



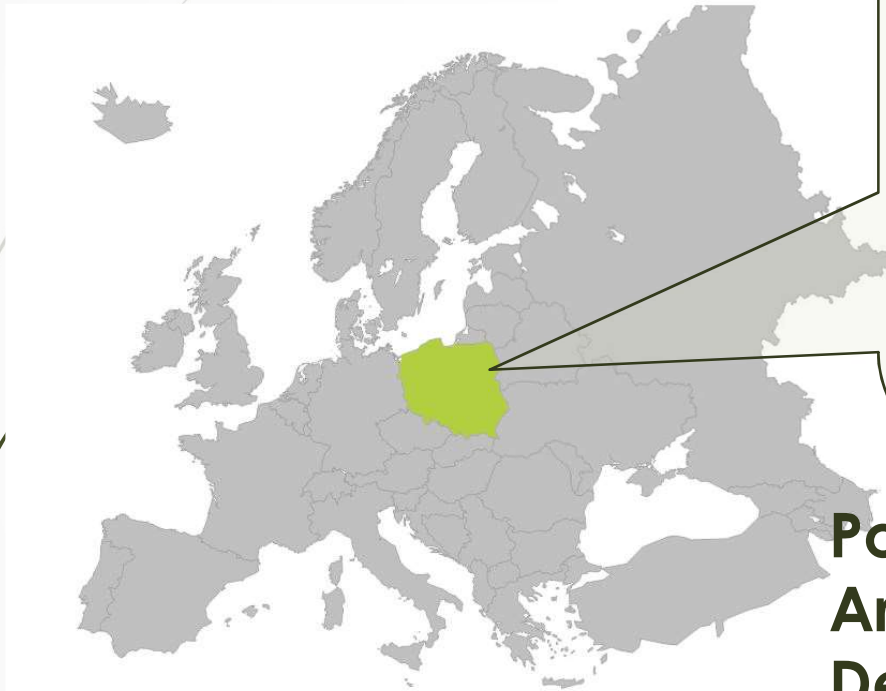
Coal Transition

Case study of Poland's economic, social & environmental transition

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Male, 28 August 2019

Poland

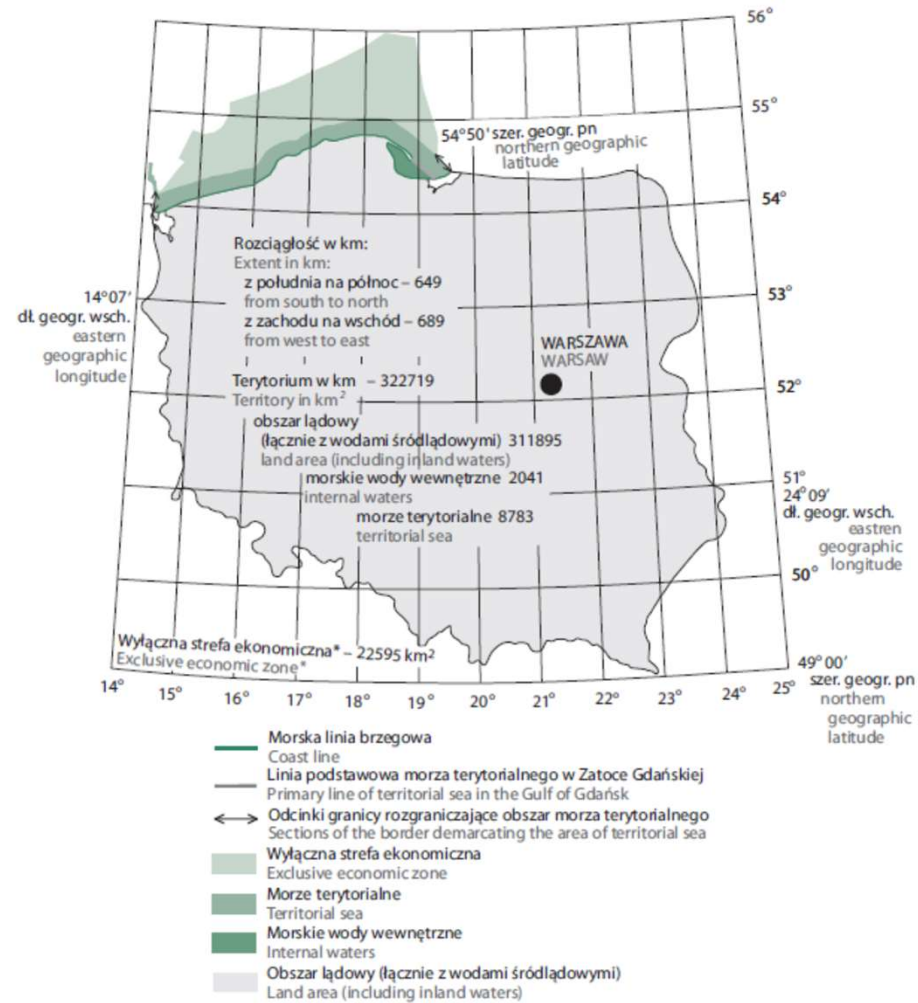


Population: 38 386 000 *(June 2019)*
Area: 312 679 km²
Density: 123 per km²

Unless indicated otherwise, all data come from Statistics Poland – www.stat.gov.pl

