-style-type: none"> 1. A comprehensive digital change service in the company, customised to the needs of a specific company. The aim is to systematically support companies in their digital transformation at every stage of this pathway. The service will be accessible to companies at every stage of digital development and will be personalised to the challenges of the company, offering practical solutions that will help not only deploy new technologies, but also better understand their potential and benefits. The service will lead the user through a self-assessment of the company's digital level, a personalised transition plan, mentoring support in implementing and monitoring the effects of change. 2. The Digital Safer Programme, which aims to raise awareness and increase digital literacy (in particular cybersecurity) among SME owners and employees and consequently increase the level of digitalisation and cybersecurity of SMEs. 3. Support from 11 European Digital Innovation Hubs (EDIHs), selected in European Commission competition under the Digital Europe Programme and the FENG 2021-2027 Programme. The objective of the Facility is to enhance the competitiveness of enterprises in the digital transition, especially in the SME sector, where there is a significant need to increase the adoption of the latest digital solutions in business activities. The scope of EDIH's activities includes: information and promotion (to reach out to the widest possible range of entrepreneurs with information on the benefits of modern technologies and digitalisation); demonstrations (technical expertise, prototyping, demonstration and simulation tests); education and training (ICT knowledge transfer, new ways of producing products and services using digital technologies; development skills); consulting services (improvement of business/manufacturing processes, products, services using digital technologies, pro-innovation services, including advice on innovation financing); networking with other EDIHs across Europe.

	<p>4. Innopoint – a comprehensive information service for the FENG 2021-2027 programme offer, through which entrepreneurs shall obtain comprehensive information on the forms of support available to them under the FENG 2021-2027 programme.</p> <p>5. TEF AI – Testing and Experimentation Facilities (TEF) support – Agrifood TEF AI selected in the European Commission competition under the Digital Europe Programme and under the European Funds for Modern Economy Programme 2021-2027. The instrument aims to boost the competitiveness of enterprises in the digital transformation of AI, especially in the SME sector, and consequently stimulates entrepreneurial behaviour and motivates them to improve their competences in this area. In particular, the services offered by TEF AI aim to enable entrepreneurs to experiment, test and validate AI solutions in both virtual and real-world environments. At the same time, support for the creation of TEF will allow to join a cross-border network of testing and experimentation of AI, monitoring, validation and certification of AI.</p>
5.	<p>Awareness-raising campaign on the benefits of digitalisation</p> <p>An education and information campaign for entrepreneurs to spread the benefits of digital technologies. It aims to raise public awareness of the benefits of digital technologies among entrepreneurs and their employees, in particular in terms of public e-services, knowledge of cybersecurity and the use of digital technologies. The campaign will run from 2025 to 2027 and will include: online campaigns, PR campaigns and 20 special actions. The project is funded by FERC.</p>
6.	<p>On 18 December 2024, the Regulation of the Minister for Digitalisation on the specific conditions and procedures for granting de minimis aid under the Digital Europe Programme was issued. It will allow entrepreneurs to apply for financial support for five key actions:</p> <ul style="list-style-type: none"> • product development, • development of the service, • creating a new one product or services, • increased recognition of their products or services, • certification of products or services, including preparation for this process. <p>EUR 1.8 million has been allocated from the Digital Europe Programme and the state budget. The call for proposals will be launched at the turn of the first and second quarter of this year and will be carried out by the Digital Poland Project Centre in cooperation with the National Cybersecurity Competence Centre.</p> <p>The support will increase the availability of cyber secure products and services and bring new services to the market. Through certification, manufacturers will be able to obtain external confirmation that their product or service meets the relevant requirements set out in the current certification schemes. The de minimis aid will enable these cybersecurity entrepreneurs to increase their visibility and promote their products, including in other countries of the European Union, thus contributing to increased cybersecurity in this particularly important area. It should be stressed that cybersecurity is an area requiring significant financial resources and is therefore particularly important to create the right conditions for micro, small and medium-sized enterprises in this area for further growth. This is beneficial both for cybersecurity and for the competitiveness of the economy.</p>
7.	<p>The Ministry of Digitalisation is working on a draft law on AI systems. The purpose of the draft act is to create a system of oversight of AI systems in Poland in accordance with the legal framework established by Regulation (EU) 2024/1689 of the European Parliament and of the Council of 13 June 2024 laying down harmonised rules on artificial intelligence and amending Regulations (EC) No 300/2008, (EU) No 167/2013, (EU) No 168/2013, (EU) 2018/858, (EU) 2018/1139 and (EU) 2019/2144 and Directives 2014/90/EU, (EU) 2016/797 and (EU) 2020/1828 (Act on artificial intelligence). In February 2025, the draft law was subject to repeated inter-ministerial consultations, opinions and public consultations.</p>

8.	IPCEI-CIS. In 2024, a call for IPCEI-CIS, which aims to develop and deploy innovative cloud technologies on a global scale, was launched and finalised. 5 grant agreements were concluded, for a total amount of approx. PLN 240 million. The investments are financed under the RRP and related to the fulfilment of milestone C27G.
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CSR 4, Part 1: Take measures to accelerate the phasing-out of fossil fuels in the district heating sector by shifting to renewable energy – MCE.

1.	National Energy and Climate Plan 2030. The National Energy and Climate Plan to 2030 (2019 update of the NECP) is currently being developed, indicating new directions for the climate and energy transition, including the phasing out of fossil fuels in the heating sector. The above-mentioned document is planned to be adopted by the Council of Ministers in the second quarter of 2025, and sent to the Commission.
2.	Amendment of the Act on the promotion of electricity from high-efficiency cogeneration. Useful heat from cogeneration produced in a coal-fired cogeneration unit shall be excluded from the support. The amendments were introduced together with Article 5 of the Act of 27 November 2024 amending the Renewable Energy Act and certain other acts (Journal of Laws 2024, item 1847).
3.	<p>Strategy for district heating up to 2030 with an outlook to 2040. Work on the document is ongoing. The objective of the Strategy for Heat is to formulate a framework and guide the just transition of the district heating sector in order to ensure its sustainable and efficient development based on low- and zero-carbon energy sources, taking into account local potential and security of supply to customers at socially acceptable costs.</p> <p>The strategy focuses on: reducing greenhouse gas emissions, increasing the share of renewable energy sources, improving energy efficiency, reducing low emissions. One of the strategic directions is the progressive electrification of district heating and individual heating through the use of efficient heat pumps and electric boilers powered by renewable energy sources and energy storage technologies.</p> <p>The Strategy for Heat takes into account the objectives and assumptions of European Union policies, including the Fit for 55 package. One of the objectives of the strategy is to move away from coal in 2040 in district heating. Main objectives and assumptions for 2030:</p> <ul style="list-style-type: none"> • 35.4% share of RES in total heating and cooling – mandatory target resulting from the RED required increase of RES by 0.8 pps per year in 2021-2025 and 1.1 pps/year in 2026-2030; • 16.3%, RES in district heating and cooling – indicative target resulting from the increase in the share of RES adopted in the RED Directive, by not less than 2.2 pps per year, in relation to the baseline year 2020; • increase of RES share in each system by at least 2.2% per year.

CSR 4, Part 2: Improve policies related to the protection and sustainable use of water resources to ensure the long-term sustainability of sectors that rely on ecosystem services – MI/MARD/MCE.

