



GREEN FINANCING & SUSTAINABLE INVESTMENTS

C1-C2 Lesson Plan

1.2. Reading Comprehension 1.2.1. Pre-Reading Discussion

Discuss the questions in pairs or small groups

1. What specific aspects of green finance are most relevant to your current role?
2. How would you characterize Poland's position in the EU green finance landscape?
3. What challenges and opportunities does Poland face in implementing EU sustainable finance regulations?
4. What are your personal objectives for developing expertise in this area?



SECTION 1: FOUNDATIONS OF GREEN FINANCE

READING: THE EVOLUTION OF GREEN FINANCE IN CENTRAL EUROPE

Poland has positioned itself as a pioneer in the green finance landscape of Central and Eastern Europe, becoming the first country globally to issue sovereign green bonds in 2016. This early adoption signaled Poland's recognition of sustainable finance as a critical tool for economic transformation. However, the journey has not been without challenges.

The recent June 2025 issuance of €1.25 billion in 12-year green bonds marks a significant milestone in Poland's sustainable finance trajectory. This issuance, which was oversubscribed by international investors, demonstrates growing confidence in Poland's green transition strategy. The bonds were priced at 120 basis points over the average swap rate, yielding 3.903% at issuance—competitive with higher-rated European peers despite Poland's lower sovereign rating.

What distinguishes Poland's approach is the comprehensive framework guiding these investments. The updated Green Bond Framework of 2025 aligns with international best practices while addressing Poland-specific transition challenges. The framework prioritizes renewable energy, green buildings, clean transportation, and sustainable resource management—sectors critical to Poland's decarbonization pathway.

The evolution of Poland's sustainable finance landscape must be understood within the broader context of EU regulatory developments. The EU Taxonomy Regulation has introduced stringent classification criteria for environmentally sustainable activities, presenting both challenges and opportunities for Polish financial institutions and public entities. While compliance requirements have increased reporting burdens, they also provide a structured pathway for integrating sustainability into investment decisions.

Poland's National Energy and Climate Plan (NECP), revised in July 2025, represents another pivotal element in this ecosystem. The plan's ambitious target of reducing greenhouse gas emissions by 53.9% by 2030 (compared to 1990 levels) signals Poland's commitment to accelerating its green transition. This target exceeds previous commitments and necessitates substantial investment in renewable energy infrastructure, energy efficiency, and low-carbon technologies.

Despite this progress, significant challenges remain. Poland continues to grapple with its legacy energy infrastructure, with coal still playing a substantial role in the energy mix. The transition to a low-carbon economy requires not only financial instruments but also comprehensive structural reforms and capacity building across institutions. The concept of a "just transition" is particularly relevant for Poland, where certain regions remain heavily dependent on fossil fuel industries.

The financial sector's response has been evolving, with Polish banks increasingly incorporating ESG criteria into lending decisions and investment strategies. The National Bank of Poland (NBP) has begun implementing climate stress testing methodologies, acknowledging climate change as a potential source of systemic risk. However, the sophistication of these approaches varies considerably across institutions, highlighting the need for standardized methodologies and enhanced capacity.

As Poland navigates this complex landscape, the integration of sustainable finance principles into economic policy represents both a necessity and an opportunity. By leveraging green finance instruments effectively, Poland can accelerate its transition while positioning itself as a regional leader in sustainable investment.

1.2.3. Comprehension Exercises

1.2.3.1. Multiple-Choice Questions

Instructions: Read the article "THE EVOLUTION OF GREEN FINANCE IN CENTRAL EUROPE" carefully. For each question, choose the best answer from the options provided.

