



Plenary sitting

A9-0157/2022

20.5.2022

*****I**

REPORT

on the proposal for a regulation of the European Parliament and of the Council
establishing a Social Climate Fund
(COM(2021)0568 – C9-0324/2021 – 2021/0206(COD))

Committee on Employment and Social Affairs
Committee on the Environment, Public Health and Food Safety

Rapporteurs: David Casa, Esther de Lange

Rapporteur for the opinion (*):
Margarida Marques, Committee on Budgets

(*) Associated committees – Rule 57 of the Rules of Procedure

(Joint committee procedure – Rule 58 of the Rules of Procedure)

Symbols for procedures

- * Consultation procedure
- *** Consent procedure
- ***I Ordinary legislative procedure (first reading)
- ***II Ordinary legislative procedure (second reading)
- ***III Ordinary legislative procedure (third reading)

(The type of procedure depends on the legal basis proposed by the draft act.)

Amendments to a draft act

Amendments by Parliament set out in two columns

Deletions are indicated in ***bold italics*** in the left-hand column. Replacements are indicated in ***bold italics*** in both columns. New text is indicated in ***bold italics*** in the right-hand column.

The first and second lines of the header of each amendment identify the relevant part of the draft act under consideration. If an amendment pertains to an existing act that the draft act is seeking to amend, the amendment heading includes a third line identifying the existing act and a fourth line identifying the provision in that act that Parliament wishes to amend.

Amendments by Parliament in the form of a consolidated text

New text is highlighted in ***bold italics***. Deletions are indicated using either the **■** symbol or ~~strikeout~~. Replacements are indicated by highlighting the new text in ***bold italics*** and by deleting or striking out the text that has been replaced.

By way of exception, purely technical changes made by the drafting departments in preparing the final text are not highlighted.

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DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION

**on the proposal for a regulation of the European Parliament and of the Council
establishing a Social Climate Fund
(COM(2021)0568 – C9-0324/2021 – 2021/0206(COD))**

(Ordinary legislative procedure: first reading)

The European Parliament,

- having regard to the Commission proposal to Parliament and the Council (COM(2021)0568),
 - having regard to Article 294(2) and Article 91(1), point (d), Article 192(1) and Article 194(1), point (c) of the Treaty on the Functioning of the European Union, pursuant to which the Commission submitted the proposal to Parliament (C9-0324/2021),
 - having regard to Article 294(3) of the Treaty on the Functioning of the European Union,
 - having regard to the reasoned opinion submitted, within the framework of Protocol No 2 on the application of the principles of subsidiarity and proportionality, by the the Swedish Parliament, asserting that the draft legislative act does not comply with the principle of subsidiarity,
 - having regard to the opinion of the European Economic and Social Committee of 9 December 2021¹,
 - having regard to the opinion of the Committee of the Regions of ...²,
 - having regard to Rule 59 of its Rules of Procedure,
 - having regard to the opinions of the Committee on Budgets, the Committee on Economic and Monetary Affairs, the Committee on Industry, Research and Energy, the Committee on Transport and Tourism and the Committee on Regional Development,
 - having regard to the report of the Committee on Employment and Social Affairs and the Committee on the Environment, Public Health and Food Safety (A9-0157/2022),
1. Adopts its position at first reading hereinafter set out;
 2. Calls on the Commission to refer the matter to Parliament again if it replaces, substantially amends or intends to substantially amend its proposal;
 3. Instructs its President to forward its position to the Council, the Commission and the national parliaments;

¹ OJ C 152, 6.4.2022, p. 158.

² [OJ C ..., .., p. / Not yet published in the Official Journal]

Proposal for a regulation

Recital 1

Text proposed by the Commission

(1) The Union and its Member States are Parties to the Paris Agreement, which was signed in December 2015 under the United Nations Framework Convention on Climate Change (UNFCCC) ('the Paris Agreement')²⁸ and entered into force in November 2016. According to that Agreement, they are bound to limit the increase in the global average temperature well below 2°C above pre-industrial levels and to pursue efforts to limit the temperature increase to 1,5°C above pre-industrial levels.

²⁸ Paris Agreement (OJ L 282, 19.10.2016, p. 4).

Amendment 2

Proposal for a regulation

Recital 2

Amendment

(1) The Union and its Member States are Parties to the Paris Agreement, which was signed in December 2015 under the United Nations Framework Convention on Climate Change (UNFCCC) ('the Paris Agreement')²⁸ and entered into force in November 2016. According to that Agreement, they are bound to limit the increase in the global average temperature well below 2°C above pre-industrial levels and to pursue efforts to limit the temperature increase to 1,5°C above pre-industrial levels. ***By adopting the Glasgow Climate Pact, the Parties to the Paris Agreement recognised that limiting the increase in the global average temperature to 1,5 °C above pre-industrial levels would significantly reduce the risks and impacts of climate change, and they committed to strengthening their 2030 targets by the end of 2022 to close the ambition gap, in line with the findings of the Intergovernmental Panel on Climate Change (IPCC). This should be done in a manner that is equitable and respects the principle of common but differentiated responsibilities and respective capabilities, in light of different national circumstances.***

²⁸ Paris Agreement (OJ L 282, 19.10.2016, p. 4).

Text proposed by the Commission

(2) The Commission Communication The European Green Deal²⁹ sets out a new growth strategy that aims to transform the Union into a sustainable, fairer and more prosperous society, with a modern, resource-efficient and competitive economy, where there are no net emissions of greenhouse gases in 2050 **and where economic growth is decoupled from resource use**. The Commission proposes also to protect, conserve and enhance the Union's natural capital, and protect the health and well-being of citizens from environment-related risks and impacts. Finally, the Commission considers that this transition should be just and inclusive, leaving no one behind.

²⁹ COM(2019)640 final.

Amendment

(2) The Commission Communication The European Green Deal²⁹ sets out a new growth strategy that aims to transform the Union into a sustainable, **equitable**, fairer and more prosperous society, with a modern, resource-efficient and competitive economy, where there are no net emissions of greenhouse gases in 2050 **at the latest**. The Commission proposes also to **restore**, protect, conserve and enhance the Union's natural capital, and protect the health and well-being of citizens from environment-related risks and impacts. Finally, the Commission considers that this transition should be just and inclusive, leaving no one behind.

²⁹ COM(2019)640 final.

Amendment 3

Proposal for a regulation Recital 3

Text proposed by the Commission

(3) Regulation (EU) 2021/1119 of the European Parliament and of the Council³⁰ enshrines into law the target of economy-wide climate neutrality by 2050. That Regulation establishes a binding commitment on the part of the Union to reduce emissions. By 2030, the Union should reduce its greenhouse gas emission, after deduction of removals of greenhouse gas emissions, by at least 55% compared to the level in 1990. All sectors of the economy should contribute to achieving that target.

³⁰ Regulation (EU) 2021/1119 of the European Parliament and of the Council of

Amendment

(3) Regulation (EU) 2021/1119 of the European Parliament and of the Council³⁰ enshrines into law the target of economy-wide climate neutrality by 2050 **at the latest**. That Regulation establishes a binding commitment on the part of the Union to reduce emissions. By 2030, the Union should reduce its greenhouse gas emission, after deduction of removals of greenhouse gas emissions, by at least 55% compared to the level in 1990. All sectors of the economy should contribute to achieving that target.

³⁰ Regulation (EU) 2021/1119 of the European Parliament and of the Council of

30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 ('European Climate Law') (OJ L 243, 9.7.2021, p. 1).

30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 ('European Climate Law') (OJ L 243, 9.7.2021, p. 1).

Amendment 4

Proposal for a regulation

Recital 6

Text proposed by the Commission

(6) The Porto Declaration of 8 May 2021 reaffirmed the European Council's pledge to work towards a social Europe, and its determination to continue deepening the implementation of the European Pillar of Social Rights at EU and national level, with due regard for respective competences and the principles of subsidiarity and proportionality.

Amendment

(6) ***The European Pillar of Social Rights Action Plan^{1a} highlights that social rights and the European social dimension need to be strengthened across all policies of the Union as enshrined in the Treaties, in particular Article 3 of the Treaty on European Union (TEU) and Article 9 of the Treaty on the Functioning of the European Union (TFEU).*** The Porto Declaration of 8 May 2021 reaffirmed the European Council's pledge to work towards a social Europe ***ensuring a just transition***, and its determination to continue deepening the ***concrete*** implementation of the European Pillar of Social Rights at EU and national level, with due regard for respective competences and the principles of subsidiarity and proportionality.

^{1a} Endorsed by the European Council on 24 and 25 June 2021.

Amendment 5

Proposal for a regulation

Recital 6 a (new)

Text proposed by the Commission

Amendment

(6a) The Fund should only support activities and recipients that respect

applicable Union and national law on social and labour rights concerning, inter alia, wages and working conditions, including collective agreements, and that promote sustainable and quality jobs.

Amendment 6

Proposal for a regulation

Recital 7

Text proposed by the Commission

(7) In order to implement the commitments towards climate neutrality, the Union's climate and energy legislation has been reviewed and amended in order to accelerate the greenhouse gas emissions reductions.

Amendment

(7) In order to implement the commitments towards climate neutrality, the Union's climate and energy legislation has been reviewed and amended in order to accelerate the greenhouse gas emissions reductions. ***A just transition principled by the UN 2030 Agenda and by the European Pillar of Social Rights means eradicating energy and mobility poverty across the Union. To further this, a new Social Climate Fund should contribute to protecting and empowering the most vulnerable households. Particular attention is required to ensure that those households actually benefit from the implementation of various funding instruments, namely those instruments available to Member States and which include the Cohesion Funds, the Recovery and Resilience Facility, and revenues currently generated by the EU ETS. The funds available to Member States should be used to invest in the renovation of buildings, the creation of quality and safe green jobs, as well as the development of the necessary skills suitable to the green and digital transition, the decarbonisation of the transport sector, and in greater access to public, shared soft mobility.***

Amendment 7

Proposal for a regulation

Recital 8

Text proposed by the Commission

(8) Those amendments have differing economic and social impacts on the different sectors of the economy, on the citizens, and the Member States. In particular, ***the inclusion of greenhouse gas emissions from buildings and road transport into*** the scope of Directive 2003/87/EC of the European Parliament and the Council³¹ should provide an additional economic incentive to invest into the reduction of fossil fuel consumption and thereby accelerate the reduction of greenhouse gas emissions. Combined with other measures, this should, in the medium to long term, ***reduce the costs for buildings and road transport***, and provide new opportunities for job creation and ***investment***.

³¹ Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a system for greenhouse gas emission allowance trading within the Union (OJ L 275, 25.10.2003, p. 32).

Amendment 8

Amendment

(8) Those amendments have differing economic and social impacts on the different sectors of the economy, on the citizens, and the Member States. In particular, ***any extension of*** the scope of Directive 2003/87/EC of the European Parliament and the Council³¹ should provide an additional economic incentive to invest into the reduction of fossil fuel consumption and thereby accelerate the reduction of greenhouse gas emissions. Combined with other measures, this should, in the medium to long term, ***contribute to the eradication of energy and mobility poverty***, and provide new opportunities for ***quality*** job creation and ***sustainable investments, fully aligned with the European Green Deal goals***. ***The Commission should collect data on the social impact of the accompanying measures and how those measures affect different Member States, regions and vulnerable groups to ensure a preventive approach in order to reduce inequalities in access to sustainable and affordable energy and mobility. Particular attention should be paid to the most disadvantaged groups and to households in mobility or energy poverty, so that they benefit from the implementation of those funding instruments and no one is left behind.***

³¹ Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a system for greenhouse gas emission allowance trading within the Union (OJ L 275, 25.10.2003, p. 32).

Proposal for a regulation
Recital 9

Text proposed by the Commission

(9) However, resources are needed to finance *those* investments. In addition, before they have taken place, the cost supported by households and transport users for heating, cooling and cooking, as well as for road transport, is likely to increase *as fuel suppliers subject to the obligations under the emission trading for buildings and road transport pass on costs on carbon to the consumers.*

Amendment 9

Proposal for a regulation
Recital 9 a (new)

Text proposed by the Commission

Amendment

(9) However, resources are needed to finance *sufficient, stable and equitable* investments. In addition, before they have taken place, the cost supported by households and transport users for heating, cooling and cooking, as well as for road transport is likely to increase, *also, in light of the Russian war of aggression, taking into account the dependency of Member States on imported fossil fuels.*

Amendment 10

Amendment

(9a) High fossil gas prices causing extreme price spikes in certain Member States in the 2021/2022 heating season, aggravated by import dependencies and geopolitical tensions, have exposed once more the Union's dependency on imported fossil gas for its industries and households, especially felt by the poorest households. Investments in energy efficiency measures, as well as renewable energy based heating systems, including with electric heat pumps, heating and cooling at district level and participation in renewable energy communities, are hence the most cost-effective method of reducing import dependency and emissions while increasing Union resilience. Third party funding schemes are necessary, in particular for the poorest households, to ensure compliances with those principles

Proposal for a regulation
Recital 9 b (new)

Text proposed by the Commission

Amendment

(9b) As the transition to a cleaner Europe will have an economic and social impact that is difficult to assess ex-ante, additional investment and, thus, financial resources can be needed to achieve the commitment towards climate neutrality, while preserving the economic, social and territorial cohesion.