1.	<p>Support for investments related to the development, modernisation and adaptation of agriculture and forestry, type of operation “Water resource management” under the Rural Development Programme 2014-2020. Action aimed at the State Water Holding Polish Waters (Wody Polskie) (investments in the construction, reconstruction or renovation of water facilities or hydrotechnical structures on natural or artificial watercourses) and municipalities (support for the construction or reconstruction of open retention tanks with a surface area not exceeding 5 000 m² and a depth not exceeding 3 m from the natural surface of the site). The action was designed under the so-called Transitional RDP (implementation of the RDP has been extended by another 2 years (i.e.: 2021-2022)), as a complementary action to the Programme. The first calls for proposals were carried out in the fourth quarter of 2023. Implementation activities intensified in 2024. As regards the support to Wody Polskie, one call for applications was carried out in each voivodship at the same time. As a result, in 2024, 15 aid agreements amounting to PLN 130.6 million were concluded, representing 99 % of the available appropriations. As regards support for municipalities for the construction or reconstruction of open storage reservoirs, the provinces had arbitrariness to announce the deadlines and the number of calls for applications to be carried out. The municipalities submitted 803 applications for aid. 506 contracts were concluded for PLN 202.5 million, representing 74 % of the available appropriations. Most contracts were concluded in the following provinces: Mazowieckie – 73, Lubelskie – 60, Podlaskie – 54, Łódzkie – 52, Warmińsko-Mazurskie – 47. No application was submitted in the Zachodniopomorskie Voivodship. In 2024, payment claims amounting to PLN 10 million were submitted, representing around 4 % of the available appropriations.</p>
2.	<p>The RRP implements investment B3.3.1 ‘Investments in increasing the potential for sustainable water management in rural areas’. The investment in one of the areas is dedicated to municipalities, where support is provided for works related to the construction, reconstruction, restoration, extension of water drainage facilities and water facilities, in particular reducing water drainage, taking into account its retention in order to counter the effects of drought. The deadline for completion of the investment is Q4 2025.</p>
3.	<p>Draft investment plan for the mining sector aimed at reducing salinity of the river Oder. To prevent the repetition of the 2022 ecological disaster on the Oder River, a plan is currently being developed to ensure the sustainable safety of the Oder river ecosystem by implementing systemic actions addressing the root cause of the disaster (i.e. reduction of the salinity of the Oder river waters).</p>
4.	<p>Coordinating emergency actions for the protection of the Oder river ecosystem Interdepartmental Team for the River Oder develops recommendations to protect the river ecosystem. The Team is supported by the ‘Crisis management procedure for golden algae blooms’, based on experience from 2022-2024. The document contains patterns of how to deal with different crisis options. In addition, weekly monitoring provides knowledge on the abundance of golden algae at critical points on the River Oder, which allows the Team to take appropriate remedial action.</p>

Source: Ministry of Economic Development and Technology.

Annex 2. Implementation of the European Pillar of Social Rights – main actions and their estimated impact²⁶

EFPS Principle	Key actions	Estimated impacts (qualitative or quantitative)
1. Education and life-long learning	<p>The reform of public employment services (a new law on the labour market and employment services) provides for:</p> <ol style="list-style-type: none"> 1. Extending access to forms of support offered by public employment services, facilitating the acquisition of knowledge, skills and qualifications for unemployed and job-seekers, including those in employment. 2. Introduction of new forms of support, including a lifelong learning voucher and an educational loan with the possibility of partial write-off. 3. Increasing the availability of the National Training Fund (NTF) – funding for lifelong learning will be available not only to employers, but also to self-employed workers. 4. Extending the category of workers who can benefit from continuing education funded by the NTF to persons performing work on the basis of civil-law contracts. <p>Other actions:</p> <ol style="list-style-type: none"> 1. Equipping schools/institutions with appropriate ICT facilities and infrastructure to improve the overall performance of education systems. 2. The E-competence programme (under the second phase of investment C2.1.3 'E-competences', financed by the RRP). 3. Systemic support to digital education for adult ICT users – Digital Development Clubs. 	<ol style="list-style-type: none"> 1. An increase in the number of people benefiting from the support of public employment services, including human resources development instruments. 2. Activation of unused labour resources. 3. Better addressing employers' needs for skills and competences. 4. Increasing labour efficiency. <p>Other actions:</p> <ol style="list-style-type: none"> 1. Support school (including vocational training) authorities and educational institutions to finance investment needs in digital infrastructure. 2. At least 323 thousand people were trained by 30 June 2026 (40 % of which are citizens in need of basic digital skills, 20 % are public officials, 20 % are excluded and at risk of exclusion, and the remaining 20 % are educators and teachers). 3. Improve the level of digital competence of society, by providing systemic support to adults to acquire and improve digital skills at local level.

²⁶ In principle, the table includes actions from 2024-2025 on the implementation of specific EFPS principles.

EFPS Principle	Key actions	Estimated impacts (qualitative or quantitative)
2. Gender equality	<ol style="list-style-type: none"> 1. Work is ongoing to implement the provisions of Directive (EU) 2023/970 of the European Parliament and of the Council of 10 May 2023 to strengthen the application of the principle of equal pay for equal work or work of equal value between men and women through pay transparency and enforcement mechanisms. 2. National Action Programme for Equal Treatment 2022-2030. 3. Government Programme for Action against Violence in the Family 2024-2030. 	<ol style="list-style-type: none"> 1. Strengthen the application of the principle of equal pay for equal work or work of equal value between men and women. 2. Eliminate discrimination from society in Poland, raise public awareness of equal treatment. 3. Protect and assist survivors of domestic violence, raise public awareness of the causes and consequences of domestic violence.
3. Equal opportunities	<ol style="list-style-type: none"> 1. Active Toddler programme (see rule No 11) 2. The "Active Parent" programme (see rule No 11) 	<ol style="list-style-type: none"> 1. (see Rule No 11) 2. (see Rule No 11)
4. Active support for employment	<ol style="list-style-type: none"> 1. Help with finding a job, primarily through job placement and career guidance. 2. Support for professional development through the training offered and the financing of post-graduate studies. 3. Help to gain work experience through traineeships, adult apprenticeships. 4. Helping to take up employment subsidised by the employer by redirecting them to reimbursable jobs. 5. Referral to a special programme where non-standard forms of support are necessary. 6. Financial assistance for setting up a business, including the costs of legal assistance, consultation and counselling necessary for the person setting up his own business. 	<p>Seeking sustainable employment for the unemployed. Making it easier for unemployed people to take up short-term employment, which will consequently increase their chances of entering into sustainable employment in the future.</p>

<p>5. Secure and flexible employment</p>	<p>1. The Act of 1 December 2022 amending the Labour Code and certain other acts (entered into force on 21 February 2023 and some of the provisions as of 7 April 2023, including those relating to remote working) introduced legal arrangements to the Labour Code which enable remote work to be carried out. Remote working arrangements replaced the existing teleworking provisions.</p> <p>2. The Act amending the Labour Code and certain other acts (entered into force on 26 April 2023) implemented Directive (EU) 2019/1158 of the European Parliament and of the Council of 20 June 2019 on work-life balance for parents and carers and repealing Council Directive 2010/18/EU and Directive (EU) 2019/1152 of the European Parliament and of the Council of 20 June 2019 on transparent and predictable working conditions in the European Union.</p>	<p>1. Remote working is important for workers in particular for family reasons, including reconciliation of work with family responsibilities where, for example, the worker is unable to provide care for the children in the event of their illness. Remote working provisions are expected to help to better reconcile family and professional responsibilities, as well as to provide support in finding permanent employment for groups with lower activity rates (due to family and care responsibilities, as well as place residence which make it difficult to commute to the workplace).</p> <p>2. Work-life balance measures can contribute to supporting women in the labour market, sharing care responsibilities equally between men and women and reducing the gender pay gap. Fathers' use of work-life balance regulations, such as leave or flexible working arrangements, has a positive impact on reducing the amount of unpaid family work performed by women and leaves them more time for paid work.</p> <p>Improvement of working conditions by ensuring more transparent and predictable employment. The transposition of the Directive on transparent and predictable working conditions in the EU into the national legal system has led to several important changes, the most important of which are:</p> <ul style="list-style-type: none"> • extending the scope of information on the employee's terms and conditions of employment – to include additional elements such as information on the employee's right to training, if provided by the employer, in particular the general principles of the employer's training policy or the amount of paid leave to which the worker is entitled. • ensuring that a worker who has been employed by a given employer for at least 6 months has a right to request (once a calendar year) a change in the type of employment contract into an employment contract of indefinite duration or more predictable and safe working conditions and to receive a written reply to that request within 1 month of receipt of the request, , together with a justification if the request is not granted;
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EFPS Principle	Key actions	Estimated impacts (qualitative or quantitative)
	<p>3. On 23 October 2024, the EU adopted a Directive of the European Parliament and of the Council on improving working conditions in platform work. Directive (EU) 2024/2831 of the European Parliament and of the Council of 23 October 2024 on improving working conditions in platform work was published in the Official Journal of the EU on 11 November 2024 and entered into force on 1 December 2024. Work is ongoing in the MRPIPS to implement this Directive.</p>	<ul style="list-style-type: none"> as regards a probationary contract: ensuring that the length of the probationary period is commensurate with the expected duration of the fixed-term employment contract and the type of work. <p>3. One of the key solutions in the Directive on improving working conditions in platform work aims to facilitate the determination of the correct employment status of persons performing work through digital labour platforms based on factual circumstances related to the actual performance of work.</p> <p>To that end, Member States are to introduce a rebuttable presumption of the existence of an employment relationship. This will make it easier for persons who consider themselves to be workers, even though they have concluded a civil law contract with a platform or an intermediary, or have no contract at all, to determine the correct employment status, that is to say, to establish that they are performing work under an employment relationship. If the digital labour platform wishes to demonstrate that a person is not a worker in accordance with national law, collective agreements or practice in force in the Member States and taking into account the case-law of the Court of Justice of the EU, it will have to prove this. If there is a change of status and a determination of the existence of an employment relationship, the person concerned will be granted employment rights, including social security as workers.</p> <p>The Directive also aims to ensure fairness, transparency and accountability in algorithmic management in the context of platform work. In particular, the Directive requires platforms to inform persons providing platform work and their representatives about the use and core functionalities of the platform's automated monitoring or decision-making systems that may significantly affect their working conditions. In addition, the Directive obliges platforms to employ persons to monitor automated systems and to enable obtaining justification of and appealing against a decision taken by or with the support of those systems.</p>