Położenie geograficzne Polski

Geographic location of Poland



* Granica wyłącznych stref ekonomicznych Rzeczypospolitej Polskiej oraz Królestwa Danii nie została uregulowana dwustronną umową międzynarodową.

* Border of exclusive economic zones of the Republic of Poland and the Kingdom of Denmark has not been regulated by an international bilateral agreement.

PL – Country characteristics

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History

- 1944/1945 – 1989 a part of Soviet block, with a centrally planned economy, with strong mining and heavy industry. State-owned industry, with small (family) businesses (mainly services) and agriculture remaining in private hands.
- In 1989, after the first democratic elections, the political, economic and social transformation started.
- 1 May 2004 - Poland joined the EU.

Economic change since 1989

- Restructuring of entire economy & deployment of the latest, technologies. Energy and material intensity got reduced, also thanks to the EU environmental laws (**energy efficiency, emissions, waste, air, water, env. management ... etc.**).
- Industry remains important for economic growth, with the highest growth rate in manufacturing sector.
- Private sector, which generated in 2011 almost 86% of the value of the total production sold.

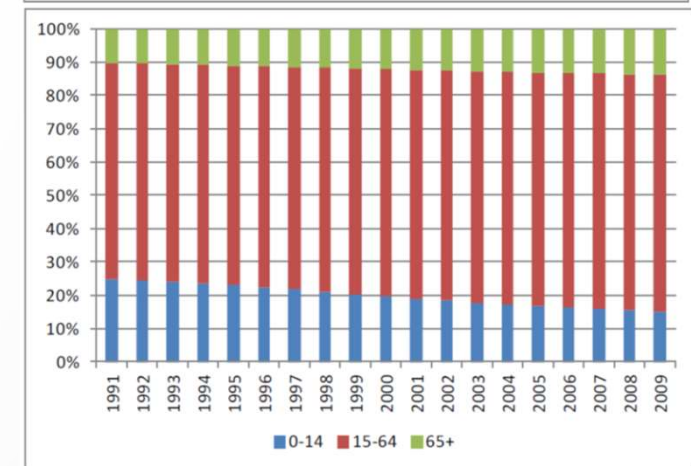
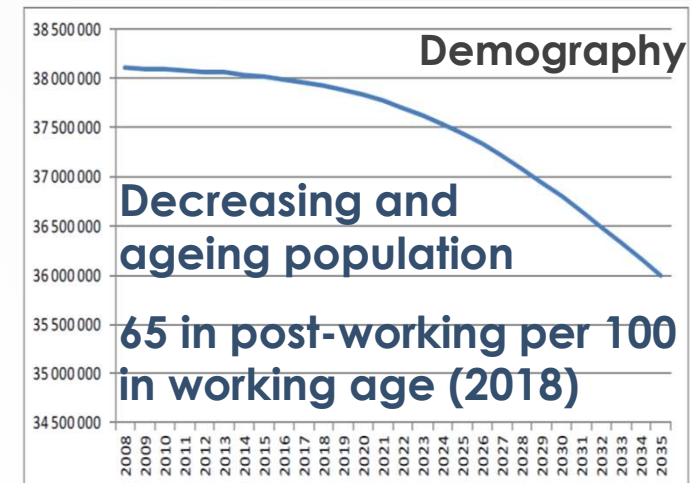


Figure 2 Structure of population according to age

Source: OECD Statistics, 2011

The Constitution of the Republic of Poland of 2nd April 1997

Article 5

- **The Republic of Poland** shall safeguard the independence and integrity of its territory and ensure the freedoms and rights of persons and citizens, the security of the citizens, safeguard the national heritage and **shall ensure the protection of the natural environment pursuant to the principles of sustainable development.**

Article 20

- A social market economy, based on the freedom of economic activity, private ownership, and solidarity, **dialogue and cooperation between social partners**, shall be the basis of the economic system of the Republic of Poland.

