Ministry of Finance
Republic of Poland

Sovereign Green Bond Framework

Republic of Poland

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Content

1. Introduction

The Republic of Poland (hereinafter, "**Poland**" and "**The Republic**") remains committed to addressing global climate and environmental-related challenges. Already in 2005, as a signatory of the Kyoto Protocol, Poland committed to reducing greenhouse gas (GHG) emissions by 6% between 2008-2023 (vs 1988 baseline). Exceeding this objective (domestic GHG emissions were estimated at 30% compared to the baseline year), Poland continued to actively co-shape international and European Union (EU) climate policies. As host of the 24th session of the Conference of the Parties (COP24) in Katowice, the Republic played a pivotal role in determining how to operationalize and implement the Paris Agreement.

As part of the EU Nationally Determined Contribution (**"NDC"**) under the Paris Agreement, Poland endorses the long-term objective of achieving climate neutrality by 2050 – a commitment that is transposed into several national initiatives. Furthermore, the Republic is committed to delivering on the United Nations Sustainable Development Goals (UN SDGs) 2030[1] which underscores the government's dedication to integrating climate action into national policymaking.

Poland recognizes the role of sustainable finance, in particular green bonds, in driving the transition to climate neutrality. In December 2016, the Republic published its first Green Bond Framework which was followed by the issuance of its inaugural green bond. Since then, there have been substantive developments in the sustainable finance market, alongside the climate and environmental strategy of Poland and beyond. With this framework update, Poland ensures that future green bond issuances are in line with best practice and market expectations.

2. Poland's Climate Change and Environmental Strategy

The **Strategy for Responsible Development 2020 ("SRD")**[2] outlines Poland's medium- and long-term economic policy and constitutes the development and operationalization of the Morawiecki Plan, which aims to address past economic shortcomings and current challenges by promoting a socially and territorially sustainable development model. Shaped through extensive public consultations and serving as a foundation for reforming Poland's development management system, the SRD defines key conditions, goals, and directions for national development across social, economic and environmental while establishing a coordinated implementation framework involving public institutions, businesses, academia, and society. Notably, the SRD recognizes the unique nature of Poland's natural resources and the sustainable development potential.

To align with ambitions to develop a framework that effectively protects health and ensures the well-being of its inhabitents, while ensuring their energy and climate security, Poland has updated its **National Energy and Climate Poland 2021-2030 ("NECP")**[3]. Incorporating the principle of "energy efficiency first", the NECP is designed to enable synergies across the five dimensions of the Energy Union: decarbonization; energy security; energy efficiency; internal energy market and social aspects of the transition; and research, innovation and competitiveness. The main targets set in 2019 are revised in the 2024 review, with updates reflecting greater ambition and a stronger emphasis on promoting renewable energy.

The green transition is a the heart of Poland's investment and reform agenda, and is reaffirmed through its **National Recovery and Resilience Plan ("NRRP")**[4]. Nearly half of its initiatives directly targeting environmental sustainability with priority areas focusing on the expansion of renewable energy and the promotion of sustainable mobility to decarbonize the Polish economy. With a forward-looking focus on green objectives, the NRRP underscores Poland's strategic commitment to building a low-emission, climate-resilient economy.

A range of policies, funding mechanisms, and programs are in place to complement these strategies and drive progress on environmental goals and international commitments, including:

[1] See here.
[2] See here.
[3] See here.
[4] See here.

Energy Policy of Poland until 2040 ("EPP2040")[5]

Further contributing to the implementation of the Paris Agreement, the European Green Deal and reflecting NECP targets, the EPP2040 sets the framework for the energy transition in Poland. It is understood that a successful low-emission energy transition in Poland requires active participation from end consumers and the involvement of domestic industry. Through this symbiotic relationship, the economy will be stimulated, while ensuring energy security in an innovative and socially acceptable manner, and respecting the environment and the climate. As such, Poland's energy policy is focused on three main pillars:

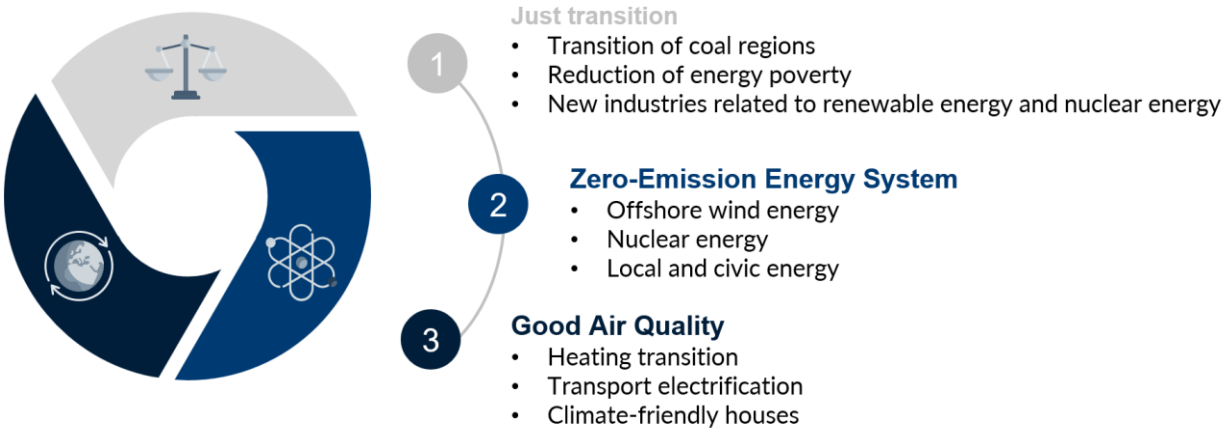

Figure 1: The Key Pillars Poland's EPP2040

1) Just Transition

Through the EPP2040, Poland commits to providing new development opportunities for the regions and communities most negatively affected by the low-emission energy transition, while creating new jobs and including new industries to participate in the energy sector. This transition will leverage national competitive advantages, create new development opportunities, and initiate modernization actions.

2) Zero-Emission Energy System

The EPP2040 recognizes that the long-term direction of the energy transition is zero-emission. Decarbonization of the energy sector will only be possible through increased investments in renewable technologies, the expansion of distributed and community-based energy generation, and the involvement of industrial energy stakeholders.

3) Good Air Quality

Improvement in air quality is one of the most noticeable outcomes in shifting away from fossil fuels. Investments in the district heating sector transition, electrification of transport and promotion of passive and zero-emission houses using local energy sources, will improve environmental health and ensure clean air in Poland.

2030 National Environmental Policy ("PEP2030")[6]

The role of PEP2030 is to promote Poland's ecological safety and ensure a high quality of life for all residents. It sets out specific goals in response to key environmental challenges, aiming to integrate environmental protection with broader economic and social priorities, particularly those related to public health, economic resilience, and climate action. These environmental objectives are supported by horizontal measures, including environmental education and the effective use of environmental policy instruments. It also establishes the basis for investing European funds under the financial perspective 2021–2027 and supports Poland's objectives and commitments internationally.

Objectives include, amongst others: sustainable water management; elimination of sources of air pollutant emissions or a substantial reduction of their impacts; protection of the land surface; multifunctional, sustained and sustainable forest management; waste management towards a circular economy; climate change mitigation and adaptation to climate change; and natural disaster risk management.

National Air Protection Program ("NAPP")[7]

The NAPP aims to improve air quality in areas where annual assessments show pollutant levels exceed target levels and to maintain compliance where standards are met. NAPP coordinates the actions resulting from the national policy framework

[5] See here.
[6] See here.
[7] See here.

on air quality in connection with policy relating to the household and municipal sector in areas such as clean energy, heat and renewable energy sources, as well as transport. It envisions short-term (by 2025), medium-term (by 2030) and long term (by 2040) action, which is consistent with the current national, provincial and municipal policy for the improvement of air quality and counteracting climate change.

National Adaptation Strategy ("NAS2020")[8]

The NAS2020 details adaptation actions to enhance resilience to the impacts of climate change in such sectors as: water management, agriculture, public health, energy, construction and transportation. Adaptive actions aim also at the protection of biodiversity and of the particularly vulnerable Polish regions, such as: the Baltic coastal zone, the Carpathians and the Sudety Mts.