EXERCISE 1: COMPREHENSION QUESTIONS

Answer the following questions based on the reading:

1. What significant milestone did Poland achieve in the green finance landscape in 2016?

- a) Issued the first sovereign green bonds globally
- b) Reached 40% renewable energy in its energy mix
- c) Implemented the EU Taxonomy Regulation
- d) Created the National Energy and Climate Plan

2. According to the text, what was the value of Poland's green bond issuance in June 2025?

- a) €1.75 billion
- b) €3 billion
- c) €1.25 billion
- d) €120 million

3. What percentage reduction in greenhouse gas emissions does Poland's revised NECP target by 2030?

- a) 40%
- b) 53.9%
- c) 29%
- d) 65%

4. Which of the following is NOT mentioned as a priority area in Poland's Green Bond Framework?

- a) Renewable energy
- b) Nuclear power
- c) Green buildings
- d) Clean transportation

5. What action has the National Bank of Poland taken regarding climate change?

- a) Issued its own green bonds
- b) Implemented climate stress testing methodologies
- c) Banned lending to fossil fuel companies
- d) Created a specialized green finance department

1.5. Vocabulary Expansion
1.5.1. Key “Green Financing” Terms and Phrases

Instructions: Match the “Green Financing” related term on the left with its correct definition on the right.

Term/Phrase	Definitions
1.Green Bond Framework	a) A classification system establishing a list of environmentally sustainable economic activities.
2. EU Taxonomy	b) Financial risks resulting from policy, legal, technology, and market changes in the shift to a low-carbon economy.
3. Just Transition	c) A document outlining how proceeds from green bonds will be used and managed
4. ESG Criteria	d) Environmental, Social, and Governance factors used in evaluating investments.
5. Climate Stress Testing	e) EU regulation requiring financial market participants to disclose sustainability-related information.
6. SFDR	f) Ensuring that the shift to a low-carbon economy is fair and inclusive for affected communities.
7. Transition Risk	g) Analysis of how climate scenarios might impact financial institutions' portfolios.
8. Physical Risk	h) Risks arising from climate and weather-related events such as floods, droughts, or storms

SECTION 2: GREEN FINANCE INSTRUMENTS

What is Green Finance?

An educational overview of how Green Finance directs financial flows toward sustainable and environmentally-friendly projects to combat climate change.

Key Insights

- Green Finance directs financial investments toward sustainable projects that protect the environment while supporting economic growth.
- Key components include investments in renewable energy, sustainable infrastructure, and financial instruments like green bonds.
- Both governments and private entities (businesses and individuals) can participate in Green Finance through various investment vehicles.
- Green investments prioritize long-term environmental sustainability over short-term financial gains.
- The benefits of Green Finance extend beyond environmental protection to include job creation, improved public health, and economic resilience.
- Individual participation in Green Finance can be as simple as choosing banks and investment funds that prioritize sustainability.

2.1 Pre-Listening (4-5 min)



1.3.3. Listening Exercises

1.3.3.1. Multiple-Choice Questions

Instructions: Listen to the video and choose the best answer for each question.

1. What is the main goal of Green Finance?

- a) To increase government revenue
- b) To fund environmentally sustainable projects
- c) To boost fossil fuel industries
- d) To reduce international debt

2. According to the video, which of the following is not mentioned as part of Green Finance?

- a) Renewable energy investments
- b) Sustainable infrastructure
- c) Cryptocurrency mining
- d) Green bonds

3. In the example of the solar power plant, what is the purpose of issuing green bonds?

- a) To pay back previous investors
- b) To raise money for a clean energy project
- c) To build fossil fuel infrastructure
- d) To reduce local taxes

4. Complete the sentence:

“Traditional investments focus on _____, while green investments focus on _____.”
(Answer in your own words.)

5. What three groups are encouraged to take part in Green Finance according to the speaker?

- a) Governments, banks, and oil companies
- b) Governments, businesses, and individuals
- c) NGOs, investors, and farmers
- d) Only private investors

6. talk about two long-term benefits of Green Finance discussed in the video.

1.4. Critical Thinking Task

1.4.1. Case Study Analysis: Diplomatic Statement

EXERCISE 5: SPEAKING TASK – CRITICAL ANALYSIS

Task:

You will deliver a 2–3 minute spoken response to the statement below:
"Green bonds are the most effective instrument for financing Poland's energy transition."