PL – Key ghg emitting sectors

Sectors (IPPC – classification)			
1	Energy		81.4%,
1.A	Fuel Combustion		95.2%
	1.A.1	Energy Industries	53.7%,
	1.A.2	Manufacturing Industries and Construction	9.6%
	1.A.3	Transport	15.0%
	1.A.4	Other Sectors	16.9%
1.B	Fugitive Emissions from Fuels		4.8%,
4.	Agriculture		8.8%,
2.	Industrial Processes		7.2%
6.	Waste		2.4%,
3.	Solvent and Other Product Use		0.2%.

Source: KOBiZE, Environmental Protection Institute - PIB

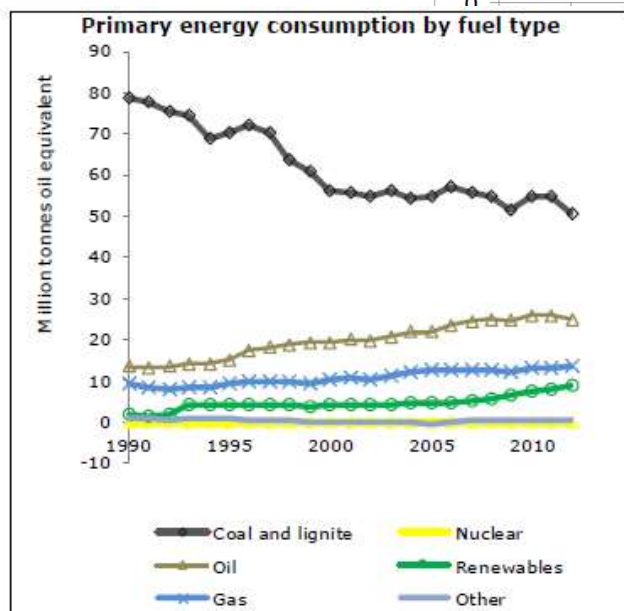
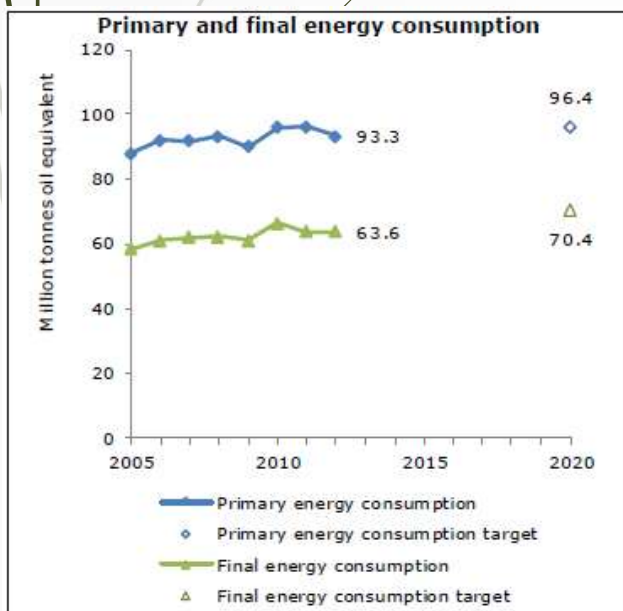
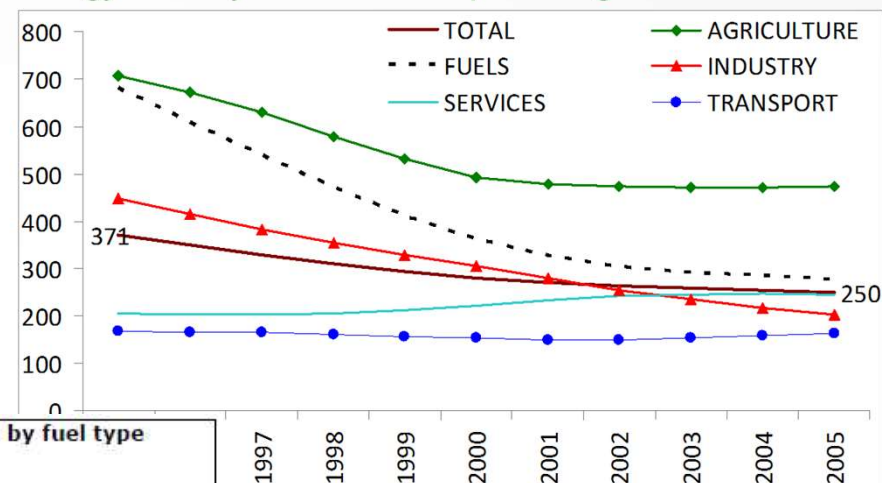
PL – economic transformation basic data