Amendment 11

Proposal for a regulation
Recital 9 c (new)

Text proposed by the Commission

Amendment

(9c) The costs passed on by fuel suppliers to final consumers can differ for each company, region or Member State. The Commission should therefore collect data on the share of costs absorbed by fuel suppliers and the share of costs passed on to final consumers and should annually report its findings to the European Parliament.

Amendment 12

Proposal for a regulation
Recital 9 d (new)

Text proposed by the Commission

Amendment

(9d) In the construction sector, a holistic reform of building structure would lead to less demand for energy, which would take into account in a more efficient way people at risk of exclusion, namely those who suffer most from energy poverty in the Union. It would also counter the trend of families moving between rural, peri-urban, urban areas

and sparsely populated areas, thus preventing them from potentially incurring higher housing prices and preventing the consequent emission of greenhouse gas owing to increased use of private transport.

Amendment 13

Proposal for a regulation Recital 10

Text proposed by the Commission

(10) The ***increase in the price for fossil fuels may*** disproportionately affect vulnerable households, vulnerable micro-enterprises and vulnerable transport users who spend a larger part of their incomes on energy and transport, who, in certain regions, do not have access to alternative, affordable mobility and transport solutions and who may lack the financial capacity to invest into the reduction of fossil fuel consumption.

Amendment

(10) The ***transition toward climate neutrality, including by carbon pricing is expected to*** disproportionately affect vulnerable households, vulnerable micro-enterprises, and vulnerable transport users who spend a larger part of their incomes on energy and transport, who, in certain regions, ***including in rural, insular, mountainous, remote and less accessible areas or for less developed regions or territories, including less developed- peri-urban areas***, do not have access to alternative, affordable mobility and transport solutions and who may lack the financial capacity to invest into the reduction of fossil fuel consumption.

Amendment 14

Proposal for a regulation Recital 11

Text proposed by the Commission

(11) Therefore, a part of the revenues generated by the inclusion of building and road transport into the scope of Directive 2003/87/EC should be used ***to address*** the social impacts arising from that inclusion, for the transition to be just and inclusive, leaving no one behind.

Amendment

(11) Therefore, a part of the revenues generated by the inclusion of building and road transport into the scope of Directive 2003/87/EC should be used ***as an own resource to finance the Union budget as general income, in accordance with the legally binding Interinstitutional Agreement of 16 December 2020^{1a} (the***

'Interinstitutional Agreement') that sets out a roadmap towards the introduction of new own resources, thereby providing the Union budget with the means of contributing to addressing the social impacts arising from that inclusion, for the transition to be just and inclusive, leaving no one behind. Under the Interinstitutional Agreement, a basket of new own resources is envisaged to be introduced by 1 January 2023. Green own resources are means of aligning the Union budget with the Union's policy priorities, thus providing Union added value, and should be used to contribute to the climate mainstreaming objectives, the repayment of NextGenerationEU debts and the resilience of the Union budget as regards its functioning as a tool for investments and guarantees.

^{1a} Interinstitutional Agreement of 16 December 2020 between the European Parliament, the Council of the European Union and the European Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management, as well as on new own resources, including a roadmap towards the introduction of new own resources (OJ L 433I, 22.12.2020, p. 28).

Amendment 15

Proposal for a regulation Recital 11 a (new)

Text proposed by the Commission

Amendment

(11a) Further fiscal or stimulus measures may be necessary in order to support vulnerable households, vulnerable micro-enterprises, vulnerable small enterprises or vulnerable transport users.

Amendment 16

Proposal for a regulation Recital 12

Text proposed by the Commission

(12) This is even more relevant in view of the existing levels of energy poverty. Energy poverty is a situation in which households **are unable to** access essential energy services **such as** cooling, **as temperatures rise, and heating**. About 34 million Europeans reported an inability to keep their homes adequately warm in 2018, and 6.9% of the Union population have said that they cannot afford to heat their home sufficiently in a 2019 EU-wide survey³². Overall, the Energy Poverty Observatory estimates that more than 50 million households in the European Union experience energy poverty. Energy poverty is therefore a major challenge for the Union. While social tariffs or direct income support can provide immediate relief to households facing energy poverty, only targeted structural measures, in particular energy renovations, can provide lasting solutions.

Amendment

(12) This is even more relevant in view of the existing levels of energy poverty. Energy poverty is a situation in which households **lack** access **to** essential energy services **that underpin a decent standard of living and health, including adequate warmth, cooling, lighting and energy to power appliances, and in the relevant existing social policy and other relevant policies, often as a result of facing a high share of energy expenditure as part of their disposable income due to a combination of factors, including low income, high-energy prices and low quality, poor performing housing stock**. About 34 million Europeans reported an inability to keep their homes adequately warm in 2018, and 6.9% of the Union population have said that they cannot afford to heat their home sufficiently in a 2019 EU-wide survey³². Overall, the Energy Poverty Observatory estimates that more than 50 million households in the European Union experience energy poverty. Energy poverty is therefore a major challenge for the Union. **Despite the importance of that challenge having been acknowledged at Union level for over a decade through various initiatives, legislation and guidelines, there is still no standard Union-level definition of energy poverty and only one third of Member States have put in place a national definition of energy poverty. As a result, no transparent and comparable data on energy poverty in the Union is available, limiting the capacity to effectively monitor and assess the level of energy poverty. Therefore, a Union-level definition should be established to effectively address energy poverty and measure progress across Member States.** While social tariffs

or direct income support can provide immediate relief to households facing energy poverty, only targeted structural measures, *the application of the energy efficiency first principle, the installation of additional renewable energy sources, including through community-led projects, as well as information and awareness-raising measures targeted at the households* in particular energy renovations *contributions contributing to the renovation requirement established in Directive 2010/31/EU on the energy performance of buildings (recast)*, can provide lasting solutions *and effectively help combat energy poverty*.

³² Data from 2018. Eurostat, SILC [ilc_mdcs01]).

³² Data from 2018. Eurostat, SILC [ilc_mdcs01]).

Amendment 17

Proposal for a regulation Recital 12 a (new)

Text proposed by the Commission

Amendment

(12a) As regards the buildings sector, a holistic renovation of buildings, based on actions aimed at improving energy efficiency by focusing on all the elements that make up a building, would lead to a reduction in energy consumption for each household, and would be visible in term of the money saved and, as a result, would provide one means of combating energy poverty. The future revision of Directive 2010/31/EU of the European Parliament and of the Council would lay the foundations for those objectives to be achieved and should therefore be taken into account when implementing the Fund.

Amendment 18

Proposal for a regulation
Recital 12 b (new)

Text proposed by the Commission

Amendment

(12b) Particular attention needs to be paid to tenants in the private rental market. Those tenants include vulnerable households in energy poverty or households at risk of energy poverty, including lower middle-income ones, that are significantly affected by the price impacts of increased heating costs or by higher rental prices following renovation, but are not in a position to renovate the building they occupy. As part of their Social Climate Plans, Member States should therefore develop, in consultation with landlords, the private sector and relevant local authorities and civil society organisations, energy efficient, green social housing and specific measures and investments to support vulnerable tenants on the private rental market, for example by considering national schemes or voucher schemes aimed at housing tenants in the private rental sector, to make renovation measures and to contribute to the Union’s climate targets. As part of the biennial reporting and evaluation of the measures and investments implemented by Member States, the Commission should assess their impact and effectiveness to support vulnerable tenants in the private rental market. In the absence of positive results, that assessment should be accompanied by a Commission initiative, where appropriate, in consultation with Member States, representatives of the private rental market and relevant local authorities and civil society organisations, to address the situation of vulnerable tenants in the private rental market.

Amendment 19

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Proposal for a regulation
Recital 12 c (new)

Text proposed by the Commission

Amendment

(12c) *Mobility poverty has been underexposed and no clear definitions are available at Union or national level. However, it is a problem that is becoming more pressing to address as a result of the increasing phase-out requirements for combustion engine vehicles, high fuel prices, and high dependencies on transport availability, accessibility and costs to go to work or for daily mobility needs for those living in rural, insular, peripheral, mountainous, remote and less accessible regions or territories, including less developed peri-urban areas and the outermost regions.*

Amendment 20

Proposal for a regulation
Recital 13

Text proposed by the Commission

Amendment

(13) A Social Climate ('the Fund') should therefore be established to provide funds to the Member States to support their policies to address the social impacts of the ***emissions trading for buildings and road transport*** on vulnerable households, vulnerable micro-enterprises and vulnerable transport users. This should be achieved notably through temporary income support and measures and investments intended to reduce reliance on fossil fuels through increased energy efficiency of buildings, decarbonisation of heating and cooling of buildings, including the integration of energy from renewable sources, and granting improved access to zero- and low-emission mobility and transport to the benefit of vulnerable households, vulnerable micro-enterprises

(13) A Social Climate ***Fund*** ('the Fund') should therefore be established to provide funds to the Member States to support their policies to address the social impacts of the ***transition toward climate neutrality, including by carbon pricing*** on vulnerable households, vulnerable micro-enterprises, and vulnerable transport users. This should be achieved notably through temporary income support and measures and investments intended to reduce reliance on fossil fuels through increased energy efficiency of buildings, decarbonisation of heating and cooling of buildings, including the integration of energy from renewable sources, and granting improved access to ***affordable and efficient*** zero- and low-emission mobility and transport to the benefit of

and vulnerable transport users.

vulnerable households, vulnerable micro-enterprises, and vulnerable transport users.

Amendment 21

Proposal for a regulation Recital 13 a (new)

Text proposed by the Commission

Amendment

(13a) Since vulnerable households, vulnerable micro-enterprises and vulnerable transport users will require additional support with the green transition sufficient and proportionate financial assistance should be allocated to all Member States.

Amendment 22

Proposal for a regulation Recital 14

Text proposed by the Commission

Amendment

(14) For that purpose, each Member State should submit to the Commission a Social Climate Plan ('the Plan'). Those Plans should pursue two objectives. Firstly, they should ***provide*** vulnerable households, vulnerable micro-enterprises and vulnerable transport users the necessary resources to finance and carry out investments in energy efficiency, decarbonisation of heating and cooling, in zero- and low-emission vehicles and mobility. Secondly, they should mitigate the impact of the increase in the cost of fossil fuels on the most vulnerable and thereby prevent energy and ***transport*** poverty during the transition period until such investments have been implemented. The Plans should have an investment component promoting the long-term solution of ***reduce*** fossil fuels reliance ***and could envisage other measures, including***

(14) For that purpose, each Member State should submit to the Commission a Social Climate Plan ('the Plan'). Those Plans should ***contribute to the implementation of the principles of the European Pillar of Social Rights and the achievement of the United Nations Sustainable Development Goals while ensuring that no-one is left behind as well*** as pursue two objectives. Firstly, they should ***together with the local and regional authorities, social partners and civil society, identify and map*** vulnerable households ***in energy or mobility poverty,*** vulnerable micro-enterprises and vulnerable transport users ***to be included as beneficiaries for*** the necessary resources to finance and carry out investments in energy efficiency, decarbonisation of heating and cooling, in zero- and low-emission vehicles and

temporary direct income support to mitigate adverse income effects in the shorter term.

mobility. *Member States should provide a detailed analysis, conducted together with the local and regional authorities, social partners and civil society, on the main causes of energy and mobility poverty in their respective territories. The Plans should also set targets and objectives to reduce the number of people in energy or mobility poverty, vulnerable households, vulnerable micro-enterprises, and vulnerable transport users.* Secondly, they should mitigate the impact of the increase in the cost of fossil fuels on the most vulnerable and thereby prevent energy and **mobility** poverty during the transition period until such investments have been implemented. The Plans should have an investment component promoting the long-term solution of **phasing out** fossil fuels reliance **complemented with** temporary direct income support to mitigate adverse income effects in the shorter term. *Those Plans should also ensure that actions which have already been implemented at national level will be taken into account.*

Amendment 23

Proposal for a regulation Recital 14 a (new)

Text proposed by the Commission

Amendment

(14a) Workers in the building and renovation sectors are particularly at risk of exposure to asbestos. Therefore, requirements for the mandatory asbestos screening, registering, and removal of asbestos and other dangerous substances are needed before any renovation works start. Energy renovations should be the opportunity to safely remove asbestos from buildings.