EFPS Principle	Key actions	Estimated impacts (qualitative or quantitative)
6. Salaries	<p>1. The minimum wage and the minimum hourly rate for selected civil law contracts have been amended. Since 1 January 2025, they have been PLN 4.666 and PLN 30 50 per hour respectively.</p> <p>The annual revision of the minimum wage and the minimum hourly rate shall be made in accordance with the rules laid down in the Act of 10. October 2002 on the minimum wage (Journal of Laws Of Laws 2024, item (1773), taking into account socio-economic conditions prevailing over the period, including forecast and actual macroeconomic figures, such as the consumer price index or real gross domestic product growth.</p> <p>In accordance with the provisions of the Act, the amounts of the above-mentioned wage guarantees are negotiated annually by representatives of the government, employees and employers within the Social Dialogue Council.</p> <p>2. Work is ongoing on the draft Act on minimum wages, transposing into Polish law Directive (EU) 2022/2041 of the European Parliament and of the Council of 19 October 2022 on adequate minimum wages in the European Union.</p>	<p>1. Worker's right to receiving a decent wage is one of the key principles of labour law (Article 13 of the Labour Code). The minimum wage is a special category of pay. It performs a protective function, guaranteeing a minimum level of remuneration for every worker, regardless of qualifications, personal classification and components of the remuneration, the system and the schedule of working time applied by the employer concerned, as well as the particular characteristics or conditions of the performance of work.</p> <p>Minimum wage plays an important role in reducing poverty and income inequality. It protects workers from disproportionately low (unjust) remuneration for their work.</p> <p>The increase in the minimum wage preserves the purchasing power of the least-wage earners and strengthens incentives to work.</p> <p>The minimum wage of PLN 4.666 means an increase of PLN 366/8.5 % over the second half of 2024 (PLN 4.300), and the minimum hourly wage of PLN 30.50 means an increase of PLN 240 g (compared to PLN 28.10).</p> <p>2. The draft act includes, inter alia:</p> <ul style="list-style-type: none"> - provisions on the periodic updating of the statutory minimum wage using four criteria; - indicates the reference value used for the annual assessment of the adequacy of the minimum wage; - the role of the social partners in matters related to minimum wages was highlighted and an advisory body was appointed.

EFPS Principle	Key actions	Estimated impacts (qualitative or quantitative)
7. Information about employment conditions and protection in case of dismissals	1. The Act of 9 March 2023 amending the Labour Code and certain other acts (entered into force on 26 April 2023) implemented Directive (EU) 2019/1152 of the European Parliament and of the Council of 20 June 2019 on transparent and predictable working conditions in the European Union into Polish law.	<p>1. Improvement of working conditions by ensuring more transparent and predictable employment.</p> <p>The transposition of the Directive on transparent and predictable working conditions in the EU into the national legal system has led to several important changes, the most important of which are:</p> <ul style="list-style-type: none"> • extending the scope of information on the employee's terms and conditions of employment to additional elements such as, for example, information on the employee's right to training, where provided by the employer, in particular the general principles of the employer's training policy or the amount of paid leave to which the worker is entitled; • ensuring that an employee who has been employed by a given employer for at least 6 months has a right to request (once a calendar year) a change of the type of employment contract to an employment contract of indefinite duration or more predictable and safe working conditions and to receive a written reply to that request within 1 month of receipt of the request, together with a justification if the request is not granted; • as regards a probationary contract: ensuring that the length of the probationary period is commensurate with the expected duration of the fixed-term employment contract and the type of work.

<p>8. Social dialogue and involvement of workers</p>	<ol style="list-style-type: none"> 1. Draft law on collective labor agreements and collective agreements. 2. Revision of the Directive on European Works Councils (Draft directive of the European Parliament and of the Council amending Directive 2009/38/EC as regards the establishment and operation of European Works Councils and the effective enforcement of the right to transnational information and consultation). 3. Draft law amending the Act on the Social Dialogue Council and other institutions of social dialogue. 	<ol style="list-style-type: none"> 1. The draft law aims to promote collective bargaining and to increase the coverage of collective agreements. The Act implements the provisions of Directive (EU) 2022/2041 of the European Parliament and of the Council of 19 October 2022 on adequate minimum wages in the European Union – in the area of promoting collective bargaining. 2. The aim of the draft Directive is to improve the effectiveness of the framework for information and consultation of workers at transnational level. In particular, the legislative initiative aims to: (a) avoiding unjustified differences in workers' minimum rights to information and consultation at supranational level; (b) ensuring the efficient and effective establishment of EWCs (including gender balance); (C) ensuring adequate resources for EWCs and an effective information and consultation process; (D) promoting more effective enforcement of the Directive, including through access to justice for workers' representatives and effective, dissuasive and proportionate sanctions. 3. The draft Act aims at realising the criteria for the representativeness of employers' organisations and at creating a new format for determining the composition of the Social Dialogue Council. The intended effect of the amendment is to balance the position of representative trade union organisations and representative employers' organisations in the SDC. The development of new criteria for establishing representativeness will boost social dialogue and improve the functioning of the Council. It will also counteract the decision-making stalemate on the distribution of the number of representatives.
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EFPS Principle	Key actions	Estimated impacts (qualitative or quantitative)
9. Work-life balance	<ol style="list-style-type: none"> 1. The Act amending the Labour Code and certain other acts (entered into force on 21 February 2023 and some of the provisions on telework on 7 April 2023) introduced into the Labour Code legal arrangements enabling the performance of remote work. Remote working arrangements replaced the existing teleworking rules. 2. The Act amending the Labour Code and certain other acts (entered into force on 26 April 2023) implemented the Directive on work-life balance for parents and carers into Polish law. 3. Additional maternity leave was introduced by the Act of 6 December 2024 amending the Labour Code and certain other acts (Journal Of Laws 2024, item 1871) and entered into force on 19 March 2025. 	<ol style="list-style-type: none"> 1. Remoting working is important for workers in particular for family reasons, including reconciliation of work with family responsibilities where, for example, the worker is unable to provide care for the children in the event of their illness. The provisions on remote working will help to better reconcile family and professional responsibilities, and will also provide support to people in groups with lower activity rates (due to family and care responsibilities, as well as their place of residence making it difficult to commute to the workplace) to find permanent employment. 2-3. Work-life balance measures can contribute to supporting women in the labour market, sharing care responsibilities equally between men and women and reducing the gender pay gap. Fathers' use of work-life balance regulations, such as leaves or flexible working arrangements, has a positive impact on reducing the amount of unpaid family work performed by women and leaves them more time for paid work.
10. Healthy, safe and well-adapted work environment and data protection	<ol style="list-style-type: none"> 1. Implementation of the multiannual programme entitled Government Programme for the Improvement of Safety and Working Conditions. Phase VI of the programme was implemented in 2023-2025. It is planned to prepare phase VII of the programme for 2026-2028. 	<ol style="list-style-type: none"> 1. The objective of the Programme is to develop innovative organisational and technical solutions aimed at developing human resources and new products, technologies, methods and management systems, the use of which will significantly reduce the number of people employed in exposure to hazardous, harmful and nuisance factors and reduce the number of accidents at work, occupational diseases and the resulting economic and social losses. Phase VI is implemented by: - 67 tasks in the field of state services (Part A of the Programme), - 42 research and development projects (Part B of the Programme).
11. Childcare and support for children	<ol style="list-style-type: none"> 1. Introduction of the Family 800+ programme (as of 1 January 2024, amendment from the Family 500+ programme). 	<ol style="list-style-type: none"> 1. Better material situation for children and families with children.