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Before EU accession

Source: own analysis of publicly available data

Energy intensity of Poland as a percentage of the EU15 level



The transition continues

Source: Country profile – Poland (EEA – 2015) – data from 31 July 2014

Climate change (related) policies - challenges

High demand for final energy alleviated by efficiency measures

Inadequate generation and transmission infrastructure (ageing power plants, gaps in the grid)

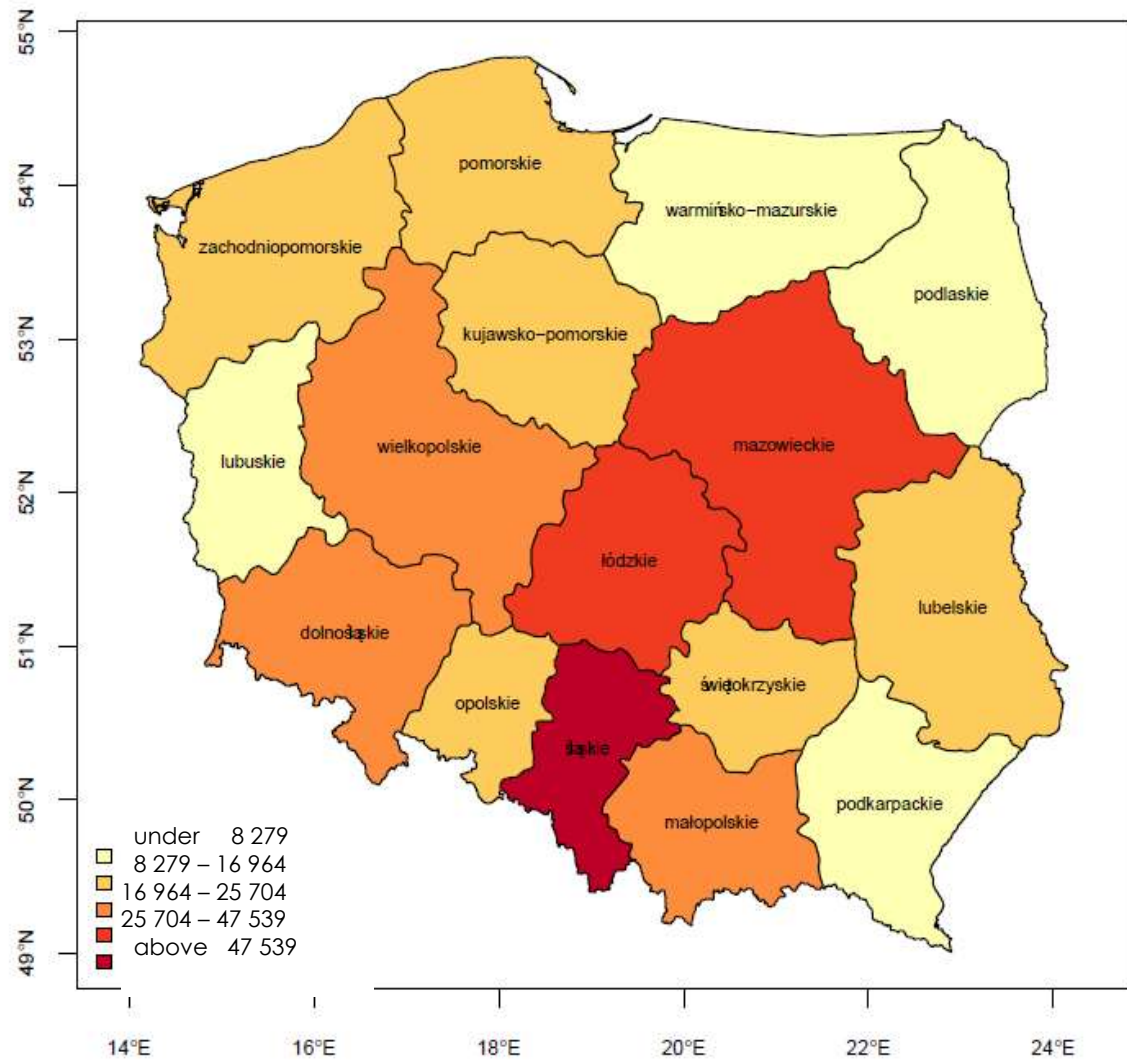
Significant dependence on external supplies of gas

Commitments on environment and climate protection compel to take decisive actions