Amendment 24

Proposal for a regulation
Recital 14 b (new)

Text proposed by the Commission

Amendment

(14b) The Plans submitted by Member States should include measures to provide information support, capacity building and training necessary to implement the investments and measures intended to reduce reliance on fossil fuels through increased energy efficiency of buildings and increased access to renewable energy for heating and cooling of buildings, and grant improved access to sustainable mobility and transport services, including the necessary infrastructure and the deployment of charging stations for electric vehicles. The Plans should also address the lack of workforce needed for all stages of the green transition, in particular in jobs related to building renovation and the integration of energy from renewable sources as well as peer-to-peer and community work tackling energy poverty and mobility poverty.

Amendment 25

Proposal for a regulation
Recital 15

Text proposed by the Commission

Amendment

(15) Member States, ***in*** consultation ***with*** regional level authorities, are best placed to design and to implement Plans that are adapted and targeted to their local, regional and national circumstances as their existing policies in the relevant areas and planned use of other relevant EU funds. In that manner, the broad diversity of situations, the specific knowledge of local and regional governments, research and innovation and industrial relations and social dialogue structures, as well as national traditions, can best be respected and contribute to the effectiveness and

(15) Member States, ***with meaningful*** consultation ***of local and*** regional level authorities, ***economic and social partners and relevant civil society organisations,*** are best placed to design and to implement Plans that are adapted and targeted to their local, regional and national circumstances as their existing policies in the relevant areas and planned use of other relevant EU funds. In that manner, the broad diversity of situations, the specific knowledge of local and regional governments, ***economic and social partners, relevant civil society organisations and of*** research and

efficiency of the overall support to the vulnerable.

innovation and industrial relations and social dialogue structures, as well as national traditions, can best be respected and contribute to the effectiveness and efficiency of the overall support to the vulnerable ***and to the scaling up of projects developed by local and regional authorities, social partners and socio-economic actors.***

Amendment 26

Proposal for a regulation Recital 15 a (new)

Text proposed by the Commission

Amendment

(15a) The Plans should be designed in a comprehensive manner, while at the same time preventing excessive administrative burdens. The Member States should be therefore required, when designing and implementing the Plans as described, to be comprehensive while avoiding any unnecessary complexity.

Amendment 27

Proposal for a regulation Recital 16

Text proposed by the Commission

Amendment

(16) Ensuring that the measures and investments are particularly targeted towards energy poor or vulnerable households, vulnerable micro-enterprises and vulnerable transport users is key for a just transition towards climate neutrality. Support measures to promote reductions in greenhouse gas emissions should help Member States to address the social impacts ***arising from the emissions trading for the sectors of buildings and road transport.***

(16) Ensuring that the measures and investments are particularly targeted towards energy poor or vulnerable households, vulnerable micro-enterprises and vulnerable transport users is key for a just transition towards climate neutrality. Support measures to promote reductions in greenhouse gas emissions should help Member States to address the social impacts ***of the transition towards climate neutrality, including social impacts from carbon pricing.***

Amendment 28

Proposal for a regulation Recital 17

Text proposed by the Commission

(17) Pending the impact of those investments on reducing costs and emissions, well targeted direct income support for **the most** vulnerable would **help** the just transition. Such support should be understood to be a temporary measure accompanying the decarbonisation of the housing and transport sectors. It would not be permanent as it does not address the root causes of energy and **transport** poverty. **Such support should only concern direct impacts of the inclusion of building and road transport into the scope of Directive 2003/87/EC, not electricity or heating costs related to the inclusion of power and heat production in the scope of that Directive. Eligibility for such direct income support should be limited in time.**

Amendment

(17) **Direct income support when combined with long-lasting structural investment measures targeting the same beneficiaries, will contribute to the achievement of the objectives of the Fund.** Pending the impact of those investments on reducing costs and emissions, well targeted direct income support for vulnerable **households in energy poverty or mobility poverty** would **contribute to reduce energy and mobility costs and support** the just transition **while waiting for more structural investments to take place.** Such support should be understood to be a temporary measure accompanying the decarbonisation of the housing and transport sectors. It would not be permanent as it does not address the root causes of energy and **mobility** poverty. Such direct income support should be limited **to up to 40% of the total estimated cost of each Plan for the period 2024-2027 and should be set for the 2028-2032 period in accordance with a country-by-country assessment by the Commission of the efficiency, added value, continued relevance and required level of direct income support in light of the progress and effect of the implementation of structural investments and measures, with a view to phasing out such support by the end of 2032.**

Amendment 29

Proposal for a regulation Recital 17 a (new)

Text proposed by the Commission

Amendment

(17a) Vulnerable households, vulnerable transport users and vulnerable micro-enterprises should be informed about the existence of, and means to, benefit from support under the Fund. Targeted, accessible and affordable information, education, awareness and advice on cost-effective measures and investments and available support should therefore be provided.

Amendment 30

Proposal for a regulation Recital 17 b (new)

Text proposed by the Commission

Amendment

(17b) The Fund should be consistent with the Union's obligation under the UN Convention on the Rights of Persons with Disabilities and should not support any measure or investment that contributes to segregation or to social exclusion.

Amendment 31

Proposal for a regulation Recital 18

Text proposed by the Commission

Amendment

(18) Taking into account the importance of tackling climate change in line with Paris Agreement commitments, and the commitment to the United Nations Sustainable Development Goals, the actions under this Regulation should contribute to the achievement of the target that ***30% of all expenditure*** under the 2021-2027 multiannual financial framework should be spent on mainstreaming climate objectives and should contribute to the ambition of

(18) Taking into account the importance of tackling climate change in line with Paris Agreement commitments, ***the commitment to the European Pillar of Social Rights*** and the commitment to the United Nations Sustainable Development Goals, the actions under this Regulation should contribute to the achievement of the target that ***at least 30% of the total amount of the Union budget*** under the 2021-2027 multiannual financial framework ***and the European Union Recovery instrument***

providing 10% of annual spending to biodiversity objectives in 2026 and 2027, while considering the existing overlaps between climate and biodiversity goals. For this purpose, the methodology set out in Annex II of Regulation (EU) 2021/1060 of the European Parliament and of the Council³³ should be used to tag the expenditures of the Fund. The Fund should support activities that fully respect the ***climate and environmental standards and priorities of the Union and comply with the principle of ‘do no significant harm’ within the meaning of Article 17 of Regulation (EU) 2020/852 of the European Parliament and of the Council³⁴***. Only such measures and investments should be included in the Plans. Direct income support measures should as a rule be considered as having an insignificant foreseeable impact on environmental objectives, and as such be considered compliant with the principle of ‘do no significant harm’. The Commission ***intends to issue technical guidance to the Member States well ahead of the preparation of the Plans. The guidance will explain how the measures and investments must comply with the principle of ‘do no significant harm’ within the meaning of Article 17 of Regulation (EU) 2020/852. The Commission intends to present*** in 2021 a proposal for a Council Recommendation on how to address the social aspects of the green transition.

³³ Regulation (EU) 2021/1060 of the European Parliament and of the Council of 24 June 2021 laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, the Just Transition Fund and the European Maritime, Fisheries and Aquaculture Fund and financial rules for those and for the Asylum, Migration and Integration Fund, the Internal Security Fund and the Instrument for Financial Support for

expenditure should be spent on mainstreaming climate objectives and should contribute to the ambition of providing ***7.5% of annual spending under the MFF to biodiversity objectives in 2024 and*** 10% of annual spending to biodiversity objectives in 2026 and 2027, while considering the existing overlaps between climate and biodiversity goals. For this purpose, the methodology set out in Annex II of Regulation (EU) 2021/1060 of the European Parliament and of the Council³³ should be used to tag the expenditures of the Fund. The Fund should support activities that fully respect the ***technical screening criteria established by the Commission in accordance with Article 10(3) of Regulation (EU) 2020/852 of the European Parliament and of the Council³⁴***. Only such measures and investments should be included in the Plans. Direct income support measures should as a rule be considered as having an insignificant foreseeable impact on environmental objectives, and as such be considered compliant with the principle of ‘do no significant harm’. The Commission ***presented*** in 2021 a proposal for a Council Recommendation on how to address the social aspects of the green transition.

³³ Regulation (EU) 2021/1060 of the European Parliament and of the Council of 24 June 2021 laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, the Just Transition Fund and the European Maritime, Fisheries and Aquaculture Fund and financial rules for those and for the Asylum, Migration and Integration Fund, the Internal Security Fund and the Instrument for Financial Support for

Border Management and Visa Policy (OJ L 231, 30.6.2021, p. 159).

³⁴ Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (OJ L 198, 22.6.2020, p. 13).

Border Management and Visa Policy (OJ L 231, 30.6.2021, p. 159).

³⁴ Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (OJ L 198, 22.6.2020, p. 13).

Amendment 32

Proposal for a regulation

Recital 19

Text proposed by the Commission

(19) Women are **particularly** affected by **carbon pricing as they** represent 85% of single parent families. Single parent families have a particularly high risk of child poverty. Gender equality and equal opportunities for all, and the mainstreaming of those objectives, as well as **questions of accessibility for** persons with disabilities should be **taken into account** and promoted throughout the preparation and implementation of Plans to ensure no one is left behind.

Amendment

(19) Women are **disproportionately** affected by **energy poverty and mobility poverty, in particular single mothers, who** represent 85% of single parent families, **as well as single women, women with disabilities, or elderly women living alone. In addition, women have different and more complex mobility patterns.** Single parent families **with dependent children** have a particularly high risk of child poverty. Gender equality and equal opportunities for all, and the mainstreaming of those objectives, as well as accessibility **rights of** persons with disabilities should be **upheld** and promoted throughout the preparation and implementation of Plans to ensure no one is left behind.

Amendment 33

Proposal for a regulation

Recital 19 a (new)

Text proposed by the Commission

Amendment

(19a) Renewable energy communities and citizen energy communities can help Member States to achieve the objectives of this Regulation via a bottom-up approach

initiated by citizens, as those communities empower and engage consumers and enable certain groups of household customers, both living in urban and in rural, insular, mountainous, remote and less accessible areas or in less developed regions or territories, including less developed peri-urban areas, to participate in energy efficiency projects, support the use of renewable energy of households and at the same time contribute to fighting energy poverty. Member States should therefore promote the role of renewable energy communities and citizen energy communities and regard them as eligible beneficiaries of the Fund.

Amendment 34

Proposal for a regulation Recital 20

Text proposed by the Commission

(20) Member States should submit their Plans together with the update of their integrated national energy and climate plans in accordance with Article 14 of Regulation (EU) 2018/1999 of the European Parliament and of the Council³⁵. The Plans should include the measures to be financed, their estimated costs and the national contribution. They should also include key milestones and targets to assess the effective implementation of the measures.

³⁵ Regulation (EU) 2018/1999 of the European Parliament and of the Council of 11 December 2018 on the Governance of the Energy Union and Climate Action, amending Regulations (EC) No 663/2009 and (EC) No 715/2009 of the European Parliament and of the Council, Directives 94/22/EC, 98/70/EC, 2009/31/EC,

Amendment

(20) Member States should submit their Plans together with the update of their integrated national energy and climate plans in accordance with Article 14 of Regulation (EU) 2018/1999 of the European Parliament and of the Council³⁵ **and the European Code of Conduct on Partnership as set out in Regulation (EU) No 240/2014^{35a}**. The Plans should include the measures to be financed, their estimated costs and the national contribution. They should also include key milestones and targets to assess the effective implementation of the measures.

³⁵ Regulation (EU) 2018/1999 of the European Parliament and of the Council of 11 December 2018 on the Governance of the Energy Union and Climate Action, amending Regulations (EC) No 663/2009 and (EC) No 715/2009 of the European Parliament and of the Council, Directives 94/22/EC, 98/70/EC, 2009/31/EC,

2009/73/EC, 2010/31/EU, 2012/27/EU and 2013/30/EU of the European Parliament and of the Council, Council Directives 2009/119/EC and (EU) 2015/652 and repealing Regulation (EU) No 525/2013 of the European Parliament and of the Council (OJ L 328, 21.12.2018, p. 1).

2009/73/EC, 2010/31/EU, 2012/27/EU and 2013/30/EU of the European Parliament and of the Council, Council Directives 2009/119/EC and (EU) 2015/652 and repealing Regulation (EU) No 525/2013 of the European Parliament and of the Council (OJ L 328, 21.12.2018, p. 1).

^{35a} Commission Delegated Regulation (EU) No 240/2014 of 7 January 2014 on the European code of conduct on partnership in the framework of the European Structural and Investment Funds (OJ L 74, 14.3.2014, p. 1).

Amendment 35

Proposal for a regulation Recital 20 a (new)

Text proposed by the Commission

Amendment

(20a) The execution of the measures included in the Plans will be reliant on an adequate level of workforce, including craftsmen as well as high-skilled green tech experts, applied scientists and innovators. Therefore, Member States should complement the Plans by making use of other relevant Union actions and programmes to provide for reskilling and upskilling of workers to establish better opportunities for specialised craftsmen and high-skilled experts, in particular in jobs related to building renovation, insulation and installation of heat pumps, and alternative fuel infrastructure deployment, such as the deployment of charging stations for electric vehicles.

