



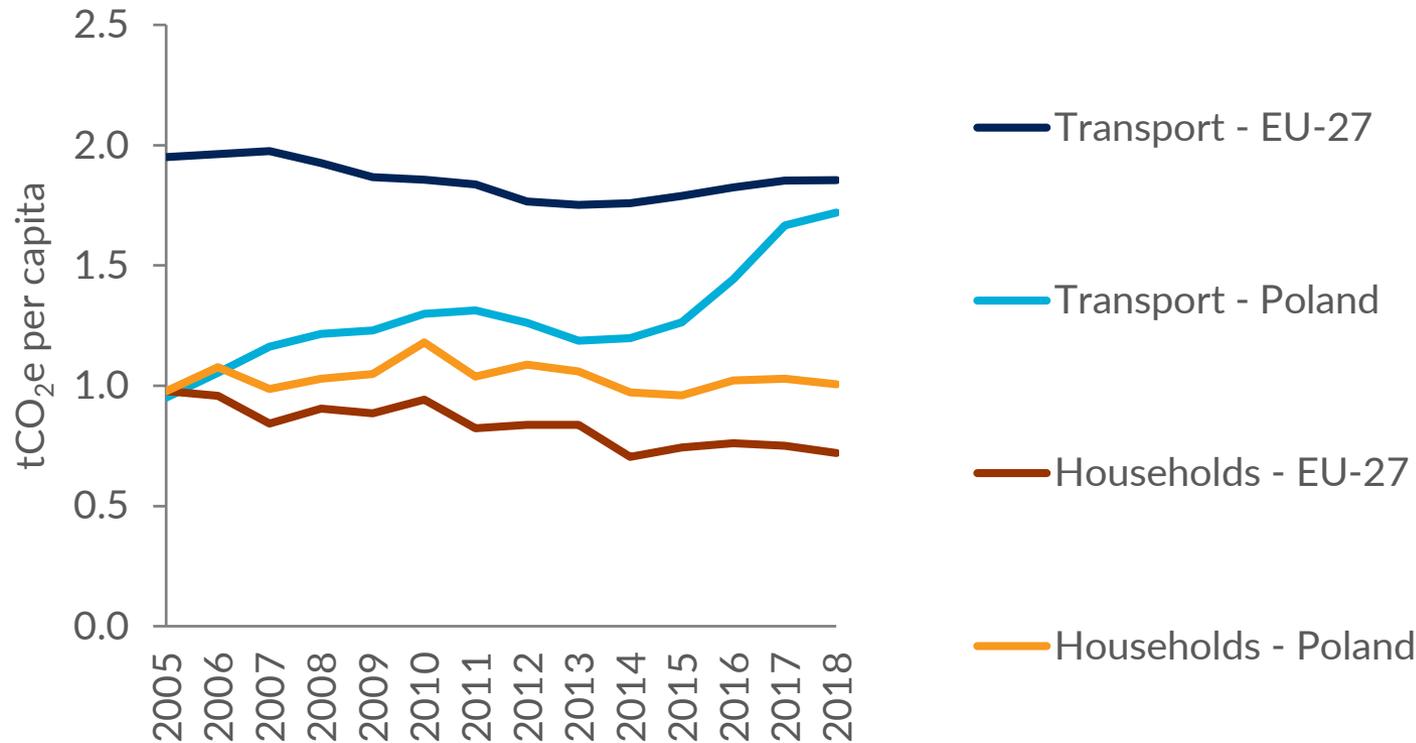
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## Extending the EU ETS – Polish context