Almost 100% dependence on external supplies of crude oil



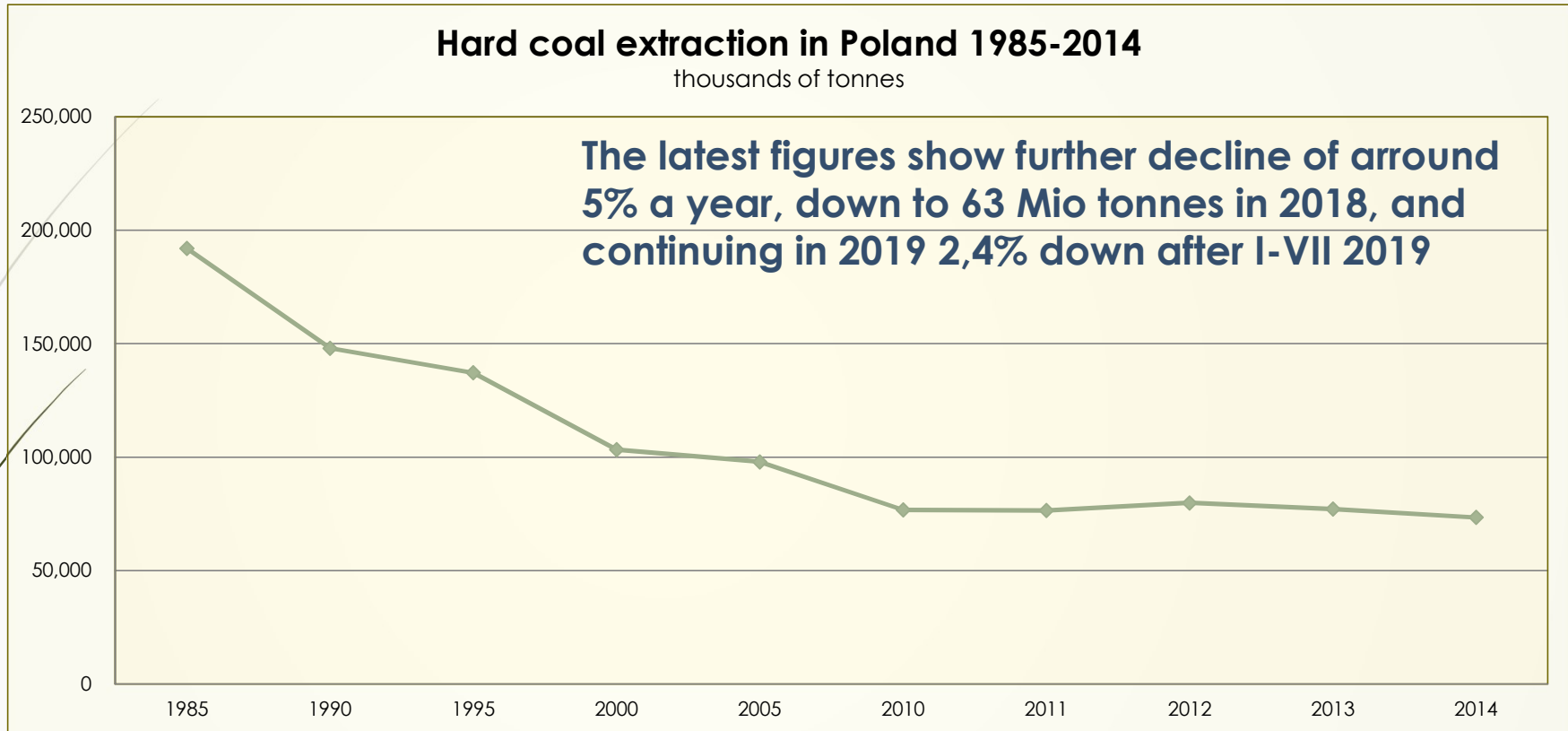
Impacts - regional



Source: KOBiZE

Impacts

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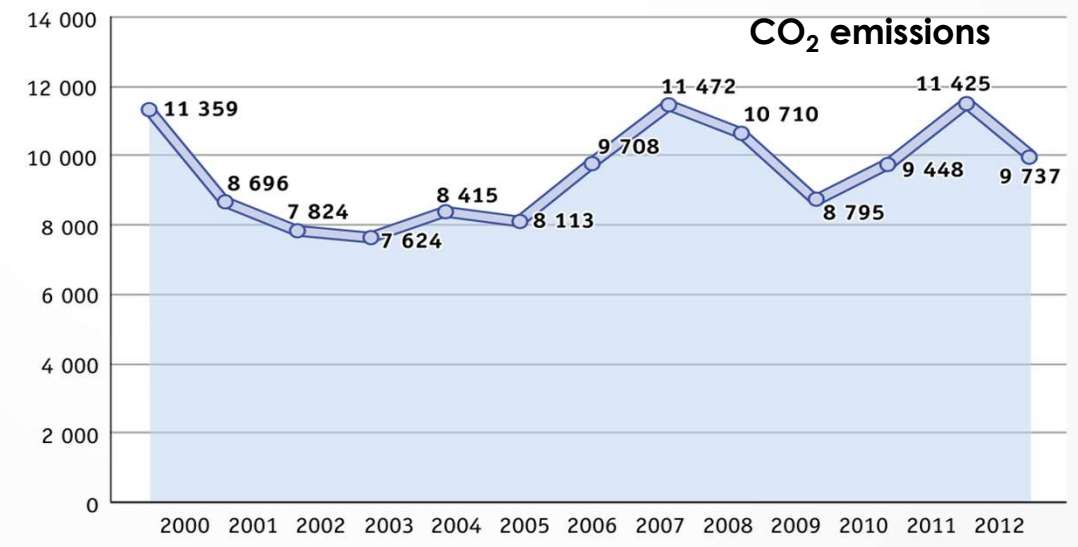
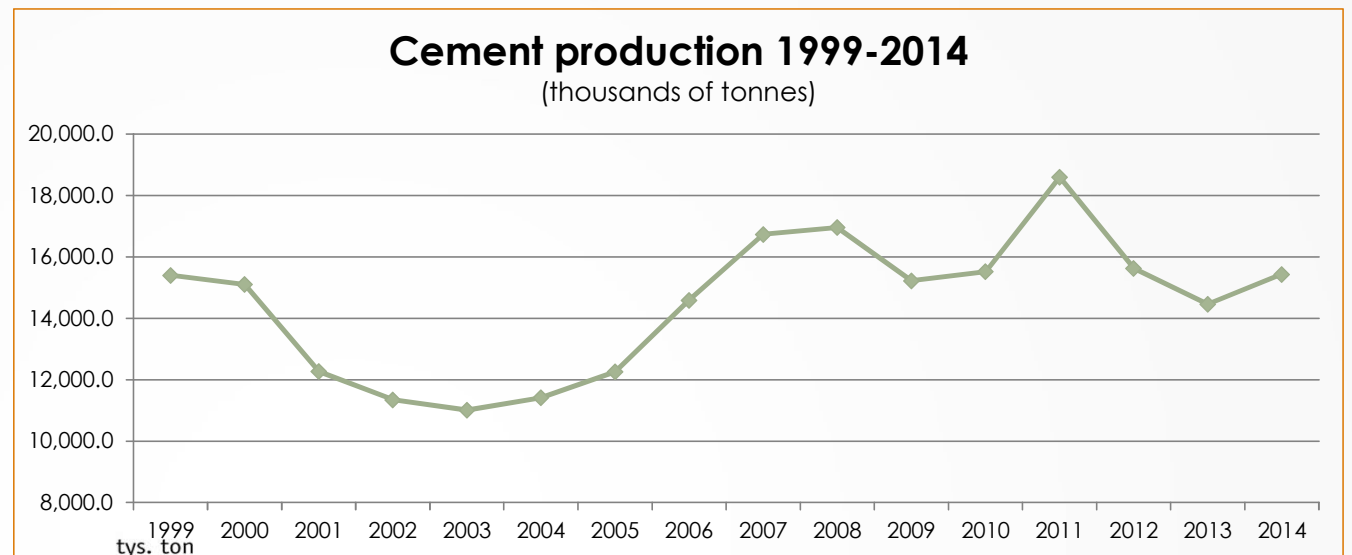
Social and economic impacts due to closing down mines, which used to be most important employers in the regions / town, thus leaving thousands of families without secure source of income.

Impacts

Economic impacts:

Need to invest in efficient technology, but big demand for combustible waste (old tyres, plastics) created.

Source: www.polskicement.pl



Mitigation of economic impacts

- Free allocations of emission allowances under EU ETS, to address energy poverty as well as loss of competitiveness on global markets
- Non-commercial loans from environmental funds with interest paid back to beneficiaries, provided it is invested in improvement of environmental performance.
- Access to subsidies supporting environmental investments, including EU funds
- Thermo-modernisation funds made available for both public and private buildings
- Special economic zones with tax exemptions to boost job creation in the regions, which lost most of their economic potential

Environmental finance

- Environment considered the key challenge of Polish transformation
- **National Fund for Environmental Protection and Water Management** (www.nfosigw.gov.pl), created in 1989
- In 2011, the outlays on environmental protection (on fixed assets) amounted to 12.1 billion PLN (around 4 billion US\$) (compared with 7.5 billion PLN in 2007), including **3.1 billion PLN for air and climate protection**. In recent years, the share of expenditures on environment in the total outlays in the economy – wide, remained at the level of about 5%, which represents about 0.8% of the GDP
- Over 30 years 250 bn PLN worth investment programmes have been financed by the fund