Amendment 36

Proposal for a regulation Recital 21

(21) The Fund and the Plans should be coherent with and framed by the reforms planned and the commitments made by the Member States under their updated integrated national energy and climate plans in accordance with Regulation (EU) 2018/1999, under Directive [yyyy/nnn] of the European Parliament and the Council [Proposal for recast of Directive 2012/27/EU on energy efficiency]³⁶, the European Pillar of Social Rights Action Plan³⁷, the European Social Fund Plus (ESF+) **established by Regulation (EU) 2021/1057 of the European Parliament and of the Council³⁸**, the Just Transition Plans **pursuant to Regulation (EU) 2021/1056 of the European Parliament and of the Council³⁹** and the Member States long-term buildings renovation strategies pursuant to Directive 2010/31/EU of the European Parliament and of the Council⁴⁰. To ensure administrative efficiency, where applicable, the information included in the Plans should be consistent with the legislation and plans listed above.

(21) The Fund and the Plans should be coherent with and framed by the reforms planned and the commitments made by the Member States under their updated integrated national energy and climate plans in accordance with Regulation (EU) 2018/1999, under Directive [yyyy/nnn] of the European Parliament and the Council [Proposal for recast of Directive 2012/27/EU on energy efficiency]³⁶, the European Pillar of Social Rights Action Plan³⁷, the European Social Fund Plus (ESF+)³⁸, **the Modernisation Fund, the cohesion policy operational programmes under Regulation (EU) 2021/1058, the Recovery and Resilience Plans in accordance with Regulation (EU) 2021/241**, the Just Transition Plans³⁹ and the Member States long-term buildings renovation strategies pursuant to Directive 2010/31/EU of the European Parliament and of the Council⁴⁰. To ensure administrative efficiency, where applicable, the information included in the Plans should be consistent with the legislation and plans listed above.

³⁶ [Add ref]

³⁷ Endorsed by the European Council on 24 and 25 June 2021.

³⁸ Regulation (EU) 2021/1057 of the European Parliament and of the Council of 24 June 2021 establishing the European Social Fund Plus (ESF+) and repealing Regulation (EU) No 1296/2013 (OJ L 231, 30.6.2021, p. 21).

³⁹ Regulation (EU) 2021/1056 of the European Parliament and of the Council of 24 June 2021 establishing the Just Transition Fund (OJ L 231, 30.6.2021, p. 1).

⁴⁰ Directive 2010/31/EU of the European Parliament and of the Council of 19 May

³⁶ [Add ref]

³⁷ Endorsed by the European Council on 24 and 25 June 2021.

³⁸ Regulation (EU) 2021/1057 of the European Parliament and of the Council of 24 June 2021 establishing the European Social Fund Plus (ESF+) and repealing Regulation (EU) No 1296/2013 (OJ L 231, 30.6.2021, p. 21).

³⁹ Regulation (EU) 2021/1056 of the European Parliament and of the Council of 24 June 2021 establishing the Just Transition Fund (OJ L 231, 30.6.2021, p. 1).

⁴⁰ Directive 2010/31/EU of the European Parliament and of the Council of 19 May

2010 on the energy performance of buildings (OJ L 153, 18.6.2010, p. 13).

2010 on the energy performance of buildings (OJ L 153, 18.6.2010, p. 13).

Amendment 37

Proposal for a regulation Recital 21 a (new)

Text proposed by the Commission

Amendment

(21a) It is crucial to ensure that the Fund is consistent both with national energy and climate plans and with cohesion policy programmes with similar priorities, in order to prevent any overlap or duplication of efforts. Furthermore, there is a need for effective coordination and strategic programming in the Member States between the Fund, 2021-2027 cohesion policy and other Union funds, particularly the Just Transition Fund and the European Social Fund Plus.

Amendment 38

Proposal for a regulation Recital 22

Text proposed by the Commission

Amendment

(22) The Union should support Member States with financial means to implement their Plans through the Social Climate Fund. Payments from the Social Climate Fund should be made conditional on achievement of the milestones and targets included in the Plans. This would allow efficiently taking into account national circumstances and priorities while simplifying financing and facilitating its integration with other national spending programmes while guaranteeing the impact and the integrity of EU spending.

(22) The Union should support Member States with ***sufficient*** financial means ***proportionate to Member States, taking into account their respective geographic and demographic realities, along with technical support*** to implement their Plans through the Social Climate Fund. ***Specific individual attention should be given to the unique and specific challenges of rural, insular, peripheral, mountainous, remote and less accessible regions or territories, which face an amplified socio-economic impact of the climate transition. With a view to ensuring the effectiveness of measures and investments for those***

*regions, a specific minimum financial allocation should be established for applicable regions. In order to ensure the most efficient use of Union funds, payments from the Social Climate Fund should be made conditional on **the** achievement of the milestones and targets included in the Plans **and should be in accordance with the costs indicated for achieving those milestones and targets and should ensure that they do not prolong fossil fuel dependency and avoid carbon lock-in.** This would allow efficiently taking into account national circumstances and priorities while simplifying financing and facilitating its integration with other national spending programmes while guaranteeing the impact and the integrity of EU spending.*

Amendment 39

Proposal for a regulation Recital 22 a (new)

Text proposed by the Commission

Amendment

(22a) The principle of unity of the Union budget, whereby all items of revenue and expenditure of the Union are shown in the budget, is a Treaty requirement under Article 310(1) TFEU. The Fund is therefore to be fully integrated into the Union budget in order to, inter alia, respect the Community method, respect parliamentary democratic accountability, oversight and control, ensure predictability of funding and multiannual programming, and safeguard transparency of the budgetary decisions taken at Union level.

Amendment 40

Proposal for a regulation Recital 23

(23) The financial envelope of the Fund **should, in principle, be commensurate to amounts corresponding to 25%** of the expected revenues **from the inclusion of** buildings and road transport into the scope of Directive 2003/87/EC **in the period 2026-2032**. Pursuant to Council Decision (EU, Euratom) 2020/2053⁴¹, Member States should make those revenues available to the Union budget as own resources. Member States are to finance **50%** of the total costs of their **Plan** themselves. For this purpose, as well as for investment and measures to accelerate and alleviate the required transition for citizens negatively affected, Member States should **inter alia** use their expected revenues from emissions trading for buildings and road transport under Directive 2003/87/EC for that purpose.

(23) The financial envelope of the Fund **is set on the basis of an assessment of the estimated amount generated by allocating to the Union budget 25%** of the expected revenues **linked to commercial road transport, commercial buildings and other fuels covered by Chapter IVa [ETS Directive] in the first period. That amount should be complemented by the revenues from the 150 million allowances auctioned in accordance with Article 30d(3) of Directive 2003/87/EC. Assuming a carbon price of 35 euros per tonne there would be an additional 5,25 billion euros available over the three year period. Together with the financial envelope this would amount to 16,39 billion euros for that period. A Commission proposal would be required to establish the amount for the Social Climate Fund for the second period 2028-2032, in light of the next MFF negotiations and any inclusion of the sectors of private buildings and private road transport into the scope of Directive 2003/87/EC by 1 January 2029 in accordance with Article [XX] of Directive 2003/87/EC. Consequently, the Fund could reach 72 billion euros over the whole period [date of entry into force]-2032**. Pursuant to Council Decision (EU, Euratom) 2020/2053⁴¹, Member States should make those revenues available to the Union budget as own resources. Member States are to finance **a significant share** of the total costs of their **Plans** themselves, **corresponding to at least 60 % for temporary direct income support and at least 50 % for targeted structural measures and investments. By way of derogation, it should be possible for the national co-financing share for targeted structural measures and investments to be limited to 40 % for Member States that are eligible for a top-up from the Modernisation Fund**. For this purpose, as well as for investment and measures to

accelerate and alleviate the required transition for citizens negatively affected, Member States should *first* use their expected revenues from emissions trading for buildings and road transport under Directive 2003/87/EC for that purpose. ***The financing of the Fund should not come at the expense of other Union programmes and policies.***

⁴¹ Council Decision (EU, Euratom) 2020/2053 of 14 December 2020 on the system of own resources of the European Union and repealing Decision 2014/335/EU, Euratom (OJ L 424, 15.12.2020, p. 1).

⁴¹ Council Decision (EU, Euratom) 2020/2053 of 14 December 2020 on the system of own resources of the European Union and repealing Decision 2014/335/EU, Euratom (OJ L 424, 15.12.2020, p. 1).

Amendment 41

Proposal for a regulation Recital 23 a (new)

Text proposed by the Commission

Amendment

(23a) In the event of a higher carbon price, additional allocations should be made available for the Fund so as to ensure that the available appropriations for the Social Climate Fund in the Union budget increase in alignment with the carbon price, in order to further support vulnerable households and transport users in the transition towards climate neutrality. Such annual reinforcements should be accommodated within the MFF by means of an automatic ‘carbon price fluctuation adjustment’ of the ceiling of Heading 3 and of the payment ceiling, the mechanism for which is to be provided for in Council Regulation (EU, Euratom) 2020/2093 pursuant to Article 312 TFEU.

Amendment 42

Proposal for a regulation
Recital 24

Text proposed by the Commission

(24) The Fund should support measures that respect the principle of additionality of Union funding. The Fund should not be a substitute for recurring national expenditures, *except in duly justified cases*.

Amendment

(24) The Fund should support measures that respect the principle of additionality of Union funding. The Fund should not be a substitute for recurring national expenditures.

Amendment 43

Proposal for a regulation
Recital 25

Text proposed by the Commission

(25) In order to ensure an efficient and coherent allocation of funds and to respect the principle of sound financial management, actions under this Regulation should be consistent with and be complementary to ongoing Union programmes, whilst avoiding **double funding from** the Fund **and** other Union programmes for the same expenditure. In particular, the Commission and the Member State should ensure, in all stages of the process, effective coordination in order to safeguard the consistency, coherence, complementarity and synergy among sources of funding. To that effect, Member States should be required to present the relevant information on existing or planned Union financing when submitting their plans to the Commission. Financial support under the Fund should be additional to the support provided under other Union programmes and instruments. Measures and investment financed under the Fund should be able to receive funding from other Union programmes and instruments provided that such support does not cover the same costs.

Amendment

(25) In order to ensure an efficient, **transparent** and coherent allocation of funds and to respect the principle of sound financial management, actions under this Regulation should be consistent with and be complementary to ongoing Union, **national and, where appropriate, regional programmes, instruments and funds**, whilst avoiding **that** the Fund **substitutes** other Union programmes, **investments and funds** for the same expenditure. In particular, the Commission and the Member State should ensure, in all stages of the process, effective coordination in order to safeguard the consistency, coherence, complementarity and synergy among sources of funding **and promote evidence-based policy-making, social innovation in partnership with the social partners and public and private bodies**. To that effect, Member States should be required to present the relevant information on existing or planned Union financing when submitting their plans to the Commission. Financial support under the Fund should be additional to the support provided under other Union programmes and instruments. Measures and investment financed under the Fund should be able to

receive funding from other Union programmes and instruments provided that such support does not cover the same costs.

Amendment 44

Proposal for a regulation Recital 25 a (new)

Text proposed by the Commission

Amendment

(25a) To ensure that support under the Plans can be effectively implemented from the initial years starting from ... [the date of entry into force of the Social Climate Fund], it should be possible for an amount of up to 13 % of the financial contribution of Member States to be paid in the form of pre-financing by the Commission following a request by the Member State submitted together with the Social Climate Plan.

Amendment 45

Proposal for a regulation Recital 27

Text proposed by the Commission

Amendment

(27) In order to ensure transparent rules for monitoring and evaluation, the power to adopt acts in accordance with Article 290 of the Treaty on the Functioning of the European Union should be delegated to the Commission in respect of setting the common indicators for reporting on the progress and for the purpose of monitoring and evaluation of the implementation of the Plans. It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level, and that those consultations be conducted in accordance with the principles laid down in the ***Interinstitutional Agreement on Better***

(27) In order ***to facilitate the preparation of the Social Climate Plans*** and to ensure transparent rules for monitoring and evaluation, the power to adopt acts in accordance with Article 290 of the Treaty on the Functioning of the European Union should be delegated to the Commission in respect of setting ***out the template based on which Member States are to prepare their Social Climate Plans*** and the common indicators for reporting on the progress and for the purpose of monitoring and evaluation of the implementation of the Plans. It is of particular importance that the Commission carry out appropriate consultations during

Law-Making of 13 April 2016. In particular, to ensure equal participation in the preparation of delegated acts, the European Parliament and the Council receive all documents at the same time as Member States' experts, and their experts systematically have access to meetings of Commission expert groups dealing with the preparation of delegated acts.

its preparatory work, including at expert level, and that those consultations be conducted in accordance with the principles laid down in the **European Code of Conduct on Partnerships**. In particular, to ensure equal participation in the preparation of delegated acts, the European Parliament and the Council receive all documents at the same time as Member States' experts, and their experts systematically have access to meetings of Commission expert groups dealing with the preparation of delegated acts.