Instructions for Students:

1. Prepare your thoughts for 2–3 minutes before speaking.
2. When speaking, aim for clarity, structure, and fluency—not memorization.
3. Address the following points naturally in your response:
 4. • Advantages and limitations of green bonds
 5. • Alternative instruments that may work better in some sectors
 6. • Poland's specific economic and regulatory situation
 7. • The role of both public and private finance in achieving green goals
8. End your talk with a personal conclusion: Do you agree or disagree with the statement? Why?



1.4. Critical Thinking Task

1.4.1. Case Study Analysis: Diplomatic Statement

SECTION 3: SYSTEMS AND RISK

EXERCISE 6: CASE STUDY ANALYSIS

Case Study: Climate Risk Assessment in the Polish Banking Sector

In 2024, the National Bank of Poland conducted its first climate stress test across the country's banking sector. **The exercise examined two scenarios:**

Scenario 1: Orderly Transition - Implementation of climate policies in a gradual and predictable manner, with limited physical risks.

Scenario 2: Disorderly Transition - Delayed policy action followed by sudden, stringent measures, combined with increased physical risks.

The results revealed that under Scenario 2, Polish banks could face loan losses up to 3.5 times higher than under Scenario 1, with particularly severe impacts on portfolios exposed to carbon-intensive industries. The agricultural sector showed heightened vulnerability to both transition and physical risks.

However, banks with diversified portfolios and those that had already begun integrating climate considerations into risk management demonstrated greater resilience.

Despite these findings, implementation of climate risk assessment methodologies remains inconsistent across Polish financial institutions. Many smaller banks cite resource constraints and methodological uncertainties as barriers to comprehensive climate risk integration.

Questions:

1. What are the key differences between the two scenarios presented in the case study?
2. Why might loan losses be significantly higher under Scenario 2?
3. Which sectors in Poland are likely to be most vulnerable to transition risks? Explain your reasoning.
4. What practical steps could Polish financial institutions take to improve their climate risk assessment capabilities?
5. How might effective climate risk management create competitive advantages for Polish banks?

1.4. Critical Thinking Task

1.4.1. Case Study Analysis: POLICY ANALYSIS

SECTION 4: POLICY AND STRATEGY

EXERCISE 7: POLICY ANALYSIS

Review the following excerpt from Poland's updated National Energy and Climate Plan (July 2025):

"Poland commits to reducing greenhouse gas emissions by 53.9% by 2030 compared to 1990 levels. This will be achieved through:

- Increasing the share of renewable energy in final energy consumption to 38% by 2030
- Improving energy efficiency by 13% compared to the 2020 baseline
- Phasing out coal in electricity generation for households by 2030
- Developing offshore wind capacity of 5.9 GW by 2030 and 11 GW by 2040
- Implementing a comprehensive building renovation strategy targeting 65% of public buildings by 2030
- Establishing a Just Transition Fund of €3.5 billion to support coal-dependent regions

These targets will be supported by a green finance strategy that mobilizes both public and private capital through innovative financial instruments, including sovereign green bonds, sustainability-linked loans, and specialized funds for energy efficiency and renewable energy projects."

Questions:

- 1.How do Poland's emission reduction targets compare to the overall EU targets?
- 2.Identify three specific financial instruments mentioned or implied in the excerpt that will support Poland's energy transition.
- 3.What challenges might Poland face in implementing these targets? Consider economic, social, and political factors.
- 4.How could Poland's green finance strategy address the "just transition" concerns in coal-dependent regions?
- 5.What additional policy measures might be necessary to achieve these targets that are not mentioned in the excerpt?

1.4. Critical Thinking Task

1.4.1. Case Study Analysis: Diplomatic Statement

SECTION 5: PRACTICAL APPLICATION EXERCISE 9: NEGOTIATION SCENARIO

Scenario: EU Sustainable Finance Regulation Negotiations

You are representing Poland in negotiations regarding the implementation timeline for new EU sustainable finance regulations. Several member states are pushing for accelerated implementation, while others, including Poland, have concerns about the pace and potential economic impacts.