Transport Sustainable Development Strategy until 2030[9]

The main objective of the national transport policy is to increase the country's transport accessibility and efficiency of the by creating a coherent, sustainable, and innovative transport system. Investment efforts are mainly focused on closing the infrastructure gap through increased transport accessibility in Poland (roads, railways, airports, inland waterways, sea and inland ports) and establishing infrastructure for an integrated transport system. Linked to this strategy, the **Polish 2030 National Railway Programme** aims to electrify 1,400 km of rail lines to decarbonize railway transport and enable the deployment of electric trains, which will provide efficient and sustainable transport services.

Sustainable forest management and conservation programs

Nature conservation in Poland has long been an essential component of the legal regime, which includes the Nature Conservation Act (NCA), the Environmental Protection Act (EPA), and the Act on the Protection of Agricultural and Forest Land. The Republic has extensive land under protection[10], with different forms of nature protection covering over 30% of its total territory and the Natura 2000 network[11] (established in accordance with relevant EU directives) covering 19.5% of the country.

National Fund for Environmental Protection and Water Management ("NFEP" & "WM")[12]

The NFEP& WM, stablished 1989, is the main pillar of the Polish system of financing environmental protection. Its main mission is to provide financial support for environmental and water managements projects. Under the fund there are different national-wide co-financing schemes to support different environmental objectives, such as the **My Water Programme** and the **Clean Air Programme**. My Water financially supports owners minimize the effects of drought and limit the effects of heavy rainfall by increasing the level of retention on the premises through collecting and using water. The Clean Air Programme aids finance comprehensive thermal modernization of the building and the replacement of an old and inefficient heat source, aiming to reduce energy consumption and sources of air pollution.

[8] See here.
[9] See here.
[10] See here.
[11] See here.
[12] See here.

3. Poland's Green Bond Framework

Rationale for Green Financing

Poland has established a Green Bond Framework (referred to as the "**Framework**") in order to issue green bond instruments to better align funding needs with the national sustainability ambitions. The update of the previous Green Bond Framework (December 2016) strengthens Poland's accountability and commitments towards environmental policies and targets, as it provides additional transparency around the financing and/or refinancing of projects which enable the transition to an environmentally sustainable, low-emission and climate resilient future.

Poland believes that green bond instruments are an effective tool to channel projects that demonstrate environmental benefits and thereby contribute to the achievement of the Paris Climate Agreement and the UN SDGs. In addition, green bond instruments will help to diversify the Republic's investor base, to enhance engagement with the existing investors and rating agencies and to contribute to the growth of the green finance market.

Basis of the Framework

Poland has established this Framework under which it can issue green bond instruments (referred to as "**Green Bond Instruments**"), which may include bonds and medium-term notes (MTNs) in any currency and/or denomination to finance and/or refinance green eligible expenditures (referred to as "**Eligible Green Expenditures**").

The Framework is based on the:

- ICMA Green Bond Principles 2021, including the updated Appendix I of June 2022[13]
- ICMA Pre-issuance Checklist for Green Bonds / Green Bond Programmes 2023 version[14]

which provide guidance in the form of four key components:

1. Use of Proceeds
2. Process for Project Evaluation and Selection
3. Management of Proceeds
4. Reporting

Poland may review and update this Framework from time to time to align with industry best market practices and future market developments, regulations, and expectations (e.g. future changes to the ICMA Green Bond Principles, and/or developments related to sustainable finance regulation). Any future version of this Framework will either maintain or improve the current level of transparency and reporting disclosures, including the corresponding review by an independent expert (referred to as the "**Second Party Opinion Provider**") which will be published on Poland's website[15].

This Framework will apply to any Green Bond Instruments issued by the Republic. For the avoidance of doubt, any future version of this Framework (including the relevant eligibility criteria) and Second Party Opinion may not necessarily apply to Green Bond Instruments issued under this Framework. Furthermore this Framework (including the relevant eligibility criteria) does not apply to outstanding Green Bond Instruments issued under the previous version of this Framework.

Moreover, this Framework, where relevant and applicable, takes into account elements of the EU Taxonomy Regulation, the EU Taxonomy Disclosures Delegated Act, the EU Taxonomy Climate Delegated Act – Annex I and subsequent amendments.

[13] See here.
[14] See here.
[15] See here.