Amendment 46

Proposal for a regulation

Recital 28

Text proposed by the Commission

(28) The implementation of the Fund should be carried out in line with the principle of sound financial management, including the effective prevention and prosecution of fraud, tax fraud, tax evasion, corruption and conflicts of interest.

Amendment

(28) The implementation of the Fund should be carried out in line with the principle of sound financial management, including the **protection of the Union budget in the case of breaches of the principles of the rule of law**, the effective prevention and prosecution of fraud, tax fraud, tax evasion, corruption and conflicts of interest.

Amendment 47

Proposal for a regulation

Recital 28 a (new)

Text proposed by the Commission

Amendment

(28a) The integration of the Fund into the Union budget provides strong safeguards as regards the Fund's implementation, given the protection afforded both by Union financial legislation and the applicable sector-specific and financial rules in the event of irregularities or serious deficiencies in

management and control systems and by the measures set out under Regulation (EU, Euratom) 2020/2092 of the European Parliament and of the Council^{1a} for the protection of the Union budget in the event of breaches of the principles of the rule of law in Member States. The Commission should provide, to that effect, an effective and efficient internal control system and the recovery of amounts wrongly paid or incorrectly used and should take the necessary measures, which could include, among others, a suspension of payments, termination of the legal commitment within the meaning of the Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council^{1b}, a prohibition on entering into such legal commitments, or a suspension of the disbursement of instalments.

^{1a} Regulation (EU, Euratom) 2020/2092 of the European Parliament and of the Council of 16 December 2020 on a general regime of conditionality for the protection of the Union budget (OJ L 433I, 22.12.2020, p. 1).

^{1b} Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 (OJ L 193, 30.7.2018, p. 1).

Amendment 48

**Proposal for a regulation
Recital 29**

Text proposed by the Commission

(29) For the purpose of sound financial management, while respecting the performance-based nature of the Fund, specific rules should be laid down for budget commitments, payments, suspension, and recovery of funds as well as for the termination of agreements related to financial support. The Member States should take appropriate measures to ensure that the use of funds in relation to measures supported by the Fund complies with applicable Union and national law. Member States must ensure that such support is granted in compliance with the EU State aid rules, where applicable. In particular, they should ensure that fraud, corruption and conflicts of interests are prevented, detected and corrected, and that double funding from the Fund and other Union programmes is avoided. Suspension and the termination of agreements related to financial support as well as reduction and recovery of the financial allocation should be possible when the Plan has not been implemented in a satisfactory manner by the Member State concerned, or in the case of serious irregularities, meaning fraud, corruption and conflicts of interest in relation to the measures supported by the Fund, or a serious breach of an obligation under the agreements related to financial support. Appropriate contradictory procedures should be established to ensure that the decision by the Commission in relation to suspension and recovery of amounts paid as well as the termination of agreements related to financial support respects the right of Member States to submit observations.

Amendment

(29) For the purpose of sound financial management, while respecting the performance-based nature of the Fund, specific rules should be laid down for budget commitments, payments, suspension, and recovery of funds as well as for the termination of agreements related to financial support. The Member States should take appropriate measures to ensure that the use of funds in relation to measures supported by the Fund complies with applicable Union and national law. Member States must ensure that such support is granted in compliance with the EU State aid rules, where applicable. In particular, they should ensure that fraud, corruption and conflicts of interests are prevented, detected and corrected, and that double funding from the Fund and other Union programmes is avoided. Suspension and the termination of agreements related to financial support as well as reduction and recovery of the financial allocation should be possible when the Plan has not been implemented in a satisfactory manner by the Member State concerned, or in the case of serious irregularities, meaning fraud, corruption and conflicts of interest in relation to the measures supported by the Fund, or a serious breach of an obligation under the agreements related to financial support. ***In the case of termination of an agreement related to financial support or the reduction and recovery of a financial allocation, these amounts should be proportionally allocated to the other Member States.*** Appropriate contradictory procedures should be established to ensure that the decision by the Commission in relation to suspension and recovery of amounts paid as well as the termination of agreements related to financial support respects the right of Member States to submit observations.

Amendment 49

Proposal for a regulation Recital 29 a (new)

Text proposed by the Commission

Amendment

(29a) All Member States which benefit from the Social Climate Fund have an obligation to respect the fundamental values enshrined in Article 2 TEU. Respect for the rule of law is an essential precondition for compliance with the principles of sound financial management enshrined in Article 317 TFEU. The Commission should ensure the effective implementation of the horizontal rules for the protection of the Union budget in the case of breaches of the principles of the rule of law in the Member States in accordance with Regulation (EU, Euratom) 2020/2092 of the European Parliament and of the Council^{1a}. Where it is established that breaches of the principles of the rule of law in a Member State affect or seriously risk affecting the sound financial management of the Social Climate Fund or the protection of the financial interests of the Union in a sufficiently direct way, the Commission should take the necessary measures, which may include, among others, a suspension of payments, termination of the legal commitment within the meaning of the Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council^{1b}, a prohibition on entering into such legal commitments, or a suspension of the disbursement of instalments. In such cases, the Commission should take all necessary steps to ensure that the intended beneficiaries of the Fund do not suffer, and continue to have access to Union assistance, if needed, with the Commission ensuring disbursement via local and regional authorities, non-

governmental organisations, or other entities with a proven capacity to ensure the sound financial management of the Fund.

^{1a} Regulation (EU, Euratom) 2020/2092 of the European Parliament and of the Council of 16 December 2020 on a general regime of conditionality for the protection of the Union budget (OJ L 433I, 22.12.2020, p. 1).

^{1b} Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 (OJ L 193, 30.7.2018, p. 1).

Amendment 50

Proposal for a regulation Recital 30 a (new)

Text proposed by the Commission

Amendment

(30a) Respect for fundamental rights and compliance with the Charter of Fundamental Rights of the European Union, should be ensured throughout the preparation, evaluation, implementation and monitoring of eligible projects under the Fund. The Fund should contribute to eliminating inequalities, promoting gender equality and integrating the gender perspective, as well as combating discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation as set out in Article 2 of the TEU, Article 10 TFEU and Article 21 of the Charter of

Amendment 51

Proposal for a regulation Article 1 – paragraph 3

Text proposed by the Commission

The measures and investments supported by the Fund shall benefit households, micro-enterprises and transport users, which are vulnerable and particularly affected by the ***inclusion of greenhouse gas emissions from buildings and road transport into the scope of Directive 2003/87/EC***, especially households in energy poverty and citizens ***without public transport alternative to individual cars*** (in remote and *rural* areas).

Amendment

The measures and investments supported by the Fund shall benefit households, micro-enterprises, and transport users, which are vulnerable and particularly affected by the ***impact of the transition towards climate neutrality, including by carbon pricing***, especially households in energy poverty and citizens ***in mobility poverty, paying special attention to those living in rural, insular, peripheral, mountainous, remote and less accessible areas or less developed regions or territories, including less developed peri-urban areas, the outermost regions, and carbon-intensive regions with high unemployment***.

Amendment 52

Proposal for a regulation Article 1 – paragraph 4

Text proposed by the Commission

The general objective of the Fund is to contribute to ***the*** transition towards climate neutrality by addressing the social impacts of the inclusion of greenhouse gas emissions from buildings and road transport into the scope of Directive 2003/87/EC. The specific objective of the Fund is to support vulnerable households, vulnerable micro-enterprises and vulnerable transport users through temporary direct income support and through measures and investments

Amendment

The general objective of the Fund is to contribute to ***a socially fair*** transition towards climate neutrality ***that leaves no one behind, in particular*** by addressing the social impacts of the inclusion of greenhouse gas emissions from buildings and road transport into the scope of Directive 2003/87/EC. The specific objective of the Fund is to support vulnerable households, vulnerable micro-enterprises, and vulnerable transport users, ***especially those in energy poverty or***

intended to increase energy efficiency of buildings, decarbonisation of heating and cooling of buildings, including the integration of energy from renewable sources, and granting improved access to **zero- and low-emission** mobility and transport.

mobility poverty through temporary direct income support and through measures and investments intended to increase energy efficiency of buildings, decarbonisation of heating and cooling of buildings, including the integration **and storage** of energy from renewable sources, and granting improved access to **efficient and affordable** mobility and transport **in accordance with Article 6, with the objective to phase out gradually and not prolong fossil fuel dependency and avoid carbon lock-in.**

Amendment 53

Proposal for a regulation Article 2 – paragraph 1 – point 1

Text proposed by the Commission

(1) ‘building renovation’ means **all kinds** of energy-related building renovation, including the insulation of the building envelope, that is to say walls, roof, floor, the replacement of windows, the replacement of heating, cooling and cooking appliances, and the installation of on-site production of energy from renewable sources;

Amendment

(1) ‘building renovation’ means **any kind** of energy-related building renovation **and accompanying safety measures**, including **by contributing to the renovation requirements established in Directive .../... [on the energy performance of buildings (recast) [2021/0426(COD)]**, aimed to reduce the building’s energy consumption, including: the insulation of the building envelope, that is to say walls, roof, floor, the replacement of windows; **passive ventilation; the installation of heat pumps and cooling systems;** the replacement of heating, cooling and cooking appliances; **the upgrade of electrical installations** and the installation of on-site production of energy from renewable sources, **heat recuperation systems or the connection to nearby systems using energy and storage from renewable sources;**

Amendment 54

Proposal for a regulation Article 2 – paragraph 1 – point 2

Text proposed by the Commission

(2) ‘energy poverty’ means **energy poverty as defined in point [(49)] of Article 2 of Directive (EU) [yyyy/nnn] of the of the European Parliament and of the Council**⁵⁰ ;

Amendment

(2) ‘energy poverty’ means poverty **affecting households in the lowest income deciles, including lower middle-income ones that have a significant share of energy expenditure to disposable income, including as a result of low-quality housing, arrears on utility bills due to financial difficulties, or limited access to essential and affordable energy services that underpin a decent standard of living and health, including adequate warmth, cooling, lighting and energy to power appliances;**

⁵⁰ [Directive (EU) [yyyy/nnn] of the of the European Parliament and of the Council (OJ C [...], [...], p. [...]).] [Proposal for recast of Directive 2012/27/EU on energy efficiency]

Amendment 55

Proposal for a regulation

Article 2 – paragraph 1 – point 2 a (new)

Text proposed by the Commission

Amendment

(2a) ‘mobility poverty’ means poverty **affecting households in the lowest deciles, including lower middle-incomes ones, that have a high share of mobility expenditure to disposable income or a limited access to affordable public or alternative modes of transport required to meet essential socio-economic needs, with a particular focus on households in rural, insular, peripheral, mountainous, remote and less accessible areas or less developed regions or territories, including less developed peri-urban areas and the outermost regions, caused by one or a combination of the following factors that depend on national or local specificities: low income, high fuel expenditures, the phase-out of**

internal combustion engine cars, high costs or lack of affordable or available public or alternative modes of transport;

Amendment 56

Proposal for a regulation

Article 2 – paragraph 1 – point 11

Text proposed by the Commission

(11) ‘vulnerable households’ means households in energy poverty or households, including lower middle-income ones, that are significantly affected by the *price impacts* of the *inclusion of buildings into the scope of Directive 2003/87/EC* and lack the means to renovate the building they occupy;

Amendment

(11) ‘vulnerable households’ means households in *or at risk of* energy poverty or households *in the lowest income deciles*, including lower middle-income ones, that are significantly affected by the *impact* of the *transition towards climate neutrality, including by carbon pricing*, and lack the means to renovate the building they occupy;

Amendment 57

Proposal for a regulation

Article 2 – paragraph 1 – point 12

Text proposed by the Commission

(12) ‘vulnerable micro-enterprises’ means micro-enterprises that are significantly affected by the price impacts of the inclusion of buildings into the scope of Directive 2003/87/EC and lack the means to renovate the building they occupy;

Amendment

(12) ‘vulnerable micro-enterprises’ means micro-enterprises that are significantly affected by the price impacts of the inclusion of *greenhouse gas emissions from buildings and road transport* into the scope of Directive 2003/87/EC, *as part of the just transition towards climate neutrality, leaving no one behind*, and lack the means to renovate the building they occupy *or upgrade road vehicles on which they rely in the course of business*;

Amendment 58

Proposal for a regulation

Article 2 – paragraph 1 – point 13

Text proposed by the Commission

(13) ‘vulnerable transport users’ means transport users, including from lower middle-income households, that are significantly affected by the **price impacts** of the **inclusion of road transport into the scope of Directive 2003/87/EC and lack the means to purchase zero- and low-emission vehicles or to switch to alternative sustainable modes of transport**, including **public transport, particularly in rural and remote areas**.