EFPS Principle	Key actions	Estimated impacts (qualitative or quantitative)
	<p>2. Introduction of the 'Active Parent' programme (from 1 October 2024).</p> <p>3. Modification of the 'Active Toddler' programme and introduction of the 'Active Day Care' programme.</p> <p>4. Implementation of tasks under the Law of 12 March 2022 on assistance to Ukrainian citizens in connection with the armed conflict on Ukrainian territory:</p> <ul style="list-style-type: none"> financing the stay of children – Ukrainian citizens placed in the Polish foster care system; employment by the District Family Assistance Centre (PCPR) of a person to assist a temporary guardian when the latter has more than 15 children; psychological assistance, volunteer assistance, translators or assistance in dealing with official affairs; the PCPR keeps a register of minors of Ukrainian citizens who have arrived in the territory of the Republic of Poland unaccompanied by their primary carer and of minor Ukrainian citizens who entered the territory of the Republic of Poland and were placed in foster care on the territory of Ukraine prior to their arrival; service costs for the district as a result of the provision to the temporary guardian of benefits and subsidies in kind or in the form of payment of services. <p>5. funding for the foster care of unaccompanied minor foreign children</p> <p>6. financing the foster stay of children not resident in Poland but residing in Poland and persons placed in foster care on the basis of a decision of a court or other authority of a foreign state with the consent of a Polish court.</p> <p>7. In 2024, PLN 110 million from the Labour Fund was allocated under government programmes to support municipalities and district governments. This consisted of two government programmes:</p> <p>a) Government Support Programme families 'Family Assistant in 2024' (allocation up to PLN 70 million). The objective of the Programme was to support the implementation of tasks</p>	<p>2. Greater support for parents of children up to the age of the age3.</p> <p>3. The creation of new childcare facilities for children up to the age of three, in particular in municipalities that have so far been deprived of institutional forms of childcare for children up to the age of 3.</p> <p>4. In 2024, PLN 29 million was spent on these tasks.</p> <p>5. in 2024, PLN 10.5 million was spent on these tasks.</p> <p>6. in 2024, PLN 2.8 million was spent on these tasks.</p> <p>7. Allocation – up to PLN 110 million from the Labour Fund</p>

EFPS Principle	Key actions	Estimated impacts (qualitative or quantitative)
	<p>including also the tasks referred to in the Act on Support for Pregnant Women and Families 'For Life';</p> <p>b) "Government support programme for district in the organisation and creation of family foster care in 2024' (allocation of up to PLN 40 million). The objective of the Programme was to support districts in carrying out their own tasks relating to the family foster care, system.</p>	
12. Social protection	<p>1. Compulsory pension and disability insurance for employees and persons carrying out non-agricultural activities on the Act on social insurance system (Journal Of Laws 2025, item 350).</p> <p>2. Since 19 March 2025, legislation introducing maternity allowance for the period of supplementary maternity leave entered into force: —Law of 25 June 1999 on cash social insurance benefits in respect of sickness and maternity (Journal of Laws 2023, item 2780).</p>	<p>1. Both employees and the self-employed are subject to compulsory pension insurance. Number workers subject to mandatory insurance pensions (as of 31 December 2024):</p> <p>a) workers: 11.6 million people,</p> <p>b) persons leading non-agricultural activities: 1.8 million people.</p> <p>The only difference between employees and persons conducting non-agricultural activity is the nature of sickness insurance. For the first group, it is obligatory, while for the second group it is voluntary. As at 31 December 2024, more than 1.4 million people engaged in non-agricultural activity registered for voluntary sickness insurance, which is 80% of all those people registered for compulsory retirement and disability insurance (the insured person appears only once, regardless of the number of title codes with which the insured is insured).</p> <p>Accident insurance is mandatory for both groups of insured individuals.</p> <p>In Poland, there is no separate insurance title code for self-employed persons; instead, there is a universal title: individuals conducting non-agricultural business activity. However, this does not mean that all such individuals are self-employed.</p> <p>2. Maternity allowance for the period of complementary maternity leave is available to insured persons (mother or father raising a child) if they are born too early or are born about time, but will require hospitalisation after birth, i.e.:</p>

EFPS Principle	Key actions	Estimated impacts (qualitative or quantitative)
	<p>–Regulation of the Minister Family, Labour and Social Policy of 8 December 2015 on the scope of information on the circumstances affecting the entitlement to or the amount of social security benefits in the event of sickness and maternity and the documents necessary for the grant and payment of benefits</p> <p>3. On 25 March 2025, the Council of Ministers adopted a draft law amending the Act on pensions from the Social Insurance Fund and certain other acts.</p>	<ul style="list-style-type: none"> • before the 28th week pregnancy or birth weight of not more than 1 000 g, • at the age of 28 weeks of pregnancy and before reaching the age of 37 weeks of pregnancy and with a birth weight of more than 1 000 g, • after the 37th week of pregnancy and his/her stay in hospital, provided that the child's stay in hospital after birth is at least 2 consecutive days, with the first of these days falling between the 5th and 28th day after birth. <p>This allowance can also be used by persons who have taken in a child:</p> <ul style="list-style-type: none"> • For upbringing as a foster family, except for a professional foster family • applied to the guardianship court to initiate proceedings for the adoption of the child <p>The right to supplementary maternity leave in the event of the adoption of a child is granted on the same terms as the insured person who gave birth to the child, but on the condition that the child's stay in hospital took place after the child was taken into account.</p> <p>The amount of maternity allowance for the period of supplementary maternity leave depends on: the week of pregnancy in which the child is born, its birth weight and the period of the child's stay in hospital. The monthly maternity allowance for the period determined by the provisions of the Labour Code as the period of supplementary maternity leave will amount to 100% of the allowance calculation basis.</p> <p>The right to maternity allowance for the period of supplementary maternity leave will be granted to persons subject to sickness insurance (obligatory or voluntary).</p> <p>3. The bill provides for an increase in the amount of the funeral allowance from PLN 4,000 to PLN 7,000 (by 75%). The prepared draft additionally assumes the valorization of the funeral allowance. The amount of funeral allowance will be increased by the index of increase in consumer prices and services if inflation in a given year exceeds 5%.</p>