3.1 Use of Proceeds

An amount equivalent to the (net) proceeds from Green Finance Instruments issued by Poland will be used to finance and/or refinance Eligible Green Expenditures as defined by the eligibility criteria (referred to as "**Eligibility Criteria**") set out in the table below.

Eligible Green Expenditures are funded, in whole or in part, and whether directly or indirectly, through central government budget, national funds and agencies (in particular, the National Fund of Environmental Protection and Water Management), subsidies, tax expenditures, transfer of treasury securities, or recapitalization (or a combination of all).

The Eligible Green Expenditures are limited to those that occurred no earlier than three budget years prior to issuance (*look-back period*), the budget year of issuance, and three budget years following issuance (*forward-looking period*).

Any Eligible Green Expenditures which are financed and/or refinanced by other entities (e.g., multilateral development banks, such as IBRD, EBRD, EIB, IFC, World Bank etc.) under green and/or sustainability labels are excluded to avoid double counting of the related environmental impacts.

In alignment with the Republic's broader sustainability strategy and in support of the UN SDG 2030 agenda, the Eligibility Criteria contemplated under this Framework may directly contribute to the achievement of UN SDGs[16] and EU Environmental Objectives.

Exclusionary criteria

For the avoidance of doubt, Green Bond Instruments will not be used to finance and/or refinance Eligible Green Expenditures directly associated to:

- exploration, mining, extraction, distribution and/or refining of fossil fuels
- cultivation and/or production of tobacco
- manufacturing of weapons, including controversial weapons[17]
- gambling
- production of alcoholic beverages
- landfill expenditures
- mining

[16] See here for a mapping between ICMA Eligible Categories and UN SDGs based on ICMA High Level Mapping to the Sustainable Development Goals.

[17] Controversial weapons refer to the list of controversial weapons provided in indicator 14 of Table 1 of Annex I of Commission Delegated Regulation (EU) 2022/1288, namely "anti-personnel mines, cluster munitions, chemical weapons and biological weapons".

Eligible Category	Eligibility Criteria	UN SDGs	Contribution to EU Environmental Objective
Renewable Energy	Expenditures for the construction and/or operation of **electricity energy facilities** producing electricity from: • **Wind power:** onshore and offshore facilities • **Solar power:** solar electricity generation facilities (solar photovoltaics (PV) plants, concentrated solar power (CSP)) where a minimum of 85% of electricity is generated from solar energy sources Expenditures for manufacture of: • **Biogas, biofuels for use in transport and/or bioliquids** certified according to the EU Commission approved voluntary and national certification schemes under the Renewable Energy Directive[18]		**Climate Change Mitigation**

Green Buildings	Expenditures for the construction, renovation and/or refurbishment of **administrative buildings**[19] that meet at least one of the following criteria:
	• Buildings built before 31 December 2020 have either:
	  ○ An EPC label ≥ «A»; or
	  ○ Belong to the top 15% of the national / regional building stock based on primary energy demand (PED)[20]
	• Buildings built after 31 December 2020 with energy performance, based on primary energy demand (PED) at least 10% better than the threshold for Nearly Zero-Energy Buildings («NZEB») in the local market[20]
	• Buildings that have been refurbished resulting in a reduction of primary energy demand (PED) of at least 30%[21]
	• Buildings that have been refurbished meeting the criteria for major renovations under applicable building regulations
	• New, existing, or refurbished commercial buildings which received at least one of the following certifications:
	  ○ BREEAM «Excellent» or above
	  ○ LEED «Gold» or above
	  ○ DGNB «Gold» or above
	  ○ HQE «Excellent» or above
	  ○ EDGE
	
	Expenditures for the installation, maintenance and/or repair of:
	• EV charging stations
	
	Expenditures for the installation, maintenance, upgrade, and/or repair of **renewable energy technologies, on-site**, for buildings consisting of one of the following activities:
	• Solar photovoltaic systems and the ancillary technical equipment
	• Solar hot water panels and the ancillary technical equipment
	• Solar transpired collectors and the ancillary technical equipment
	• Heat exchanger/recovery systems
			**Climate Change Mitigation**

[18] See here for a list of schemes which may be eligible.
[19] Defined as government office buildings and public facilities where services are provided directly to the public.
[20] Poland may engage external consultants to define the top 15% and NZEB-10% in the context of the national / regional building stock where any eligible green building expenditures are located.
[21] The energy performance before the renovation can be based on actual or reference energy data, energy labels or estimated energy use based on the building regulation that was applicable in the building year of the building.