Amendment

(13) ‘vulnerable transport users’ means transport users, including from lower middle-income households **in the lowest income deciles, including lower middle-income ones**, that are **at risk of mobility poverty and** significantly affected **by the impact** of the **transition towards climate neutrality**, including **by carbon pricing**.

Amendment 59

Proposal for a regulation
Article 3 – paragraph 1

Text proposed by the Commission

1. Each Member State shall submit to the Commission a Social Climate Plan (‘the Plan’) together with the update to the integrated national energy and climate plan referred to in Article 14(2) of Regulation (EU) 2018/1999 in accordance with the procedure and timeline laid down in that Article. The Plan shall contain a coherent set of measures and investments to address the impact of carbon pricing on vulnerable households, vulnerable micro-enterprises and vulnerable transport users in order to ensure affordable heating, cooling and mobility while accompanying and accelerating necessary measures to meet the climate targets of the Union.

Amendment

1. Each Member State shall submit to the Commission a Social Climate Plan (‘the Plan’) together with the update to the integrated national energy and climate plan referred to in Article 14(2) of Regulation (EU) 2018/1999 in accordance with the procedure and timeline laid down in that Article **and following a meaningful consultation of local and regional level authorities, economic and social partners and relevant civil society organisations**. The Plan shall contain a coherent set of measures and investments to address **energy and mobility poverty, in particular the impact of the transition towards climate neutrality, including** the impact of carbon pricing on vulnerable households, vulnerable micro-enterprises, and vulnerable transport users in order to ensure affordable **and sustainable** heating, cooling and mobility while accompanying and accelerating necessary measures to meet the climate targets of the Union.

Amendment 60

Proposal for a regulation Article 3 – paragraph 2

Text proposed by the Commission

2. The Plan may include national measures providing temporary direct income support to vulnerable households and households that are vulnerable transport users to reduce the impact of the increase in the price of fossil fuels resulting from the ***inclusion of buildings and road transport into the scope of Directive 2003/87/EC***.

Amendment

2. The Plan may include national ***or, where applicable, regional*** measures providing temporary direct income support to vulnerable households and households that are vulnerable transport users to reduce the impact of the increase in the price of fossil fuels resulting from the ***transition towards climate neutrality, including by carbon pricing***.

Amendment 61

Proposal for a regulation Article 3 – paragraph 3 – introductory part

Text proposed by the Commission

3. The Plan shall include national projects to:

Amendment

3. The Plan shall include national, ***regional or local*** projects to:

Amendment 62

Proposal for a regulation Article 3 – paragraph 3 – point a

Text proposed by the Commission

(a) finance measures and investments to increase energy efficiency of buildings, to implement energy efficiency improvement measures, to carry out building renovation, and to decarbonise heating and cooling of buildings, including the integration of energy production from renewable ***energy*** sources;

Amendment

(a) finance measures and investments to increase energy efficiency of buildings, to implement energy efficiency improvement measures, to carry out building renovation ***and accompanying safety measures, where appropriate in combination with improvements in line with fire and seismic safety standards***, and to decarbonise heating and cooling of buildings, including the integration of energy production ***and storage of energy*** from renewable sources ***in accordance***

with Article 6;

Amendment 63

Proposal for a regulation

Article 3 – paragraph 3 – point b

Text proposed by the Commission

(b) finance measures and investments to increase the uptake of **zero- and low-emission** mobility and transport.

Amendment

(b) finance measures and investments to increase the uptake of mobility and transport, **including by directing measures and investments towards a modal shift from private to public, shared and active mobility, in accordance with Article 6.**

Amendment 64

Proposal for a regulation

Article 4 – paragraph 1 – point -a (new)

Text proposed by the Commission

Amendment

(-a) detailed quantitative information on energy and mobility poverty concerning the following:

(i) the definition, in exact terms, of energy and mobility poverty applied at national level, on the basis of the definitions set out in Article 2;

(ii) a mapping of the number of vulnerable households, vulnerable micro-enterprises, and vulnerable transport users identified at the start of the Plan, on the basis of the definitions set out in Article 2, to identify the potential beneficiaries of the Plan;

(iii) national targets and objectives to reduce the number of vulnerable households, vulnerable micro-enterprises, and vulnerable transport users over the duration of the Plan;

Amendment 65

Proposal for a regulation
Article 4 – paragraph 1 – point a

Text proposed by the Commission

(a) concrete measures and investments in accordance with **Article 3 to reduce** the effects referred to in point (c) of this paragraph together with an explanation of how they would contribute effectively to the achievement of the objectives set out in Article 1 within the overall setting of a Member State’s relevant policies;

Amendment

(a) concrete measures and investments in accordance with **Articles 3 and 6 to address** the effects referred to in point (c) of this paragraph together with an explanation of how they would contribute effectively to the achievement of the objectives set out in Article 1 within the overall setting of a Member State’s relevant policies;

Amendment 66

Proposal for a regulation
Article 4 – paragraph 1 – point b a (new)

Text proposed by the Commission

Amendment

(ba) the coherence and mutual reinforcement of the accompanying measures to reduce the effects referred to in point (c);

Amendment 67

Proposal for a regulation
Article 4 – paragraph 1 – point c

Text proposed by the Commission

Amendment

(c) an estimate of the likely effects of **that increase in prices on households, and in particular on incidence of** energy poverty, **on micro-enterprises and on transport users, comprising in particular an estimate and the identification of** vulnerable households, vulnerable micro-enterprises and vulnerable transport users; these impacts are to be analysed with a sufficient level of regional disaggregation, taking into account elements such as access

(c) an estimate of the likely effects of **a price increase on energy poverty and mobility poverty, on** vulnerable households, vulnerable micro-enterprises, and vulnerable transport users; these impacts are to be analysed with a sufficient level of regional disaggregation taking into account **national specificities and** elements such as access to public transport and basic services and identifying the areas mostly affected, particularly territories which are

to public transport and basic services and identifying the areas mostly affected, particularly territories which are remote and *rural*;

rural, insular, peripheral, mountainous, remote and less accessible areas or less developed regions or territories, including less developed peri-urban areas and the outermost regions which will need particular attention and support for the transition towards climate neutrality;

Amendment 68

Proposal for a regulation

Article 4 – paragraph 1 – point d

Text proposed by the Commission

(d) where the Plan provides for measures referred to in Article 3(2), the criteria for the identification of eligible final recipients, the indication of the envisaged time limit for the measures in question and their justification on the basis of a quantitative estimate and a qualitative explanation of how the measures in the Plan are expected to reduce energy and **transport** poverty and the vulnerability of households, micro-enterprises and transport users to an increase of road transport and heating fuel prices;

Amendment

(d) where the Plan provides for measures referred to in Article 3(2), the criteria for the identification of eligible final recipients, the indication of the envisaged time limit for the measures in question and their justification on the basis of a quantitative estimate and a qualitative explanation of how the measures in the Plan are expected to reduce energy and **mobility** poverty and the vulnerability of households, micro-enterprises and transport users to an increase of road transport and heating fuel prices; **as well as a justification on how those measures complement existing activities of Member States to that effect;**

Amendment 69

Proposal for a regulation

Article 4 – paragraph 1 – point e

Text proposed by the Commission

(e) envisaged milestones, targets and an indicative timetable for the implementation of the measures and investments to be completed by 31 July 2032;

Amendment

(e) envisaged milestones, targets and an indicative timetable for the implementation of the measures and investments to be completed by **each biennial integrated national energy and climate progress report pursuant to Article 23 and by 31 July 2032;**

Amendment 70

Proposal for a regulation

Article 4 – paragraph 1 – point e a (new)

Text proposed by the Commission

Amendment

(ea) an indicative timetable, where applicable, for the support for vehicles in accordance with Article 6(2), point (d);

Amendment 71

Proposal for a regulation

Article 4 – paragraph 1 – point e b (new)

Text proposed by the Commission

Amendment

(eb) how the measures and investments, where relevant, promote sustainable and quality jobs;

Amendment 72

Proposal for a regulation

Article 4 – paragraph 1 – point i

Text proposed by the Commission

Amendment

(i) the arrangements for the effective monitoring and implementation of the Plan by the Member State concerned, in particular of the proposed milestones and targets, including indicators for the implementation of measures and investments, which, where relevant, shall be those available with the Statistical office of the European Union European Statistical Office and the European Energy Poverty Observatory as identified by Commission Recommendation 2020/1563⁵⁴ on energy poverty;

(i) the arrangements for the effective monitoring and implementation of the Plan by the Member State concerned, ***to be undertaken in close consultation with local and regional level authorities, economic and social partners and relevant civil society organisations in accordance with national law and practices***, in particular of the proposed milestones and targets, including indicators for the implementation of measures and investments, which, where relevant, shall be those available with the Statistical office of the European Union European Statistical Office and the European Energy Poverty Observatory as identified by Commission

⁵⁴ OJ L 357, 27.10.2020, p. 35.

⁵⁴ OJ L 357, 27.10.2020, p. 35.

Amendment 73

Proposal for a regulation

Article 4 – paragraph 1 – point j

Text proposed by the Commission

(j) for the preparation and, where available, for the implementation of the Plan, a summary of the consultation process, conducted in accordance with Article 10 of Regulation (EU) 2018/1999 and with the national legal framework, of local and regional authorities, social partners, civil society organisations, youth organisations and other relevant stakeholders, and how the input of the stakeholders is reflected in the Plan;

Amendment

(j) for the preparation and, where available, for the implementation of the Plan, a summary of the consultation process, conducted in accordance with Article 10 of Regulation (EU) 2018/1999 **and Article 8 of Regulation (EU) 2021/1060** and with the national legal framework, of local and regional authorities, social partners, civil society organisations, youth organisations and other relevant stakeholders, and how the input of the stakeholders is reflected in the Plan **as well as their specific roles on the design, implementation and monitoring**;

Amendment 74

Proposal for a regulation

Article 4 – paragraph 1 – point k a (new)

Text proposed by the Commission

Amendment

(ka) the proportion of the Fund set aside for community-led local climate transition projects.

Amendment 75

Proposal for a regulation

Article 4 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

2a. *The Commission is empowered to adopt, within [insert date three months from the entry into force of this Regulation], a delegated act in accordance with Article 25 to supplement this Regulation by setting out a template based on which Member States are to prepare their Plan.*

Amendment 76

Proposal for a regulation Article 5 – paragraph 2 – introductory part

Text proposed by the Commission

Amendment

2. Payment of support shall be **conditional upon achieving** the milestones and targets for measures and investments set out in the Plans. Those milestones and targets shall be compatible with the Union's climate targets and cover in particular:

2. Payment of support shall be **made in accordance with the costs indicated to achieve** the milestones and targets for measures and investments set out in the Plans **in accordance with Article 6**. Those milestones and targets shall be compatible with the Union's climate targets, **in line with the principles of the European Pillar of Social Rights**, and cover in particular:

Amendment 77

Proposal for a regulation Article 5 – paragraph 2 – point b

Text proposed by the Commission

Amendment

(b) building renovation;

(b) building renovation, **including by contributing to the achievement of the renovation requirements established in Directive .../... [on the energy performance of buildings (recast) [2021/0426(COD)]]**;

Amendment 78

Proposal for a regulation
Article 5 – paragraph 2 – point c

Text proposed by the Commission

(c) **zero- and low-emission** mobility and transport;

Amendment

(c) mobility and transport **in accordance with Article 6**;

Amendment 79

Proposal for a regulation
Article 5 – paragraph 2 – point d

Text proposed by the Commission

(d) greenhouse gas emissions reductions;

Amendment

(d) greenhouse gas emissions reductions, **with the objective to phase out gradually and not prolong fossil fuel dependency and avoid carbon lock-in, relating to measures and investments in accordance with Article 6**;

Amendment 80

Proposal for a regulation
Article 5 – paragraph 2 – point e

Text proposed by the Commission

(e) reductions in the number of vulnerable households, **especially** households in energy poverty, of vulnerable micro-enterprises and of vulnerable transport users, including in rural **and** remote areas.

Amendment

(e) reductions in the number of vulnerable households, **i.e.** households in **or at risk of** energy poverty, of vulnerable micro-enterprises and of vulnerable transport users, including in rural, **insular, peripheral, mountainous, remote and less accessible areas or less developed regions or territories, including less developed peri-urban areas and the outermost regions which will need particular attention and support for the transition towards climate neutrality**;

Amendment 81

Proposal for a regulation
Article 5 – paragraph 2 – point e a (new)

Text proposed by the Commission

Amendment

(ea) contribution to, where relevant, sustainable and quality jobs.

Amendment 82

Proposal for a regulation
Article 5 – paragraph 3

Text proposed by the Commission

Amendment

3. The Fund shall only support measures and investments respecting the principle of ‘do no significant harm’ referred to in Article 17 of Regulation (EU) 2020/852.

3. The Fund shall only support measures and investments **that are consistent with the technical criteria established in the framework of Regulation (EU) 2020/852^{1a}** and respecting the principle of ‘do no significant harm’ referred to in Article 17 of **that** Regulation.