The stakeholders

- Businesses
- Civil society
- Indigenous groups
- Academia
- UN and other IGOs
- Cities and subnational authorities

They must take **their share of responsibility** when cooperating, acting jointly with other organisations as well as national governments within the legal systems of all countries

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The basic deeds concerning the social partners [Contact](#)


Social dialogue:


In the modern diverse societies where the interests of different groups are not convergent, it is generally accepted that people which are subject to the decisions being prepared should have the possibility to express their needs and to participate in the decision-making process. This fundamental rule shall apply to the way of acting of the broadly interpreted democratic institutions as well as to the world of work.


In the Polish Constitution's preamble this act is defined: *'as the basic law for the State, based on respect for freedom and justice, cooperation between the public powers, social dialogue as well as on the principle of aiding in the strengthening the powers of citizens and their communities'*. Moreover, the Article 20 of the Constitution states: *'Social market economy based on the economic activity's freedom, private ownership and solidarity, dialogue and co-operation of social partners, enacts the basic of economic system of the Republic of Poland'*.


The social dialogue entails the involvement of employers, employees and governments into the decision-making process regarding employment and workplace-related issues. This dialogue includes all types of the negotiations, consultations and an information exchange between the representatives of abovementioned groups, on the issues of common interest, related to the economic, labour and social policy. The aim is to create a socio-economic cohesion, legitimised by the society as broadly as possible.

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 **KAPITAŁ LUDZKI**
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 Ministerstwo Rodziny, Pracy i Polityki Społecznej
Departament Dialogu i Partnerstwa Społecznego

UNIA EUROPEJSKA
EUROPEJSKI FUNDUSZ SPOŁECZNY 

Social dialogue – purpose and partners

- The aim is to create a socio-economic cohesion, legitimised by the society as broadly as possible.
- The social dialogue entails the involvement of **employers, employees and governments** into the decision-making process regarding employment and workplace-related issues.
- Includes all types of the **negotiations, consultations and an information exchange** between the representatives of abovementioned groups, on the issues of common interest, related to the economic, labour and social policy.

General information

- There is no legal definition of **Social dialogue**. The notion of Social Dialogue covers:
 - all mutual relations between organised workers and employers;
 - their relations with public administration (government, local self-governments other institutions);
 - permanent interaction between partners, who aim at reaching the agreement on diverse social and economic issues both in macro and micro levels.
- **Institutionalized – tripartite dialogue** – designated institutions negotiate/consult/... according to legal acts. Only „representative” organisations (both workers’ unions and employers federations) can participate, present views and talk to public authorities, including parliament.
- **Non- institutional dialogue** – collective bargaining agreements, consultations etc. Where the partners (employers and employees) execute their legal prerogatives. Inclusion of other civil society organisations is also possible.
- Ad – hoc (every day dialogue) – in case of urgencies

Forms of social dialogue

- The social dialog may have a **tripartite** or **bipartite** form.
- The **bipartite** (autonomous) **dialogue** between social partners (i.e. the employees and employers) may have the form of collective bargaining or any other form of negotiation, cooperation, preventing and solving of the disputes.
- The **tripartite dialogue** – on country level – engages the representatives of employees, employers and government in the discussion on the public issues, projects of legal solutions and other decisions taken, concerning the interests of the employers and employees. It may be extended and apply to the other entities.

The levels of social dialogue

- **Country level** – central level, engaging social dialogue institutions (in Poland: Social Dialogue Council);
- **Sectoral** – covering sectoral problems and involving tripartite sectoral subgroups as well as the institutions of bipartite dialogue;
- **Regional** – on the regional (voivodship) level in Voivodship Social Dialogue Councils;
- **Enterprise level** – direct conversation between an employer and the representatives of trade unions, workers' council etc, but **without government representatives**.

What makes the dialogue effective

- The independence of the trade unions and good balance between social partners.
- The existence of their organizational structures at the national level and their representativeness and ability to transfer the arrangements to the lower levels of their organizations.
- The existence of matters open to negotiations, i.e. the issues which are not fully, unilateral regulated by the state.
- Trust and willingness of all dialogue stakeholders to take common actions.

It is not only about coal

- ▶ Coal and oil communities - community renewal with investment in new energy, new industries and new jobs is vital.
- ▶ Cities - investment in low and zero emissions transport, clean energy and circular economy are the way forward.
- ▶ Industry - switching to renewable energy must be supplemented with clean industrial processes.
- ▶ Workers - collective bargaining ensures that essential support is there for reskilling and redeployment.
- ▶ Governments and their leaders - just transition offers the opportunity to solve three key challenges at once: Climate change, growing inequality and social inclusion.