EFPS Principle	Key actions	Estimated impacts (qualitative or quantitative)
		<p>The bill introduces the possibility of granting a targeted allowance to cover funeral costs.</p> <ul style="list-style-type: none"> – if the deceased is not entitled to funeral allowance, – if the person who paid the costs funeral is entitled to a funeral allowance and has incurred extraordinary and unpredictable costs in connection with funeral (including transporting the body from abroad).
13. Unemployment benefits	<p>1. The possibility of receiving unemployment benefits under the Employment Promotion and Labour Market Institutions Act of 20 April 2004 (Journal Of Laws 2025, item 214), which will be replaced by the Labour Market and Employment Services Act.</p> <p>2. Institutional and organisational reform of the Public Employment Services (PES). (see chapter II.2 Reports, Action 3.a)</p>	<p>1. Labour Fund:</p> <p>Number of unemployed 786.2 thousand (end 2024).</p> <p>Average gross unemployment benefit in PLN (January-December 2024): PLN 1759,16.</p> <p>2. Improve the skills of PES staff in order to improve the quality of the services provided by the IVS.</p>
14. Minimum income	<p>1. A statutory verification of income criteria in social assistance was carried out (in 2024).</p> <p>2. By order of the Minister for Family, Labour and Social Policy, a <i>Social Assistance Reform Group, an opinion-giving and advisory body of the MFLSP</i>, was set up to analyse, inter alia, the availability of benefits, services and other forms of support under the social assistance system.</p>	<p>1. The income criteria for social assistance have been increased: for a single person household, the current figure is PLN 1010 (an increase of 30 %), per person in the family household: currently PLN 823 (an increase of 37 %).</p> <p>2. Better targeting of benefits, services and other forms of support within the social assistance system.</p>
15. Old age income and pensions	<p>1. The possibility of obtaining pensions under the Farmers' Social Insurance Act of 20 December 1990 (Journal Of Laws 2024, item 90, 1243 and 1871).</p> <p>2. Annual adjustment of pensions on the basis of the provisions of the Act of 17 December 1998 on pensions from the Social Insurance Fund.</p>	<p>1. Agricultural Social Insurance Fund: number of pensioners (December 2024) – 968689; pension benefits (January-December 2024) – PLN 22 971 million; average gross pension in PLN (January-December 2024) – PLN 1979.</p> <p>2. Increase pensions in a way that maintains the purchasing power of the benefit (maintaining its real value) in response to rising consumer prices. The adjustment is carried out annually from 1 March, ex officio, and covers the benefits currently paid (i.e. awarded before the adjustment date). Pension supplements shall also be adjusted. The valorisation rate in 2025 was estimated at 105.5 %.</p>

EFPS Principle	Key actions	Estimated impacts (qualitative or quantitative)
	<p>3. So-called widow's pension – the possibility of combining a survivor's pension with another pension, such as a pension or an incapacity for work pension, paid between 1 July 2025 and 31 December 2026 at the rate of 15 % and from 1 January 2027 at 25 %. This benefit may be increased in subsequent years.</p>	<p>New amounts of selected benefits as of 1 March 2025: PLN 1878,91 – lowest pension, total incapacity pension, survivor's pension and social pension (an increase of PLN 97.95), PLN 1409,18 – the lowest partial incapacity pension (increase of PLN 73.46), PLN 348,22 – care allowance, secret teaching and Combatant allowance (an increase of PLN 18.15).</p> <p>3. Financial assistance to retired persons who have lost their spouses. It is estimated that up to 2 million older people will be supported and pensions will increase.</p> <p>Up to a limit equal to three times the lowest pension, the payment of a widow's pension will not result in a reduction in the amount of benefits. It will not matter whether the pension comes from KRUS, ZUS or any other scheme. People who lost their spouse several years ago will also be entitled to additional money.</p>
16. Protecting health	<p>1. <i>Inverted pyramid of healthcare services project implemented under the 2021-2027 European Funds for Social Development programme – FERS</i> (e.g. consistency of billing products with the patient's path; Primary healthcare units as a place where medical care is planned and delivered and coordinates the provision of services; relieving the hospital system of the need to carry out outpatient diagnostic and therapeutic tests;</p> <p>development of an electronic platform for communication and cooperation between the hospital, outpatient specialist care (AOS) and primary healthcare units for diagnosis and treatment; reorganisation of e-direction, e-registration and electronic health records systems).</p> <p>2. <i>FERS Primary health protections regions</i> Project: this includes identifying areas of protection for health services, creating the conditions for increasing accessibility (including spatial) to health services and building citizens' health security.</p>	<p>1. The expected increase in the quality, efficiency and accessibility of healthcare services, while optimising the use of resources; increase in the share of outpatient benefits: reducing waiting times for healthcare provision; ensure a holistic diagnostic and therapeutic process for the patient.</p> <p>2. Increasing the availability of healthcare services that respond to the regional and local health needs of citizens; support for territorially sensitive policies that address, inter alia, areas of concentration of negative epidemiological and demographic phenomena.</p>
17. Integration of people with disabilities	<p>1. Implementation of the FERS project: "Communication Centre for Persons with Disabilities". Project to remove barriers in communication</p>	<p>1. Creation of a Communication Centre for different types of people disability, ensuring communication and obtaining information, including through alternative</p>

EFPS Principle	Key actions	Estimated impacts (qualitative or quantitative)
	<p>of person with disabilities.</p> <p>2. Implementation of two FERS projects: “Standardisation of the Supported Employment Model in Poland”. A project to improve employment and employability of persons with disabilities, thereby contributing to the integration of persons with disabilities and ‘Testing the implementation of an assisted employment service’. The project is the second – implementation – part of the activities foreseen in the FERS programme concerning the test implementation of an assisted employment service in the disability support system.</p> <p>3. Implementation of the FERS project: ‘Reconstruction of the disability assessment model’.</p> <p>4. By 31 December 2024, under the FENG 2021-2027:</p> <ul style="list-style-type: none"> - four accessibility calls implemented by NCBR and PARP in 2023 and 2024 under Measure 1.1 SMART Path amounting to PLN 1.33 billion (PLN 890 million NCBR and PLN 444 million PARP), corresponding to around 4 % of the EU allocation; - 259 applications were submitted amounting to PLN 1.62 billion (7 applications for PLN 112.4 million at the NCBR and 252 applications for PLN 1.5 billion PARP), which corresponds to around. 5 % of the EU allocation; - 12 co-financing agreements amounting to PLN 76.20 million were signed (11 agreements amounting to PLN 73.83 million in PARP and 	<p>and assistive means of communication (AAC) and sign language. The establishment of the Centre will make it possible to implement the principles of the Convention: respect for the dignity, autonomy and independence of the person, freedom to make choices, non-discrimination, participation and inclusion in society, equal opportunities, accessibility.</p> <p>2. The aim of the projects is to develop a project for an assisted employment model with environmental consultations and to implement i.e. the implementation by specialised agencies of assisted employment piloting.</p> <p>3. The aim of the project is to develop a comprehensive disability assessment model that responds to the individual needs of persons with disabilities and a system of benefits and other forms of support. The modified disability assessment model will be based on the International Classification of Functioning, Disability and Health (ICF) and in line with the provisions of the UN Convention on the Rights of Persons with Disabilities (CRPD).</p> <p>4. The expected effect of the competitions is to increase accessibility, understood as removing one or more barriers, e.g. in physical spaces (including buildings, devices), digital reality, information and communication systems, products, services, processes, or meeting the specific needs of persons with disabilities and special needs.</p>