Maciej Bukowski, WiseEuropa

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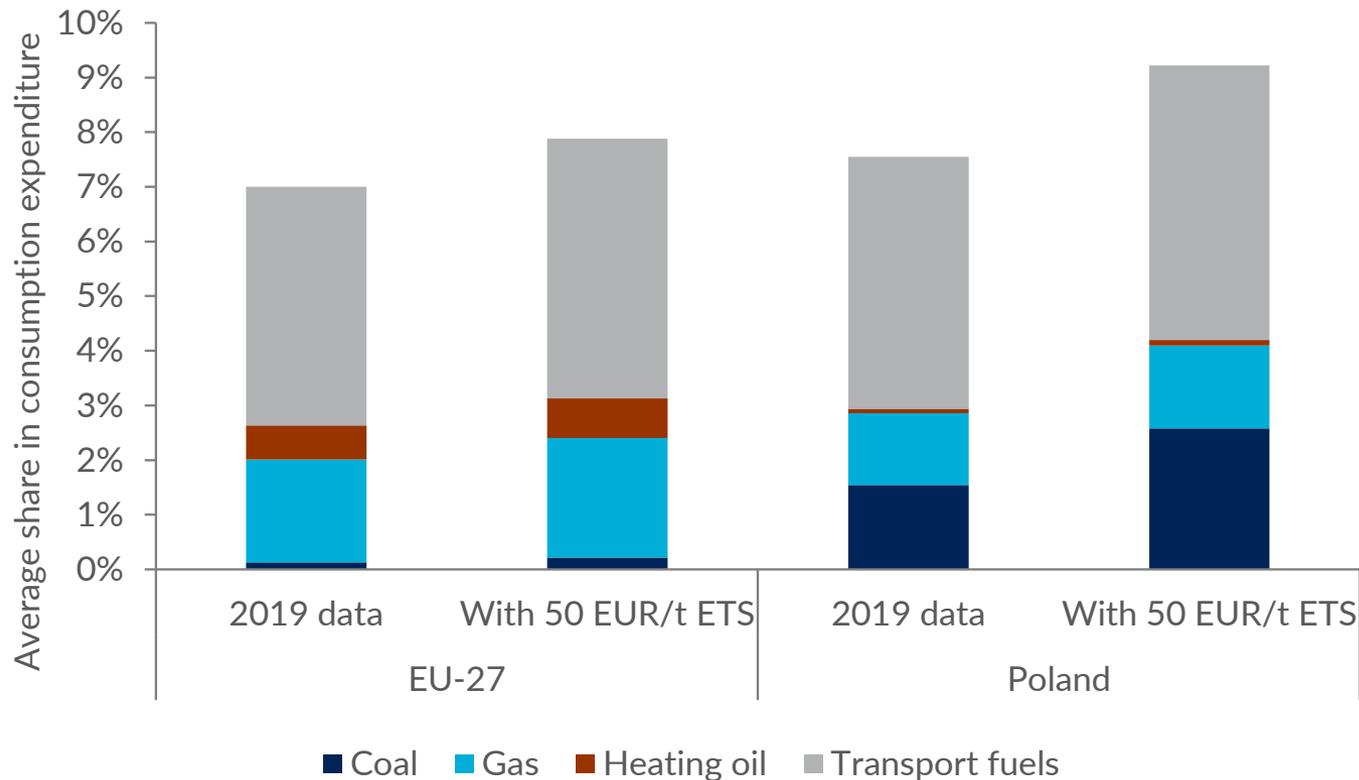
## Emission dynamics in transport and buildings: Poland vs EU-27



Source: WiseEuropa based on Eurostat

- ◆ **Transport sector:** fast growth, as PL is catching up with Western Europe. Risk of overshooting the EU average and lengthy adjustment of transport system trajectory towards more sustainable model
- ◆ **Buildings sector:** until recent years – acceptance of low-quality coal boiler heating and lack of incentives to invest in energy efficiency, gradually increasing anti-smog push since 2018. Focus on rapid switch from coal – risk of gas overinvestment