Recipients of the Fund shall respect applicable Union and national law on social and labour rights.

^{1a} Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088

Amendment 83

Proposal for a regulation
Article 6 – paragraph 1

Text proposed by the Commission

Amendment

1. Member States may include the costs of measures providing temporary direct income support to vulnerable households and vulnerable **households that**

1. Member States may include the costs of measures providing temporary direct income support, **including the reduction of electricity taxes and fees, as a**

are transport users to absorb the increase in road transport and heating fuel prices. Such support shall *decrease* over time *and be limited* to the *direct impact of the emission trading for buildings and road transport*. *Eligibility for such direct income* support shall *cease within the time limits identified under Article 4(1) point (d)*.

transitional measure to vulnerable households and vulnerable transport users *affected by energy poverty or mobility poverty*, to absorb the increase in road transport and heating fuel prices. Such support shall *constitute intermediary support to those vulnerable households, decreasing* over time, *subject* to the *implementation of structural measures or investments with long-lasting impacts to effectively lift those beneficiaries out of energy and mobility poverty*. Such support shall *be limited to a maximum of 40% of the total estimated cost of each Plan for the period 2024-2027 and shall be set for the period 2028-2032 in accordance with the assessment by the Commission made in accordance with Article 24(3), with a view to phasing out such support by the end of 2032*.

Amendment 84

Proposal for a regulation

Article 6 – paragraph 2 – introductory part

Text proposed by the Commission

2. Member States may include the costs of the following measures and investments in the estimated total costs of the Plans, provided they principally benefit vulnerable households, vulnerable micro-enterprises or vulnerable transport users and intend to:

Amendment

2. Member States may include the costs of the following measures and investments *with lasting impacts* in the estimated total costs of the Plans, provided they principally benefit vulnerable households, vulnerable micro-enterprises, or vulnerable transport users and intend to:

Amendment 85

Proposal for a regulation

Article 6 – paragraph 2 – point a

Text proposed by the Commission

(a) support building renovations, especially for those occupying worst-performing buildings, including in the form

Amendment

(a) support *quality, cost- and energy efficient* building renovations, especially *to contribute to the achievement of the*

of financial support or fiscal incentives such as deductibility of renovation costs from the rent, independently of the ownership of the buildings concerned;

renovation requirements established in Directive .../... [on the energy performance of buildings (recast) [2021/0426(COD)]] and for those occupying worst-performing buildings, with a special attention to tenants and social housing, including in the form of financial support or fiscal incentives such as deductibility of renovation costs from the rent or specific support for the renovation of social housing in order to facilitate access to affordable energy-efficient housing independently of the ownership of the buildings concerned;

Amendment 86

Proposal for a regulation

Article 6 – paragraph 2 – point a a (new)

Text proposed by the Commission

Amendment

(aa) ensure access to affordable energy-efficient housing, including by providing sufficient energy-efficient and affordable housing stock, including social housing;

Amendment 87

Proposal for a regulation

Article 6 – paragraph 2 – point b

Text proposed by the Commission

Amendment

(b) contribute to the decarbonisation, including the electrification, of heating and cooling of, and cooking in, buildings and the integration of energy from renewable sources that contribute to the achievements of energy savings;

(b) contribute to the ***cost-efficient*** decarbonisation, including the electrification, of heating and cooling of, and cooking in, buildings ***by ensuring access to affordable and energy-efficient systems***, and the integration ***and storage*** of energy from renewable sources, ***including through citizen energy communities and peer-to-peer energy sharing, to power any residual demand, smart internal electricity installations or cover connection costs to***

smart grids and any other measures that contribute unequivocally to the achievements of energy savings as well as connection to district heating networks, such as vouchers, subsidies or zero-interest loans to invest in products and services to increase the energy performance of buildings or to integrate renewable energy sources in buildings;

Amendment 88

Proposal for a regulation

Article 6 – paragraph 2 – point b a (new)

Text proposed by the Commission

Amendment

(ba) provide targeted, accessible and affordable information, education, awareness and advice on cost-effective measures and investments and available support for building renovations and energy efficiency, as well as sustainable and affordable mobility and transport alternatives, including through energy audits of buildings, tailored energy consultations or tailored mobility management services;

Amendment 89

Proposal for a regulation

Article 6 – paragraph 2 – point c

Text proposed by the Commission

Amendment

(c) support public and private entities in developing and providing affordable energy efficiency renovation solutions and appropriate funding instruments in line with the social goals of the Fund;

(c) support public and private entities, *including social-housing providers, in particular public-private cooperation*, in developing and providing *safe and* affordable energy efficiency renovation solutions and appropriate funding instruments in line with the social goals of the Fund, *including smart-grid solutions*;

Amendment 90

Proposal for a regulation

Article 6 – paragraph 2 – point d

Text proposed by the Commission

(d) provide access to zero- **and low-emission** vehicles **and bikes**, including financial support or fiscal incentives for their purchase **as well as** for appropriate public and private infrastructure, including for recharging and refuelling; for support concerning low-emission vehicles, a timetable for gradually reducing the support **shall be provided**;

Amendment

(d) provide **financial support or fiscal incentives to improve** access to zero-emission vehicles, **while maintaining technological neutrality, and to bicycles, including incentivising access to, and the further development of, the second-hand zero-emission vehicles market**, including financial support or fiscal incentives for their purchase, for appropriate public and private infrastructure, including for recharging and refuelling for support concerning **the purchase of zero-emission vehicles; the support shall be limited to vehicles which are available at or below the average market price for such vehicles in a Member State in a given year; measures to support** low-emission vehicles **shall be primarily considered only where access to zero-emission mobility is not yet feasible, in particular for rural, remote and less accessible areas. Member States shall provide** a timetable for gradually reducing the support, **in accordance with the technical criteria established by the Commission under Commission Delegated Regulation (EU) 2021/2139;**

Amendment 91

Proposal for a regulation

Article 6 – paragraph 2 – point e

Text proposed by the Commission

(e) **grant free access to public transport or adapted tariffs for access to** public transport, as well as **fostering** sustainable mobility on demand **and** shared mobility services;

Amendment

(e) **incentivise the use of affordable and accessible zero- and low-emission** public transport, as well as **supporting private and public entities, including cooperatives, in developing and providing** sustainable mobility on demand, shared mobility services **and attractive active mobility options, especially in rural,**

insular, mountainous, remote and less accessible areas, in less developed regions or territories, including less developed peri-urban areas and the outermost regions;

Amendment 92

Proposal for a regulation Article 6 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

2a. Member States shall promote, where relevant, sustainable and quality jobs when implementing the measures and investments in accordance with paragraph 2.

Amendment 93

Proposal for a regulation Article 6 – paragraph 2 b (new)

Text proposed by the Commission

Amendment

2b. By 31 July 2023, the Commission shall provide guidance on cost-effective measures and investments in the context of paragraph 2. By 31 July 2026 and every two years thereafter, the Commission shall evaluate the cost-effectiveness of the measures and investments implemented by the Member States as part of their Plans on the basis of the biennial integrated national energy and climate progress report pursuant to Article 23. The Commission shall report on best practices and shall adjust the guidance accordingly.

Amendment 94

Proposal for a regulation Article 7 – paragraph 1 – introductory part

Text proposed by the Commission

1. The Fund shall not **support, and the estimated total costs of Plans shall not include** measures in the form of direct income support pursuant to Article 3(2) of this Regulation for households already benefiting:

Amendment

1. The Fund shall not **replace** measures in the form of direct income support pursuant to Article 3(2) of this Regulation **to the extent that those are additional and complementary to the support provided** for households already benefiting:

Amendment 95

Proposal for a regulation Article 7 – paragraph 1 – point a

Text proposed by the Commission

(a) from public intervention in the price level of the fuels **covered by Chapter IVa of Directive 2003/87/EC**;

Amendment

(a) from public intervention in the price level of the fuels **used for combustion in the heating and cooling of buildings or road transport**;

Amendment 96

Proposal for a regulation Article 7 – paragraph 2

Text proposed by the Commission

2. Where it is proven by the Member State concerned in its Plan that the public interventions referred to in paragraph 1 do not fully off-set the price increase **resulting from the inclusion of the sectors of buildings and road transport into the scope of Directive 2003/87/EC**, direct income support may be included in the estimated total costs in the limits of the price increase not fully off-set.

Amendment

2. Where it is proven by the Member State concerned in its Plan that the public interventions referred to in paragraph 1 do not fully off-set the price increase, direct income support may be included in the estimated total costs in the limits of the price increase not fully off-set.

Amendment 97

Proposal for a regulation Article 8 – paragraph 1

Text proposed by the Commission

Member States may include into the estimated total costs financial support provided to public or private entities other than vulnerable households, vulnerable micro-enterprises and vulnerable transport uses, if those entities carry out measures and investments ultimately **benefitting** vulnerable households, vulnerable micro-enterprises and vulnerable transport users.

Amendment

Member States may include into the estimated total costs financial support provided to public or private entities, **strictly excluding financial intermediaries**, other than vulnerable households, vulnerable micro-enterprises and vulnerable transport uses **in energy poverty or mobility poverty**, if those entities carry out measures and investments **on their behalf and which ultimately directly benefit those** vulnerable households, vulnerable micro-enterprises, and vulnerable transport users **provided that these entities comply with the social and environmental safeguards referred to in Article 5.**

Amendment 98

**Proposal for a regulation
Article 8 – paragraph 2**

Text proposed by the Commission

Member States shall provide for the necessary statutory and contractual safeguards to ensure that the entire benefit is passed on to the households, micro-enterprises and transport users.

Amendment

Member States shall provide for the necessary statutory and contractual safeguards to ensure that the entire benefit is passed on to the households, micro-enterprises, and transport users. **Such entities shall comply with the requirements on visibility set out in Article 22a.**

The Commission shall issue guidance on minimum principles and safeguards and promote best practices.

Amendment 99

**Proposal for a regulation
Article 9 – paragraph 1**

Text proposed by the Commission

1. The financial envelope for the implementation of the Fund for the period **2025-2027** shall be **EUR 23 700 000 000** in current prices.

Amendment

1. The financial envelope for the implementation of the Fund for the period **[date of entry into force]-2027** shall be **at least EUR 11 140 000 000** in current prices. **The Fund shall be complemented by revenue resulting from the auctioning of 150 million allowances in accordance with Article 30d(3) of [ETS Directive] [5 250 000 000 indicative amount] for this period. That funding shall be implemented in accordance with this Regulation.**

Amendment 100

Proposal for a regulation
Article 9 – paragraph 2

Text proposed by the Commission

2. The financial envelope for the implementation of the Fund for the period 2028-2032 shall be **EUR 48 500 000 000 in current prices**, subject to the availability of the amounts under the annual ceilings of the applicable multiannual financial framework referred to in Article 312 TFEU.

Amendment

2. The financial envelope for the implementation of the Fund for the period 2028-2032 shall be **established after a revision of this Regulation**, subject to the availability of the amounts under the annual ceilings of the applicable multiannual financial framework referred to in Article 312 TFEU **and the assessment and, where appropriate and if the conditions are met, targeted review in accordance with [Article 30a(1a)] of Directive 2003/87/EC.**

Amendment 101

Proposal for a regulation
Article 9 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

2a. Additional allocations shall be made available subject to the specific technical adjustment based on the carbon-

price fluctuation provided for in Article 4b of ... [Council Regulation (EU, Euratom) 2020/2093^{1a} as amended] so as to ensure that the available appropriations for the Social Climate Fund in the Union budget increase in alignment with the carbon price. The prolongation of the specific technical adjustment based on carbon-price fluctuation shall be considered in the context of the negotiations of the applicable multiannual financial framework.

^{1a} Council Regulation (EU, Euratom) 2020/2093 of 17 December 2020 laying down the multiannual financial framework for the years 2021 to 2027 (OJ L 433I, 22.12.2020, p. 11).

Amendment 102

Proposal for a regulation Article 9 – paragraph 2 b (new)

Text proposed by the Commission

Amendment

2b. In accordance with [Article 30d(5)] of Directive 2003/87/EC, Member States shall use revenues from the allowances auctioned in accordance with Chapter IVa of Directive 2003/87/EC first for the national co-financing of their Plans and, for any remaining revenue, for social climate measures and investments in accordance with Article 6 of this Regulation, except for the revenues established as own resources in accordance with Article 311(3) TFEU and entered in the Union budget as general income.

Amendment 103

Proposal for a regulation Article 10 a (new)

Text proposed by the Commission

Amendment

Article 10a

Specific challenges facing island Member States, islands and the outermost regions

When preparing their social climate plans in accordance with Article 3, Member States shall take particular account of the situation of the island Member States, islands and the outermost regions. Island Member States, islands and the outermost regions face serious socio-economic challenges deriving from the green transition towards climate neutrality and net-zero emissions, having regard to their specific needs and social impacts. An adequate minimum amount of funds shall be allocated to those territories with the corresponding justification, taking into account the particular challenges of those territories.