EFPS Principle	Key actions	Estimated impacts (qualitative or quantitative)
	1 agreement at NCBR for the amount of PLN 2.38 million), which corresponds to approx. 0.2 % of EU allocation.	
18. Long-term care	<ol style="list-style-type: none"> 1. Preparation by the World Bank, in cooperation with the relevant ministries, of the <i>Strategic Review of the Long-Term Care System in Poland</i> (published on 28/06/2024 in the BIP of the Ministry of Health and the Ministry of Family, Labour and Social Policy). 2. Definition of long-term care, informal care and informal carer, common to health and social assistance systems, together with a catalogue of long-term care and long-term care services in both systems, developed by the Working Group on Long-Term Care (LTC). 3. Long-term care working group to analyse communication cases between health and social assistance systems for the provision of information on people in need of long-term care. 	<ol style="list-style-type: none"> 1. Prepare conclusions and recommendations as a basis for further action on the implementation of the long-term care reform in Poland. 2. Prepare a definition base for long-term care for the development of legislation implementing the reform priorities in this regard. 3. Prepare the basis for developing an ICT map and tools to improve the coordination of long-term care between health and social assistance systems.
19. Housing and assistance for the homeless	<ol style="list-style-type: none"> 1. In 2024, for the programme "Overcoming Homelessness. A programme to help homeless people", PLN 5.5 million was allocated. 2. In February 2024, the Nationwide Survey on the Number of the Homeless was carried out at the request of the Ministry of Family, Labour and Social Policy. 3. Support municipalities and local housing policy bodies to create a housing stock for low- and middle-income earners and an intervention resource for people at risk of social exclusion. 	<ol style="list-style-type: none"> 1. 44 non-governmental organisations (NGOs) were co-financed as a result of an open call for proposals under the 2024 edition of the 'Overcoming Homelessness' Programme. 2. As a result of the Nationwide Survey on the Number of the Homeless, 31042 people were diagnosed in homelessness crisis, 80 % of whom were men and 20 % were women. The survey allows for having up-to-date and detailed data on people affected by homelessness in Poland. 3. The creation and modernisation of an energy-efficient housing stock for low- and middle-income households, which will help homeless people aspiring to secure their housing needs in the form of municipal housing, social rental or reduced rent housing. Provide funding for support instruments for those responsible for implementing housing policies and helping homeless people.
20. Access to basic services	European Funds for Infrastructure, Climate, Environment 2021-2027 – Priority VII 'Culture': the selection of projects for support shall take into account criteria relating to the objectives of the EFPS and social inclusion issues;	<ol style="list-style-type: none"> 1. So far, 19 projects have been co-financed. Examples of projects pursuing the objectives of the EFSS could be: the project 'Muzeum Poznań – Extension, conservation and making available of the city's most valuable renaissance monuments' and the project

EFPS Principle	Key actions	Estimated impacts (qualitative or quantitative)
	including in particular the integration of persons with disabilities and access to essential services.	“Chartoryski Book Library – Extension and reconstruction of the branch of the National Museum in Kraków”.

Source: Ministry of Economic Development and Technology.

Annex 3. Achieving the Sustainable Development Goals (SDGs) – main actions and their estimated impact²⁷

Sustainable Development Goals	Key actions	Estimated impacts (qualitative or quantitative)
1. No poverty	<ol style="list-style-type: none"> 1. Additional annual cash benefits for pensioners – 13rd and 14th Old-age pension. 2. Introduction of the Family 800+ programme (as of 1 January 2024, amendment from the Family 500+ programme). 3. Activities in the field of social economy. 4. Housing policy instruments to address the housing problems of low- and middle-income earners (support for the construction of municipal housing, development of social rental housing). 5. Aid schemes aimed at residents in the form of rent subsidies (Housing for Start Scheme) or housing benefits. 	<ol style="list-style-type: none"> 1. Improving the situation of older people. 2. Better material situation for children and families with children. 3. Improve the accessibility and quality of social services. 4. Increasing the availability of energy-efficient and affordable rental housing. In 2024, 419 investments were eligible for funding under the municipal and social housing support programme, resulting in the creation of 11078 dwellings. 5. In 2024, 7075 dwellings were covered by the rental subsidy scheme 'Housing for Start'.
2. Zero Hunger	<ol style="list-style-type: none"> 1. Support under the intervention of the Common Agricultural Policy Strategic Plan 2023-2027 (basic income support, payment for small farmers, complementary redistributive income support, complementary income support for young farmers, coupled income support in 13 sectors, payment for areas facing natural or other specific constraints). 2. Support under the Common Agricultural Policy Strategic Plan 2023-2027 intervention to support structural transformations/measures to increase the competitiveness of farms and agri-food producers. (e.g. investments in farms improving competitiveness, investments in farms in RES and energy efficiency improvements, investments to prevent the spread of ASF, development of small farms. 3. European Funds for Food Aid 2021-2027 programme (sub-programmes 2023 and 2024 implemented by the National Centre for Agricultural Support). 	<ol style="list-style-type: none"> 1. Support the resilience of the agricultural sector to enhance long-term food security, as well as to ensure the economic sustainability of agricultural production. 2. Improving the competitiveness of farms (including small and medium-sized enterprises), strengthening their market situation and their resilience to a variety of shocks (sickness, weather, market). 3. Addressing material deprivation through food and/or basic material assistance to the most deprived persons, including children, and providing accompanying measures supporting their social inclusion. Under the 2023 sub-programme purchased 43 thousand tonnes of foodstuffs worth approximately PLN 270 million. The distribution of items close

²⁷ The table includes, as a general rule, the 2024-2025 actions related to the implementation of specific SDGs. The full SDG implementation report is the subject of a separate report (last available <https://www.gov.pl/web/rozwoj-technologie/monitoring-realizacji-agendy-2030>, next report planned for July/August 2025).

Sustainable Development Goals	Key actions	Estimated impacts (qualitative or quantitative)
	4. "School scheme".	<p>to 1 million people lasted from June 2024 to January 2025. Under the 2024 sub-programme, approximately 49 thousand tonnes of foodstuffs worth PLN 345 million are planned to be delivered to warehouses.</p> <p>4. Support consumption and foster healthy eating habits of children in primary schools – promotion of healthy lifestyles. In the school year 2023/2024, 1.75 million children (90 % of the target group) out of 11.800 primary schools participated in the programme, while 1.79 million children (88 % of the target group) participate in the school year 2024/2025 out of 11.800 primary schools.</p>
3. Good health and well-being	<p>1. Multi-annual investment programmes.</p> <p>2. National Health Programme 2021-2025.</p> <p>3. Development of telemedicine.</p> <p>4. Implementation and operation of the National Oncology Network.</p> <p>5. Implementation and operation of the National Cardiological Network.</p> <p>6. A package of changes in different areas of women's health – 'Aware, safe myself' (in vitro fertilisation, HPV vaccination, perinatal care, diagnosis and treatment of endometriosis).</p>	<p>1. Improve the quality of healthcare services.</p> <p>2. Increasing healthy life years for Poles, reducing social health inequalities.</p> <p>3. Reducing the cost of medical procedures, reducing the burden on patients, increasing the availability of medical services.</p> <p>4. Providing cancer care based on the same diagnostic and therapeutic standards to every patient regardless of their place of residence; organisation of diagnostic and therapeutic pathways and patient coordination and support at all stages of cancer care.</p> <p>5. Providing every patient, regardless of their place of residence, with cardiological care based on the same diagnostic and therapeutic standards; organisation of diagnostic and therapeutic pathways and patient coordination and support at all stages of cardiological care.</p> <p>6. Ensuring women's sense of health protection and awareness of their rights; increasing awareness and prevention of women's health; ensure that infertility couples have equal access to the extracorporeal fertilisation procedure.</p>
4. Quality education	1. Modern staff for Polish industry 2017-2026	1. Introduction of 1st and 2nd level industry schools, updating of the training offer in professional education professions, measures to increase employers' involvement in organisation