	Expenditures for the installation, maintenance, upgrade, and/or repair of **energy efficiency equipment**[22] for buildings consisting of one of the following activities: • Insulation to existing envelope components, such as external walls (including green walls), roofs (including green roofs), lofts, basements and ground floors (including measures to ensure air-tightness, measures to reduce the effects of thermal bridges and scaffolding) and products for the application of the insulation to the building envelope (including mechanical fixings and adhesive) • Existing windows with new energy efficient windows • Existing external doors with new energy efficient doors • Energy efficient light sources • Heating, ventilation and air-conditioning (HVAC) and water heating systems, including equipment related to district heating services, with highly efficient technologies Expenditures related to **energy performance of buildings** consisting of one of the following: • Technical consultations (energy consultations, energy simulations, project management, production of energy performance contracts, dedicated trainings) linked to the improvement of energy performance of buildings • Accredited energy audits and building performance assessments • Energy management services • Energy performance contracts • Energy services provided by energy service companies (ESCOs) **Exclusionary criteria:** Buildings designed for the purpose of extraction, storage, transportation, and manufacture of fossil fuels		
Green Infrastructure	Expenditures for the construction and/or operation of **electricity transmission and distribution infrastructure and/or equipment** in an electricity system meeting one of the following criteria: • The system is the interconnected European system, i.e. the interconnected control areas of Member States, Norway, Switzerland and the United Kingdom, and its subordinated systems; or • More than 67% of newly enabled generation capacity in the system is below the generation threshold value of 100 gCO_2e/kWh measured on a life cycle basis in accordance with electricity generation criteria, over a rolling five-year period **Exclusionary criteria:** • Infrastructure dedicated to creating a direct connection or expanding an existing direct connection between a substation or network and a power production plant that is more greenhouse gas intensive than 100 gCO_2e/kWh measured on a life cycle basis • Installation of metering infrastructure that does not meet the requirements of smart metering systems of Article 20 of Directive (EU) 2019/944		**Climate Change Mitigation**

Clean Transportation	Expenditures for the purchase, financing, rental, leasing, operation, construction, maintenance and/or modernization of:
	
	• **Zero-emission vehicles (ZEVs):** electric, hydrogen or otherwise zero-emission passenger/freight and/or light/heavy-duty vehicles
	• **Zero-emission rail transport:** (electric, battery electric, hydrogen, or otherwise zero-emission passenger/freight trains and/or coaches/wagons
	• **Infrastructure for zero-emission road and/or rail transport** which is at least one of the following:
	  ○ EV charging and hydrogen fueling stations
	  ○ Infrastructure, energy, on-board control-demand and signaling, and/or trackside control-command and signaling subsystems[23] which is either for:
			**Climate Change Mitigation**
			
			Pollution Prevention and Control

[22] The activity must comply with minimum requirements set for individual components and systems in the applicable national measures implementing Directive 2010/31/EU and, where applicable, are rated in the highest two populated classes of energy efficiency in accordance with Regulation (EU) 2017/1369 and delegated acts adopted under that Regulation.
[23] As defined in Annex II.2 to Directive (EU) 2016/797 of the European Parliament and of the Council.