Source: A Report for OECD May 2017. <https://www.ituc-csi.org/just-transition-centre>

Poland 2019

► **Politics**

- Political transition moved country from single party system into mature democracy.

► **Economy**

- Successfully transformed to become market economy able to comply with EU imposed environmental standards and compete on the single market.
- 1990-1995 transition has been a result of deliberate decision to quickly change the country, but at huge social cost, while achieving impressive environmental improvement, demonstrated by the decoupling of economic growth and GHG emissions.
- We are now getting ready for the next phase of energy transition, with nuclear plants being planned and new RES capacities

► **Social concerns**

- Ageing society and uncertainty around the retirement schemes

► **Institutional capacity**

- There is generally well developed national human and institutional capacity
- Media and education system are changing their attitude towards climate change and sustainability, and public awareness got enhanced. COP24 helped.
- Big role of social partners (environmental NGOs) in this efforts

Climate related policies

- EU Climate – Energy Policy (40% reduction by 2030)
 - EU ETS
 - Effort Sharing Regulation
 - RES – quota on renewable energy
- Energy policy
 - Energy policy till 2030, (under the revision - till 2050)
 - Less carbon emissions from power sector – 6 nuclear reactors until 2040
- Transport policy
 - Development of public transport, particularly rail transportation
 - Integration of different modalities
 - **Act on electromobility** – infrastructure + quota of the minimum number of e-vehicles in public institutions and/or their subcontractors, fiscal benefits
- Agriculture and Forestry
 - Reduce the use of fertilizers, promote organic farming
 - Achieve the 30% by 2020 and 33% of territory covered by forests by 2050
 - Carbon forests – adding new species (mostly beech) to enhance carbon storage capacity by forest's biosystem
- Industrial & Clean Air policies
 - Circular economy, new waste management legislation
 - Phasing out solid fuels from households – happening now!

Electromobility and alternative fuels act

of 11 January 2018

- The requirement regarding charging infrastructure
- Tax and traffic incentives
- Clean vehicles
 - E-vehicles
 - CNG
 - Hydrogen
- Clean busses in municipalities
 - 5% of the fleet from 1 Jan 2021 r.
 - 10% of the fleet from 1 Jan 2023 r.
 - 20% of the fleet from 1 Jan 2025 r.
- Central Administration
 - 10% of the fleet from 1 Jan 2020 r.
 - 20% of the fleet from 1 Jan 2023 r.

Mitigation of social impacts

- Special programmes to support those laid off (early retirement, professional training, etc.)
- Job creation through public works, incl. improvement of infrastructure's efficiency.
- Access to subsidies supporting environmental investments, including EU funds.
- Thermo-modernization funds made available for both public and private buildings.
- Cities offering free public transport to elderly people and school children.
- Regional programmes

Sustainability of transition

Some observations/questions:

- What should be the priorities for developing/developed countries? (adaptation / mitigation)
- What level of ambition is required?
- Need to measure or monitor impacts in a comprehensive way
- How to identify suitable mitigation policies (for negative impacts)?
- What are the implications for donor organizations?
- How to take into account regional differences within country?

Sustainable transition to climate neutrality

- ▶ Transforming of a global development pattern in a way, so we can achieve **climate neutrality** by the second half of this century **remains the key long-term objective of the Paris Agreement**.
- ▶ Technology and investment driven reductions of carbon dioxide emissions must be balanced with the enhanced capacity of bio systems – forests and soil in particular to capture and store atmospheric carbon.
- ▶ Limited access to water, food and energy, without decent jobs may lead to international conflicts or even wars. Continued unbalanced development with too many struggling with poverty must be replaced by universally deployed policy of sustainable transition ensuring just and inclusive access of all to development.
- ▶ Such an access must offer equal opportunities to develop our homelands in a sustainable manner using endogenous resources and traditional knowledge, respecting everybody else's sovereignty, being mindful of the existing resource limitations.
- ▶ The balance between human, environmental and economic dimensions of development must be restored / built and maintained.

SDG#13 Climate Action is Paris Agreement



<https://www.google.sk/url?sa=i&rct=j&q=&esc=s&source=images&cd=&cad=rja&uact=8&ved=0ahUKEwi81-quvbjNAhXRzRoKHTXtA4UQjB0IBg&url=http%3A%2F%2Fwww.csm4cfs.org%2Fworking-groups%2Fsdg%2F&psig=AFQjCNE2mn2XRrFie4LjcKac4brS6TLX5g&ust=1466576367342311>

Thank you very much

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