Sustainable Development Goals	Key actions	Estimated impacts (qualitative or quantitative)
	<ul style="list-style-type: none"> 2. 'Included in education' project. 3. Educational activities in the area of sustainable development (for the public and private sectors). 4. National Reading Development Programme 2.0 (2021-2025). 5. The National Conference on the Development of Arts and Cultural Education "Add Children Wing" organised in October 2024 by the Ministry of Culture and National Heritage, in cooperation with the Ministry of National Education. The conference brought together 500 people from different sectors, including artistic education, state education, non-governmental organisations and independent experts. 	<ul style="list-style-type: none"> of practical apprenticeships, compulsory career guidance. 2. Ensure quality education in kindergartens, schools and inclusive education institutions. 3. Increase knowledge and awareness on sustainability issues. 4. Strengthening the role of public, school and pedagogical libraries as local centres of social life as a hub for access to culture and knowledge. 5. The conference resulted in the following key initiatives: development of guidelines on universal accessibility to artistic and cultural education, creation of a Competence Centre to develop the competences of teachers and ambassadors responsible for artistic education, creation of a Communication Centre to integrate and promote artistic education in Poland.
5. Gender equality	<ul style="list-style-type: none"> 1. National Action Programme for Equal Treatment 2022-2030. 2. National Programme for the Prevention of Family Violence 2024-2030. 	<ul style="list-style-type: none"> 1. Eliminate discrimination from society in Poland, raise public awareness of equal treatment. 2. Protect and assist survivors of domestic violence, raise public awareness of the causes and consequences of domestic violence.
6. Clean water and sanitation	<ul style="list-style-type: none"> 1. The European Funds for Infrastructure, Climate, Environment (FEnIKS) programme 2021-2027 (support for the construction of new municipal infrastructure for the collection of urban waste water, and for the construction, reconstruction, extension and renovation of municipal infrastructure for its treatment, as well as the construction and modernisation of the infrastructure necessary for the collection, treatment, storage and distribution of water). 2. Water scarcity programme 2023-2027, with a 2030 perspective. 3. National Urban Wastewater Treatment Programme. 4. RRP, component B Green energy and reducing energy intensity. In action B3.1.1. Investment in sustainable water and waste water management in rural areas all 	<ul style="list-style-type: none"> 1. Increasing the number of drinking water storage facilities, increasing the population connected to improved collective water supply systems, Reducing water loss in collective water supply systems. 2. Increase available water resources. 3. Reduce discharges of undertreated waste water from agglomerations, protect the aquatic environment from adverse effects. 4. The objective of investment B3.1.1 is to increase the availability of sewage infrastructure in the areas with the highest deficits and to raise the standard of quality of life in rural areas through the

Sustainable Development Goals	Key actions	Estimated impacts (qualitative or quantitative)
	the voivodships have created and published preliminary ranking lists. Detailed verification and possible correction of eligible applications is being carried out.	development of water and sewerage infrastructure. An additional objective of the investment is also to increase the investment potential of rural areas.
7. Affordable and clean energy	<ol style="list-style-type: none"> Measures to improve energy efficiency and RES (including improving the energy efficiency of multi-dwelling buildings in the broad sense through long-term support policies for energy renovation and phasing out of conventional energy sources). Energy Policy of Poland until 2040 Decarbonisation of the transport sector by increasing the use of renewable energy in the form of biocomponents added to traditional fuels (including advanced biocomponents), clean biofuels and RES electricity. Multiannual Development Programme for the Use of Geothermal Resources in Poland. European Funds for Infrastructure, Climate, Environment 2021-2027 – Priority I FENX.01 Support to the energy and environment sectors from the Cohesion Fund, Priority II FENX.02 ERDF support to the energy and environment sectors. RRP, component B Green energy and energy intensity reduction, REPowerEU component G. 	<ol style="list-style-type: none"> Increasing the share of RES, low-carbon and efficient use of energy produced, decarbonisation of industrial enterprises, reduction of greenhouse gas emissions. In 2024, the TERMO programme granted support for energy renovation, renovation and RES installations in 3289 residential buildings, with 152866 dwellings. Declared capacity of new RES installations: 52.4 MW. Ensuring energy security, protecting the environment. Increasing Poland's fuel safety and energy independence, reducing the negative impact of transport on the environment. Development and exploitation of geothermal potential in Poland. Support is intended, inter alia, to improve energy efficiency (ca. EUR 2.5 billion), district heating infrastructure (ca. EUR 974 million), renewable energy sources (EUR 738 million), electricity and gas infrastructure (ca. EUR 1.711 billion). Accelerate the energy transition towards clean energy. The total allocation for the energy transition in the RRP is EUR 7.1 billion in the grant part and more than EUR 22.6 billion in the loan part. The RRP offers support, inter alia, for the transition of key economic sectors to a low-carbon model. Within this framework, European funding will provide additional funding for investments in energy infrastructure development, improvement of energy efficiency and increase.
8. Decent work and economic growth	<ol style="list-style-type: none"> Polish Investment Zone. Measures to improve the labour market. 	<ol style="list-style-type: none"> Support for entrepreneurship (increased share of projects from the micro, small and medium-sized enterprises (SMEs) sector). The share of the Polish SME sector in the number of projects was 56 % in 2022 and 67 % in 2023. Strengthening employment, organising training/traineeships, supporting unemployed people in job-search.

Sustainable Development Goals	Key actions	Estimated impacts (qualitative or quantitative)
	<p>3. Strategy for the Rights of Persons with Disabilities 2021-2030.</p> <p>4. Introduction of certification of public procurement contractors.</p> <p>5. Strengthen dedicated education and information activities in the area of public procurement for SMEs through a cycle of free and full-day public procurement training for SMEs that have not yet applied for public contracts.</p> <p>6. Creation of an online platform pzp.gov.pl as a knowledge base, a forum for exchange of views and an instrument to search for partners to perform contracts through the 'Consortium' module.</p>	<p>3. Inclusion of persons with disabilities in work and social life, improvement of accessibility.</p> <p>4. Simplify, speed up and strengthen the verification of contractors by creating the possibility for specialised and independent certification bodies to carry out this verification. The possibility to replace by a single certificate a number of documents and declarations which are always completed and submitted in the context of the procedure. A once verified entity will be able to use the certificate issued for a wide range of procurement procedures.</p> <p>5. Increase SMEs' knowledge and legal awareness of public procurement, which will increase their propensity to participate in the procurement market.</p> <p>6. Strengthen the professionalisation of public procurement market participants and facilitate cooperation between SME economic operators to bid for public contracts (e.g. access to educational materials, opportunity to discuss public procurement problems through the forum).</p>
9. Industry, innovation and infrastructure	<p>1. By 31 December 2024, under the FENG 2021-2027:</p> <ul style="list-style-type: none"> - 69 calls for funding were announced for PLN 28.95 billion, which corresponds to around 84.23 % of EU allocation; - 9576 applications were submitted for PLN 82 billion, which corresponds to about PLN. 238.57 % of the EU allocation; - 1070 applications worth PLN 13.31 billion were selected for funding, which corresponds to around. 38.74 % of the EU allocation; - 900 co-financing agreements amounting to PLN 11.70 billion were signed, corresponding to about PLN. 34.04 % of EU allocation. <p>2. National Smart Specialisations.</p> <p>3. Innovation relief packages.</p> <p>4. Transport infrastructure development activities.</p>	<p>1. The expected effect of the projects is to increase the innovation and competitiveness of Polish companies and scientific entities.</p> <p>2. Innovation support.</p> <p>3. Entrepreneurship support.</p> <p>4. Development of road, rail, air, inland waterway transport.</p>
10. Reduced inequalities	<p>1. Advisory Support Centre project.</p> <p>2. National Action Programme for Equal Treatment 2022-2030.</p>	<p>1. Support for local administration units in cooperation, strengthening the competences of local authorities.</p> <p>2. Eliminate discrimination from society in Poland, raise public awareness of equal treatment.</p>