## Expenditure on direct use of fossil fuels by households: Poland vs EU-27

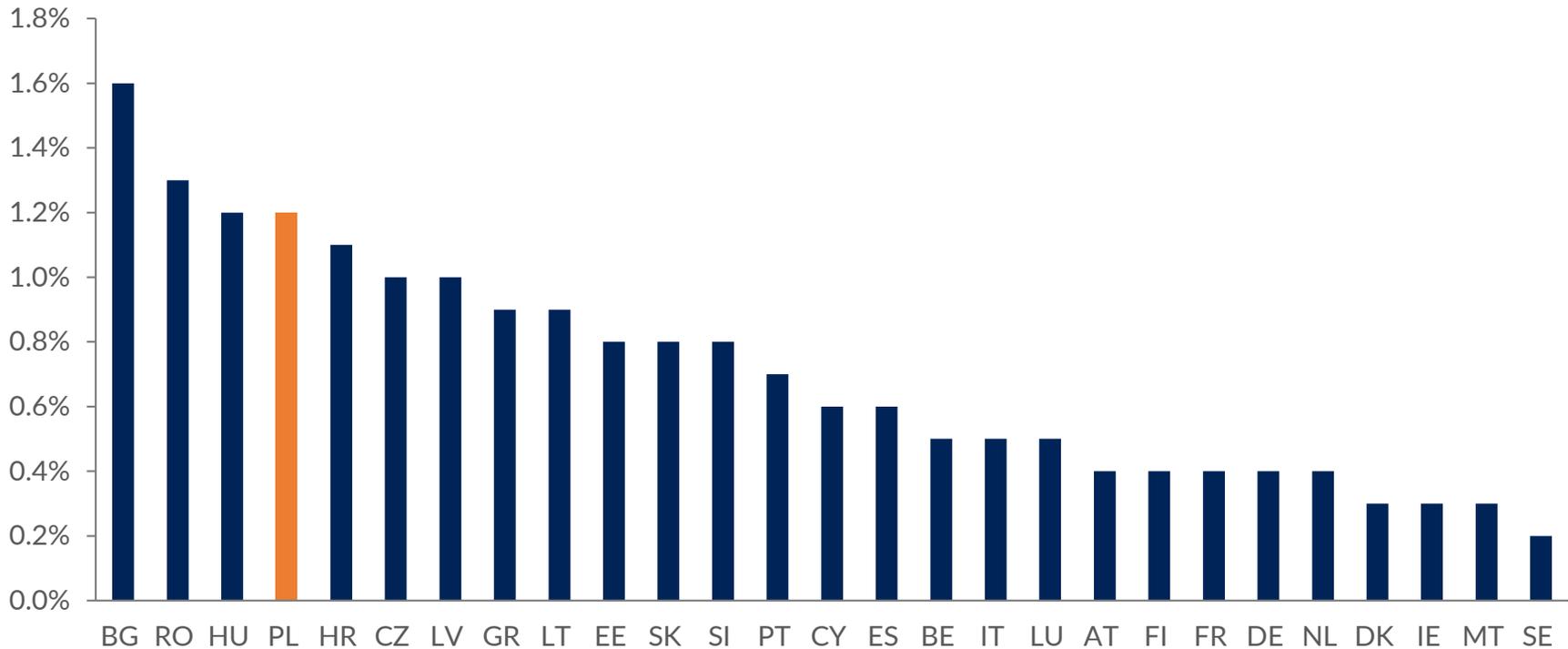


*Source: WiseEuropa based on Eurostat and Agora Energiewende/Ecologic (2021) estimates*

- ◆ Transport fuels – similar shares in household expenditures in Poland and the EU
- ◆ Main difference: coal expenditures, with very high impact of carbon pricing (high emission intensity, but also high share of energy carrier cost in final retail price compared to gas)

## Total revenues from the ETS for transport and buildings: Poland vs EU-27

Revenues from carbon pricing in buildings and transport sector as % of GDP



*Source: WiseEuropa based on Agora Energiewende/Ecologic (2021) estimates*

- ◆ ETS creates burden for households and companies, but also generates revenues for the government
- ◆ Income as the main differentiating factor – this is not only a Polish-specific issue

## ETS extension – some further considerations

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### Strategic choices

- ◆ Carbon pricing vs standards/subsidies etc. - synergies or trade-offs?
- ◆ Revenue recycling: transfers vs investment support – efficiency vs feasibility?

### Impact of the ETS on domestic policies:

- ◆ **Not if, but how to price carbon:** failure to reduce emissions in non-ETS has its own costs on the national level. ETS provides **higher visibility of costs to policymakers**
- ◆ Example of EU ETS in energy sector: direct pressure from the EU-level instrument driving national-level energy policy



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Thank you for your attention

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## Navigating without a compass

Assessment of draft Polish RRP  
released in February 2021

The flaws of the RRP are a manifestation of structural problems of Polish economic policy, while its strengths stem from the framework provided by the EC. Rather than treating the Plan as yet another, not entirely successful transfer of governance mechanisms from Brussels to Warsaw, it is better to draw conclusions from the last six months and focus not only on recovery of the economy, but also on strengthening the state's capacity in pursuing a well thought-out development policy.

Maciej Bukowski, Aleksander Śniegocki, Zofia Wetmańska



## Renovation

Landscape of climate finance  
in the Polish buildings sector

In the coming years, Poland will gain access to unprecedented funds for thermal modernization of buildings. Limited monitoring of financial flows in the area of buildings renovation creates a risk of only partial and inefficient use of this opportunity.



## Green Recovery

From crisis to  
sustainable recovery

For Poland, the biggest recovery challenge is not associated with the disbursement process of the available EU funds, but ensuring that the projects and reforms identified by the National Recovery and Resilience Plan answer to the strategic challenges of the XXI century.

Maciej Bukowski, Paweł Leszczyński, Zofia Wetmańska