	▪ electrified trackside infrastructure and associated subsystems; or ▪ New and existing trackside infrastructure and associated subsystems where either: • There is plan for electrification as regards line tracks, and, to the extent necessary for electric train operations, as regards sidings; or • The infrastructure will be fit for use by zero tailpipe CO_2 emission train within 10 years from beginning of the activity; or ▪ Until 2030, existing trackside infrastructure and associated subsystems that are not part of: • The TEN-T network and its indicative extensions to third countries; nor • Any nationally, supranationally or internationally defined network of major rail lines ○ Infrastructure and/or installations dedicated to either: ▪ Transshipping freight between the modes: terminal infrastructure and superstructures for loading, unloading and transhipment of goods; or ▪ The transfer of passengers from rail to rail or from other modes to rail ○ Digital tools enabling an increase in efficiency, capacity or energy saving ○ Measures dedicated to the minimizing of the noise and vibrations from the use of electrified railway infrastructure: ▪ Acoustic screens ▪ Rail absorbers ▪ Diffractors • **Infrastructure for low carbon airports and aircrafts** which is at least one of the following: ○ The infrastructure is dedicated to the provision of fixed electrical ground power and preconditioned air to stationary aircrafts ○ The infrastructure is dedicated to the zero direct emissions performance of the airport's own operations: electric charging points, electricity grid connection upgrades, hydrogen refueling stations • **Infrastructure enabling low carbon water transport** which is at least one of the following: ○ The infrastructure is dedicated to the operation of vessels with zero direct (tailpipe) CO_2 emissions: electricity charging, hydrogen-based refueling ○ The infrastructure is dedicated to the provision of shore-side electrical power to vessels at berth ○ The infrastructure is dedicated to the performance of the port's own operations with zero direct (tailpipe) CO_2 emissions ○ The infrastructure and installations are dedicated to transshipping freight between the modes: terminal infrastructure and superstructures for loading, unloading and transshipment of goods ○ The modernization of the existing infrastructure necessary to enable modal shift and fit for use by vessels with zero direct (tailpipe) CO_2 emissions and that has been subject to a verified climate proofing assessment[24] **Exclusionary criteria:** transport and/or storage dedicated to fossil fuels		
Environmentally Sustainable Management of Living Natural Resources and Land Use	Expenditures for: • **Afforestation and/or forestry conservation** managed according to national or EU legislation, or certified in accordance with one of the following: ○ The Forest Stewardship Council (FSC) standards ○ The Programme for the Endorsement of Forest Certification (PEFC) **Exclusionary criteria:** ○ Activities fully dedicated to timber production ○ Afforestation of exploited areas (e.g., former mined lands) ○ Conversion of natural landscapes (e.g., peatlands, HCS lands)		**Protection and Restoration of Biodiversity and Ecosystems**

[24] In accordance with Commission Notice — Technical guidance on the climate proofing of infrastructure in the period 2021-2027 (2021/C 373/01).

	• **Sustainable agricultural practices**, according to national or EU legislation, promoting:
	  ○ Soil and water protection
	  ○ Water retention and water management
	  ○ Crop management: crop rotation, usage of cover crops and crop diversification
	
	• **Biodiversity conservation, preservation and/or protection measures** including:
	  ○ Habitats and/or endangered bird species in Natura 2000 sites
	  ○ Habitats outside Natura 2000 sites
	  ○ Endangered plant and animal genetic resources
	  ○ Orchards of traditional fruit tree varieties
	
	• **Organic farming and products** certified according to EU or national legislation
	
	Exclusionary criteria:
	
	• Conversion of high carbon stock lands
	• Projects dedicated to livestock farming
	• Purchase/improvement in appliances and equipment primarily using fossil fuel so as to avoid lock-in of fossil fuel consumption. Activities which result in fuel switching to biofuels are eligible
	• Genetically Modified Organisms and Crops
	• Projects resulting in a deterioration of the good status and good ecological potential of water bodies, projects, that have a significant impact on the conservation objectives of Natura 2000 sites		

Climate Change Adaptation	Expenditures for the design, construction, extension, rehabilitation, operation and education of **structural infrastructure for flood and/or drought risk prevention and protection**: • Engineered structural infrastructure: measures may include dykes, river embankments, buffer basins for flood detention measures to control floods by increasing the retention capacity of catchment areas, hydraulic structures to regulate water flow and sediment control structures • Nature-based solutions: measures may include planning, construction, extension, and operation of large-scale nature-based flood or drought management solutions and measures contributing to enhancing natural water retention, biodiversity, and water quality		**Climate Change Adaptation**
Sustainable Water and Wastewater Management	Expenditures for the construction, extension, modernization, operation and/or renewal of: • **Water supply networks** where the leakage level is reduced by at least 20%	 	**Sustainable Use and Protection of Water and Marine Resources**

3.2 Process for Project Evaluation and Selection

Poland has established a decision-making process to determine the eligibility of the expenditures, in accordance with the Eligibility Criteria outlined in the Use of Proceeds section of this Framework.