Your objectives:

- Secure adequate transition periods for Polish financial institutions
- Ensure recognition of Poland's specific economic context
- Advocate for technical assistance and capacity building support
- Maintain Poland's credibility as a committed EU partner on climate action

Prepare:

- 1.Your opening position statement (100-150 words)
- 2.Three key arguments supporting your position
- 3.Potential compromise proposals
- 4.Responses to likely counterarguments from other member states



1.2.3.3. Summary Completion

Instructions: Complete the summary of the article by filling in the blanks with words or phrases from the text.

EXERCISE 10: VOCABULARY EXPANSION

Complete the sentences with the appropriate term from the box:

green premium
stranded assets
taxonomic alignment
transition pathway
carbon leakage
climate neutrality
additionality
double materiality
financed emissions
greenwashing
impact investing
sustainability-linked

- 1.The additional cost of choosing a clean technology over a conventional one is known as a _____.
- 2._____ refers to the practice of making misleading claims about the environmental benefits of a product, service, or company.
- 3.Assets that have suffered from unanticipated or premature write-downs due to climate policies are called _____.
- 4.The principle that companies should report both how sustainability issues affect their business and how their activities impact society and environment is known as _____.
- 5._____ occurs when companies relocate carbon-intensive production to countries with less stringent climate policies.
- 6.The greenhouse gas emissions associated with loans and investments made by a financial institution are referred to as _____.
- 7.The requirement that a sustainable finance activity creates environmental benefits that would not have occurred in the absence of the designated financial instrument is called _____.
- 8.Poland's _____ to achieve its 2050 climate goals will require significant investment in renewable energy and energy efficiency.

1.4.2. Evaluation of Language Strategies

Prepare to discuss the following questions:

1. How can Poland leverage its position as an early adopter of sovereign green bonds to influence sustainable finance developments in Central and Eastern Europe?
2. What are the most significant barriers to scaling up green finance in Poland, and how might these be addressed?
3. How should Polish financial institutions balance climate risk management with their traditional focus on financial stability and economic growth?
4. What role should public finance play in Poland's green transition, and how can it most effectively mobilize private capital?
5. How might Poland's green finance strategy need to evolve in response to the EU's increasingly ambitious climate targets?

SPEAKING TASK – REFLECTION

Task:

Deliver a 3–4 minute spoken reflection on the question below:
"How can Poland lead in sustainable finance within the EU while addressing its unique transition challenges?"

Instructions for Students:

1. Prepare a spoken reflection of about 250–300 words (around 3–4 minutes).
2. Speak naturally, using notes only as brief reminders—not a script.
3. In your reflection, address these key points:
 4. • Poland's strengths and unique position in the EU green finance landscape
 5. • Areas where Poland could build competitive advantages (for example, renewable energy or green innovation)
 6. • Strategic partnerships or alliances that could strengthen Poland's leadership role
 7. • Policy ideas or financial tools that could accelerate sustainable finance growth
8. End with a personal insight—how Poland can balance ambition with realism in its transition.

ADDITIONAL RESOURCES

Essential Reading

1. European Commission. (2025). EU Taxonomy Regulation: Implementation Guide for Financial Institutions
2. Ministry of Finance, Republic of Poland. (2025). Poland's Green Bond Framework
3. National Bank of Poland. (2025). Climate Risk and Financial Stability: Assessment and Policy Implications
4. European Investment Bank. (2025). Green Finance in Central and Eastern Europe: Trends and Opportunities
5. Ministry of Climate and Environment, Republic of Poland. (2025). National Energy and Climate Plan 2030

Supplementary Resources

- Climate Bonds Initiative: www.climatebonds.net
- Network for Greening the Financial System: www.ngfs.net
- EU Platform on Sustainable Finance: finance.ec.europa.eu/sustainable-finance
- Warsaw Stock Exchange ESG Portal: esg.gpw.pl





THANK YOU!

We hope you found this lesson on
Green Financing insightful and useful.

This content
Keep learning and speaking!
speaking!