Sustainable Development Goals	Key actions	Estimated impacts (qualitative or quantitative)
	<ol style="list-style-type: none"> 3. Grant projects to increase the accessibility of local government units and cultural institutions. 4. Project to support the implementation of a surveillance system for the Act on ensuring compliance with accessibility requirements for certain products and services (EAA). 5. Project to increase the availability of rail transport services. 6. Operation and operation of the coordination point on the development of public policies for accessibility. 	<ol style="list-style-type: none"> 3. 280 public entities will implement solutions to improve the accessibility of services. 4. 1 Single Market Surveillance System created. 5. 12 entities in the railway sector whose representatives will receive specialised training on customer service with specific needs. 6. Existing laws (2) and other legislation on ensuring accessibility (1) and the resulting system for ensuring accessibility in Poland.
11. Sustainable cities and communities	<ol style="list-style-type: none"> 1. (a) Updating the Implementation Plan for the National Urban Policy 2030 (the most important national document setting out the urban policy, directions and conditions for their development that can be created by the central administration) and assigning tasks and timetables for implementation under the 2030 NUP to individual ministries in 2024. NUP 2030 was adopted by the Council of Ministers on 14 June 2022. (b) The solutions proposed in the document are of a horizontal nature and focus on requirements at national level. NUP 2030 diagnoses the most important challenges for cities and functional areas and their thematic scope fits into European urban development trends and the Sustainable Development Goals (SDGs). 2. City Partnership Initiative – organisation of regular and individual meetings, conferences and advice bringing together representatives of cities and public administrations. 3. Preparation of Improvement Plans by the World Bank under the PIM from April 2024 with a time horizon until March/April 2026. 4. Green Urban Transformation. Local Development Programme. 5. Local Development Programme. 	<ol style="list-style-type: none"> 1. (a) better coordination of the activities carried out under the individual areas of the 2030 KPM. Making it possible to carry out some of the tasks of the 2030 NUP (to date with a non-designated department responsible for their implementation and lack of a timetable). (b) – equip local and regional authorities with instruments to improve the retention of rainwater and prevent submelting. <ul style="list-style-type: none"> - Improving the management of the city's blue-green infrastructure. - Increased availability of affordable housing for social housing. - Develop solutions to ensure the sustainability of social housing. - Reduce the number of missing assisted housing as a result of the much greater support provided by the public administration to municipalities in the creation of such housing. 2. Modernising cities and strengthening their capacity – building and strengthening city-to-city networks to share knowledge and implement urban projects. 3. Enhancing the competence of cities and government administrations to implement energy, land-use planning and housing measures. 4. Funding support for the green transition. Supporting small and medium-sized cities in developing and implementing a sustainable and systemic approach to local development, including: 5. Supporting small and medium-sized cities in developing and implementing a sustainable and systemic approach to local development, which will help reduce negative developmental phenomena and raise the standard of living of their inhabitants.

Sustainable Development Goals	Key actions	Estimated impacts (qualitative or quantitative)
	<p>6. On 11 January 2025, the Act of 27 November 2024 amending the Environmental Protection Act and certain other acts entered into force, introducing an obligation for cities with at least 20 thousand inhabitants to draw up an urban adaptation plan (MPA).</p> <p>7. National Programme for the Protection and Care of Monuments 2023-2026.</p> <p>8. Project 'Competence Centre for Revitalisation at the National Heritage Institute' under the project entitled "Support for local administration units in the implementation of development activities" implemented by the Department of Assistance Programmes at the Ministry of Development Funds and Regional Policy under Technical Assistance for European Funds 2021-2027. Project implementation period: 2024-2027. The amount of the grant awarded is PLN 5 million.</p>	<p>6. Increasing cities' resilience to climate change, reducing the impact of climate change on people's health and lives.</p> <p>7. Strengthening conservation staff, heritage conservation, promotion and development role for cities and local communities, including climate issues. The total amount of funds for the implementation of the Programme over the entire implementation period amounts to almost PLN 56 million.</p> <p>8. Support municipalities in programming and implementing regeneration, taking into account tangible and intangible cultural heritage.</p>
12. Responsible consumption and production	<p>1. Common Agricultural Policy Strategic Plan for 2023-2027.</p> <p>2. State Purchasing Policy 2022-2025</p> <p>3. Establishment (April 2024) of an Interministerial Team for Green Public Procurement.</p>	<p>1. Development of organic farming.</p> <p>2. Support for the development of the potential of SMEs.</p> <p>3. The work of the Team will result, inter alia, in drawing up recommendations on the objectives to be achieved by government bodies in the field of green public procurement, consistent with the State's purchasing policy, and by carrying out an analysis of their degree of implementation, and by establishing and updating, at least every two years, a catalogue of works, supplies or services, together with the environmental aspects assigned to them or other requirements, which are required or recommended to be applied when awarding public contracts, taking into account the European Commission's recommendations set out in the EU GPP criteria sets.</p>
13. Climate action	<p>1. 2030 National Environmental Policy.</p> <p>2. Support for thermomodernisation, renovation and conversion of energy sources to RES under the TERMO programme.</p>	<p>1. Climate protection – reducing greenhouse gas emissions.</p> <p>2. Supporting energy renovation, renovation and switching to RES – improving housing conditions and reducing the carbon footprint of multi-apartment buildings.</p>

Sustainable Development Goals	Key actions	Estimated impacts (qualitative or quantitative)
	<p>3. Thermomodernisation relief – the possibility of deducting from the tax base the expenditure incurred for the implementation of the thermomodernisation project (in force since 2019).</p> <p>4. Educational measures in the field of climate.</p> <p>5. European Funds for Infrastructure, Climate, Environment 20212027 – Priority I FENX.01 Support to the energy and environment sectors from the Cohesion Fund, Priority II FENX.02 ERDF support to the energy and environment sectors.</p> <p>6. RRP, component B Green energy and energy intensity reduction, REPowerEU component G.</p>	<p>3. Extending from 1 January 2025 the possibility of obtaining a thermomodernisation reduction as a result of the investment in the purchase and assembly of an energy storage facility.</p> <p>4. Raising knowledge and awareness; promoting energy efficiency solutions for buildings and solutions based on renewable energy sources and the use of green materials, strengthening climate action.</p> <p>5. Support is intended, inter alia, to improve energy efficiency (ca. EUR 2.5 billion), district heating infrastructure (ca. EUR 974 million), renewable energy sources (EUR 738 million), electricity and gas infrastructure (ca. EUR 1.711 billion).</p> <p>6. Shifting the energy mix towards low-carbon technologies. The total allocation for the energy transition in the RRP is EUR 7.1 billion in the grant part and more than EUR 22.6 billion in the loan part. The RRP offers support, inter alia, for the transition of key economic sectors to a low-carbon model. Within this framework, European funding will provide additional funding for investments in developing energy infrastructure, improving energy efficiency and increasing the use of renewable energy sources.</p>
14. Life below water	<p>1. National Sea Water Protection Programme.</p> <p>2. Programme for the development of Polish seaports until 2030</p> <p>3. RRP, component B Green energy and energy intensity reduction, B3.2.1 Investments in risk neutralisation and restoration of large-scale brownfield sites and the Baltic Sea.</p>	<p>1. Achieving good environmental status of marine waters</p> <p>2. Improving the functioning of Polish seaports</p> <p>3. Inventory of war poisoning agents and their decay products, conventional weapons, fuel and petroleum substances in wrecks at four seabed locations, neutralisation plans and investment documentation.</p>
15. Life on land	<p>1. Improving the environmental status of large-scale brownfield sites.</p> <p>2. Actions to maintain nature.</p> <p>3. Under the 2021-2027 FEnIKS and FEPW programmes, support for active nature protection measures, in line with the Priority Action Frameworks (PAF) for the Natura 2000 network in Poland for 2021-2027.</p>	<p>1. The removal, management or preservation of hazardous waste and the clearance of large-scale brownfield sites.</p> <p>2. Strengthening the protection and improvement of the quality of the environment.</p> <p>3. Increase in the area of Natura 2000 sites subject to conservation and restoration measures.</p>

Sustainable Development Goals	Key actions	Estimated impacts (qualitative or quantitative)
16. Peace, justice and strong institutions	<ol style="list-style-type: none"> Promoting human rights, democracy and the principles of good governance. Legislative action. Engagement at the UN. 	<ol style="list-style-type: none"> Building a peaceful and inclusive society based on the rule of law. The relevant legislation contributes to the implementation of the national priorities for SDG 16. Strengthening international cooperation and positioning PL on the international
17. Partnerships for the Goals	<ol style="list-style-type: none"> Development cooperation. Poland's development assistance. Mandatory contributions to the World Cultural and Natural Heritage Protection Fund and to the Intangible Cultural Heritage Protection Fund; Voluntary contributions to the Fund of the 2001 Convention on the Protection of the Underwater Cultural Heritage and to the UNESCO Heritage Emergency Fund to support the Heritage Emergency Preparedness and Response programme. 	<ol style="list-style-type: none"> Enhancing policy coherence for sustainable development. Support for the Global Partnership.

Source: Ministry of Economic Development and Technology.