Eligible Green Expenditures will be selected by a dedicated inter-ministerial Green Finance Working Group (referred as to the "**Working Group**"). The Working Group is headed by the Ministry of Finance and composed of representatives of the following ministries:

- Ministry of Infrastructure
- Ministry of Agriculture and Rural Development
- Ministry of Climate and Environment

The Working Group will meet at least on an annual basis.

The Working Group is responsible for:

- Reviewing the content of Poland's Green Bond Framework and updating it to reflect changes in national strategy, technology, market, or regulatory developments on a best effort basis;
- Initiating the update of external documents such as Second Party Opinion (SPO) and related documents from external consultants;
- Evaluating and selecting Eligible Green Expenditures in line with the Eligibility Criteria as set out in the Framework, and excluding projects that no longer comply with the Eligibility Criteria or have been disposed of and, in such case, where required, replacing them;
- Overseeing the allocation of proceeds from Green Bond Instruments to Eligible Green Expenditures;
- Overseeing, approving and publishing the allocation and impact reporting, including external assurance statements. Poland may rely on external consultants and their data sources, in addition to its own assessment;
- Monitoring internal processes to identify known material risks of negative social and/or environmental impacts associated with the Eligible Green Expenditures;
- Liaising with relevant business finance segments and other stakeholders on the above.

Furthermore, Poland ensures that all Eligible Green Expenditures comply with official national and adopted international environmental and social standards, and local laws and regulations. These laws are monitored and enforced by the local authorities, amongst others, as part of obtaining the necessary permits for new projects and infrastructure maintenance.

Environmental and Social Risk Assessment Framework

The programmes and projects financed by the Eligible Green Expenditures under Poland's Green Bond Instruments are strictly regulated by government policies and procedures.

The right to a clean, healthy, and sustainable environment is enshrined within the Constitution of the Republic. As such, general principles of environmental protection law are included in Article 5 (sustainable development), Article 74 (safeguarding of ecological security) and Article 86 (liability for adverse impacts). The Constitution of Poland features all ratified international treaties and EU regulations that form the legal regime of the country (Articles 9, 97, 89 and 91).

The 2001 Environmental Protection Act (EPA) is the core legal framework for all commercial and environmental activities in Poland. This Act establishes the framework for administration, planning and decision-making at the national level, and regulates matters related to environmental protection through primary and secondary legislation. The EPA covers an exhaustive list of regulatory instruments transposing international treaties and EU legislation into local laws.

The Ministry of Climate and Environment is the highest national office responsible for the preparation and implementation of environmental legislation and strategies. The Ministry, the Main Inspectorate of Environmental Protection, and the General Directorate of Environmental Protection regulate the use of environmental resources in Poland. The General

Inspectorate of Environmental Protection supervises compliance with environmental protection provisions, while the General Directorate of Environmental Protection issues Environmental Impact Assessments (EIAs).

3.3 Management of Proceeds

The (net) proceeds from the Green Bond Instruments will be managed, tracked and monitored in an appropriate manner by the Republic.

Pending full allocation, unallocated (net) proceeds will be managed temporarily in accordance with Poland's treasury policy (in cash, deposits or other money market instruments), for the repayment of other indebtedness and/or other capital management activities, at its own discretion. Poland commits not to invest temporarily unallocated (net) proceeds according to the exclusionary criteria indicated in Section 3.1.

Payment of principal and interest of the Green Bond Instruments will be made from the general funds and will not be directly linked to the performance of any Eligible Green Expenditures.

3.4 Reporting

Poland will make and keep readily available reporting on the allocation and impact of proceeds from Green Bond Instruments to Eligible Green Expenditures annually and until full allocation (or until maturity). The reporting will be based at least on an aggregate eligible category level and made publicly available on the Republic 's website[25].

Poland intends to align its impact reporting with the ICMA "Handbook – Harmonized Framework for Impact Reporting (June 2024)"[26] and/or with the NPSI "Position Paper on Green Bonds Impact Reporting (March 2024)[27].

Allocation Reporting

The allocation report will include the following information:

- The size of the identified Eligible Green Expenditures, per category
- The balance (if any) of unallocated proceeds
- The amount or the percentage of new financing[28] and refinancing
- The industry of the expenditures, where feasible

Impact Reporting

The impact report may provide impact indicators as detailed in the table below, or others, used for specific projects:

Eligible Category	Potential output indicators	Potential impact indicators
Renewable Energy	➢ Total installed renewable energy capacity [MW] ➢ Estimated annual renewable energy generation [MWh] ➢ Share of renewable energy in gross final energy consumption [%] ➢ Share of renewable energy in final gross energy consumption of electricity [%] ➢ Share of primary energy production from renewable sources [%] ➢ Production of electricity from renewable energy carriers [GWh]	➢ Estimated annual reduced and/or avoided GHG emissions [tCO_2e/year]
Green Buildings	➢ Volume/number of buildings with Energy Performance Certificate (EPC) [m^2/#]	➢ Estimated annual reduced and/or avoided GHG emissions [tCO_2e/year]

[25] See here.
[26] See here.
[27] See here.
[28] New financing refers to expenditures financed after issuance.

	➢ Share of renewable energy in final gross energy consumption in heating and cooling [%] ➢ Number of EV charging points installed [#]	➢ Estimated annual reduced and/or avoided energy consumption [kWh/year]
Green Infrastructure	➢ Energy efficiency index (ODEX) [#] ➢ Renewable energy generation capacity connected to the transportation/distribution grid [MW] ➢ New installed LV/MV/HV grid [km] ➢ Grid length [km]	➢ Estimated annual reduced and/or avoided GHG emissions [tCO_2e/year] ➢ Estimated annual reduced and/or avoided energy consumption [kWh/year]
Clean Transportation	➢ Number of zero-emission vehicles (ZEVs) [#] ➢ Number of zero-emission rail transport [#] ➢ Number of infrastructure for zero-emission road and/or rail transport (e.g. EV charging and hydrogen fuelling stations) [#]Number of infrastructure for low carbon airport infrastructure [#] ➢ Number of infrastructure enabling low carbon water transport [#] ➢ Passenger-/tonne-kilometers in new means of transportation [km] ➢ Share of renewable energy in final gross energy consumption in transport [%] ➢ Pollutants emission from road transport facilities [t]	➢ Estimated annual reduced and/or avoided GHG emissions [tCO_2e/year] ➢ Estimated annual reduced GHG emissions intensity [tCO_2e/ton-km for freight activity or tCO_2e/passenger-km for passenger activity] ➢ Estimated reduction in car kilometres [km]
Environmentally Sustainable Management of Living Natural Resources and Land Use	➢ Area under certified organic agriculture and/or organic farming [#] ➢ Area under certified afforestation or forestry conservation [ha] ➢ Sustainable agriculture/ forestry certified [%] ➢ Sites with minimum benthic impact [%] ➢ Area afforested/conserved, including nature reserves [ha] ➢ Mean Species Abundance (MSA) [#]	➢ Estimated annual reduced, sequestered and/or avoided GHG emissions [tCO_2e/year]
Climate Change Adaptation	➢ Number of engineered structural infrastructure [#] ➢ Number of nature-based solutions [#]	➢ Estimated reduction in flood damage costs [€]
Sustainable Water and Wastewater Management	➢ Number of person equivalents (PE) of water the infrastructure processes [p.e.] ➢ Sewage network [km] ➢ Water productivity (the relationship between gross domestic product expressed in constant prices and water consumption or the needs of the national economy and population) [water consumption in zł/m^3][29]	➢ Estimated annual reduction in water losses in water transfer and/or distribution [m^3/year]

Depending on availability and subject to confidentiality agreements, Poland might seek to complement above indicators with relevant case studies.

Poland may appoint specialized consultants to develop a methodology for the estimation and calculation of the impacts that were made publicly available.

[29] Base year 2000.

3.5 External Review

Second Party Opinion (pre-issuance)

Sustainalytics reviewed the alignment of the Framework with the ICMA Green Bond Principles 2021 (including the updated Appendix I of June 2022). The Second Party Opinion will be published on the Republic of Poland Ministry of Finance website[30].

Verification (post-issuance)

Poland will request annually until full allocation (or until maturity), an assurance report of the allocation of the Green Bond Instruments to the Eligible Green Expenditures, provided by an external review provider (e.g., state auditor).

[30] See here.

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