Amendment 104

**Proposal for a regulation
Article 12 – paragraph 1**

Text proposed by the Commission

Amendment

1. Support under the Fund shall be additional to the support provided under other Union funds, programmes and instruments. Measures and investments supported under the Fund may receive support from other Union funds, programmes and instruments provided that such support does not cover the same cost.

1. Support under the Fund shall be additional ***and used in synergy, complementarity, coherence and consistency*** to the support provided under other Union, ***national and, where appropriate, regional*** funds, programmes and instruments, ***in particular the Modernisation Fund, the InvestEU Programme, the Technical Support Instrument, the Recovery and Resilience Facility, and the Funds covered by Regulation (EU) 2021/1060***. Measures and investments supported under the Fund may receive support from other Union funds, programmes and instruments provided that such support does not cover the same cost.

Amendment 105

Proposal for a regulation Article 13 – paragraph 1

Text proposed by the Commission

1. The maximum financial allocation shall be calculated for each Member State as specified in Annex I and Annex II.

Amendment

1. ***Without prejudice to Article 9(1a),*** the maximum financial allocation shall be calculated for each Member State as specified in Annex I and Annex II.

Amendment 106

Proposal for a regulation Article 13 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

2a. Each Member State may submit a request up to its maximum financial allocation to implement its Plan and up to the maximum of its share of the additional allocation made available pursuant to Article 9(1a), as specified in Annex II and based on the methodology for the calculation as referred to in Annex I.

Amendment 107

Proposal for a regulation Article 13 a (new)

Text proposed by the Commission

Amendment

Article 13a

Pre-financing

1. Subject to the adoption by the Commission of the implementing act referred to in Article 16(1) of this Regulation, when a Member State requests pre-financing together with the submission of the Plan, the Commission

shall make a pre-financing payment of an amount of up to 13 % of the financial contribution referred to in Article [] of this Regulation. By way of derogation from Article 116(1) of Regulation (EU, Euratom) 2018/1046, the Commission shall make the corresponding payment within, to the extent possible, two months after the conclusion by the Commission of the individual legal commitment referred to in Article 18 of this Regulation.

2. In cases of pre-financing under paragraph 1 of this Article, the financial contributions referred to in Article [] shall be adjusted proportionally.

Amendment 108

Proposal for a regulation

Article 14 – paragraph 1 – subparagraph 1 a (new)

Text proposed by the Commission

Amendment

By way of derogation from the first subparagraph, Member States shall contribute at least to 60 % of the total estimated costs of the measures and investments referred to in Article 6(1) in their Plans. The contribution of Member States with a gross domestic product (GDP) per capita at market prices below 65 % of the Union average during the period 2016 to 2018 shall be limited to a maximum of 40 % of the total estimated costs of the measures and investments referred to in Article 6(2) in their Plans.

Amendment 109

Proposal for a regulation

Article 14 – paragraph 2

Text proposed by the Commission

Amendment

2. Member States shall *inter alia* use revenues from the auctioning of their

2. Member States shall *first* use *any* revenues from the auctioning of their

allowances in accordance with Chapter IVa of Directive 2003/87/EC for their national contribution to the total estimated costs of their Plans.

allowances in accordance with Chapter IVa of Directive 2003/87/EC for their national contribution to the total estimated costs of their Plans.

Amendment 110

Proposal for a regulation

Article 15 – paragraph 2 – point a – point i

Text proposed by the Commission

(i) whether the Plan represents *a* response to the social impact on and challenges faced by vulnerable households, vulnerable micro-enterprises and vulnerable transport users in the Member State concerned from *establishing the emission trading system for buildings and road transport established pursuant to Chapter IVa of Directive 2003/87/EC*, especially households in energy poverty, duly taking into account the challenges identified in the assessments of the Commission of the update of the concerned Member State's integrated national energy and climate plan and of its progress pursuant to Article 9(3), and Articles 13 and 29 of Regulation (EU) 2018/1999, as well as in the Commission recommendations to Member States issued pursuant to Article 34 of Regulation (EU) 2018/1999 in view of the long-term objective of climate neutrality in the Union by 2050. This shall take into account the specific challenges and the financial allocation of the Member State concerned;

Amendment

(i) whether the Plan represents *an adequate and effective* response to the social impact on and challenges faced by vulnerable households, vulnerable micro-enterprises, and vulnerable transport users in the Member State concerned from *the impact of the transition towards climate neutrality, including by carbon pricing*, especially *by* households in energy *poverty and mobility* poverty, duly taking into account the challenges identified in the assessments of the Commission of the update of the concerned Member State's integrated national energy and climate plan and of its progress pursuant to Article 9(3), and Articles 13 and 29 of Regulation (EU) 2018/1999, as well as in the Commission recommendations to Member States issued pursuant to Article 34 of Regulation (EU) 2018/1999 in view of the *Union's 2030 climate and energy targets and objectives and the* long-term objective of climate neutrality in the Union by 2050. This shall take into account the specific challenges and the financial allocation of the Member State concerned;

Amendment 111

Proposal for a regulation

Article 15 – paragraph 2 – point a – point i a (new)

Text proposed by the Commission

Amendment

(ia) whether the Plan has been developed with the meaningful consultation, of local and regional level authorities, economic and social partners, and relevant civil society organisations in accordance with the principles of the European code of conduct on partnerships established by Commission Delegated Regulation (EU) No 240/2014;

Amendment 112

Proposal for a regulation

Article 15 – paragraph 2 – point a – point ii

Text proposed by the Commission

Amendment

(ii) whether the Plan is expected to ensure that ***no measure or investment*** included in the Plan ***does*** significant harm to environmental objectives within the meaning of Article 17 of Regulation (EU) 2020/852;

(ii) whether the Plan is expected to ensure that ***measures and investments*** included in the Plan ***do not cause*** significant harm to environmental objectives within the meaning of Article 17 of Regulation (EU) 2020/852;

Amendment 113

Proposal for a regulation

Article 15 – paragraph 2 – point a – point ii a (new)

Text proposed by the Commission

Amendment

(iia) whether the recipients of the Fund respect applicable Union and national law on social and labour rights;

Amendment 114

Proposal for a regulation

Article 15 – paragraph 2 – point a – point iii

Text proposed by the Commission

(iii) whether the Plan contains measures and investments that contribute to the green transition, including to addressing the challenges resulting therefrom and in particular to the achievement of the 2030 climate and energy objectives of the Union and the 2030 milestones of the Mobility Strategy.

Amendment

(iii) whether the Plan contains ***innovative and existing*** measures and ***effective*** investments ***in solutions*** that contribute to the green transition, including to addressing the challenges resulting therefrom, ***addressing the social impacts*** and in particular to the achievement of the 2030 ***and 2050*** climate and energy objectives of the Union and the 2030 milestones of the Mobility Strategy.

Amendment 115

Proposal for a regulation

Article 15 – paragraph 2 – point b – point i

Text proposed by the Commission

(i) whether the Plan is expected to have a lasting impact on the challenges addressed by that Plan and in particular on vulnerable households, vulnerable micro-enterprises and vulnerable transport users, especially households in energy poverty, in the Member State concerned;

Amendment

(i) whether the Plan is expected to have a lasting impact ***on the Union's 2030 target, on climate neutrality and*** on the challenges addressed by that Plan and in particular on vulnerable households, vulnerable micro-enterprises, and vulnerable transport users, especially households in energy poverty ***and mobility poverty***, in the Member State concerned;

Amendment 116

Proposal for a regulation

Article 15 – paragraph 2 – point b – point iii a (new)

Text proposed by the Commission

(iiia) whether the measures and investments proposed by the Member State concerned are internally coherent and foster complementarity, synergy, coherence and consistency with other Union instruments and programmes;

Amendment

Amendment 117

Proposal for a regulation

Article 15 – paragraph 2 – point b – point iii b (new)

Text proposed by the Commission

Amendment

(iiib) whether the Plan contributes, where relevant, to sustainable and quality jobs;

Amendment 118

Proposal for a regulation

Article 15 – paragraph 2 – point c – point i

Text proposed by the Commission

Amendment

(i) whether the justification provided by the Member State for the amount of the estimated total costs of the Plan is reasonable, plausible, in line with the principle of cost efficiency and commensurate to the expected national environmental and social impact;

(i) whether the justification provided by the Member State for the amount of the estimated total costs of the Plan is reasonable, plausible, in line with the principle of cost efficiency and commensurate to the expected national environmental and social impact, **while also taking into account national specificities that may impact the costs provided in the Plan;**

Amendment 119

Proposal for a regulation

Article 16 – paragraph 1 – subparagraph 1

Text proposed by the Commission

Amendment

On the basis of the assessment in accordance with Article 15, the Commission shall decide on the Plan of a Member State, by means of an implementing act, within **six** months from the date of the submission of that Plan pursuant to Article 3(1) of this Regulation.

On the basis of the assessment in accordance with Article 15, the Commission shall decide on the Plan of a Member State, by means of an implementing act, within **three** months from the date of the submission of that Plan pursuant to Article 3(1) of this Regulation.

Amendment 120

Proposal for a regulation

Article 16 – paragraph 1 – subparagraph 2 – point b

Text proposed by the Commission

(b) the Union financial allocation allocated in accordance with **Article** 13 of this Regulation to be paid in instalments once the Member State has satisfactorily fulfilled the relevant milestones and targets identified in relation to the implementation of the Plan, which shall be subject, for the period 2028-2032, to the availability of the amounts referred to in Article 9(2) of this Regulation under the annual ceilings of the multiannual financial framework referred to in Article 312 TFEU;

Amendment

(b) the Union financial allocation allocated in accordance with **Articles 13 and 13a** of this Regulation to be paid in **pre-financing and** instalments once the Member State has satisfactorily fulfilled the relevant milestones and targets identified in relation to the implementation of the Plan, which shall be subject, for the period 2028-2032, to the availability of the amounts referred to in Article 9(2) of this Regulation under the annual ceilings of the multiannual financial framework referred to in Article 312 TFEU;

Amendment 121

Proposal for a regulation

Article 16 – paragraph 1 a (new)

Text proposed by the Commission

Amendment

1a. A Member State may start implementing measures and investments set out in its Plan as of ... [insert the date of entry into application of this Regulation], before the Commission gives a positive decision under paragraph 1. This shall be without prejudice to the outcome of the Commission's assessment under Article 15 and its power to approve or reject the Plan. The Union financial allocation in respect of such ongoing measures and investments shall remain conditional on the approval of the Plan by means of the Commission decision and on the fulfilment of the relevant milestones and targets by such a Member State. Where the Commission gives a positive assessment of the Plan, its decision referred to in paragraph 1 shall also include, where relevant, such ongoing

measures and investments and take into account the fact that they are already being implemented.

Amendment 122

Proposal for a regulation Article 17 – paragraph 1

Text proposed by the Commission

1. Where a Social Climate Plan, including relevant milestones and targets, is no longer achievable, either in whole or in part, by the Member State concerned because of objective circumstances, ***in particular because of the actual direct effects of the emission trading system for buildings and road transport established pursuant to Chapter IVa of Directive 2003/87/EC***, the Member State concerned may submit to the Commission an amendment of its Plan to include the necessary and duly justified changes. Member States may request technical support for the preparation of such request.

Amendment

1. Where a Social Climate Plan, including relevant milestones and targets, is no longer achievable, either in whole or in part, by the Member State concerned because of objective circumstances the Member State concerned may, ***following, the meaningful consultation of relevant stakeholders in accordance with the principles of the European code of conduct on partnerships established by Commission Delegated Regulation (EU) No 240/2014*** submit to the Commission an amendment of its Plan to include the necessary and duly justified changes. Member States may request technical support for the preparation of such request.

Amendment 123

Proposal for a regulation Article 17 – paragraph 1 a (new)

Text proposed by the Commission

Amendment

1a. Where additional allocations are made available pursuant to Article 9(1a), the Member State concerned may submit a targeted amendment of its Plan to the Commission in order to:

(a) increase the number of beneficiaries of, or the costs borne by, a measure or investment set out in its Plan;

(b) add measures or investments in accordance with Article 6.

Amendment 124

Proposal for a regulation Article 17 – paragraph 3

Text proposed by the Commission

3. Where the Commission gives a positive assessment to the amended Plan, it shall in accordance with Article 16(1) adopt, within three months of the official submission of the amended Plan by the Member State, a decision setting out the reasons for its positive assessment, by means of an implementing act.

Amendment

3. Where the Commission gives a positive assessment to the amended Plan, it shall in accordance with Article 16(1) adopt, within three months of the official submission of the amended Plan by the Member State, a decision setting out the reasons for its positive assessment, by means of an implementing act. ***Where a plan is amended as set out in paragraph 1a, point (a), that period shall be reduced to six weeks.***

Amendment 125

Proposal for a regulation Article 17 – paragraph 5

Text proposed by the Commission

5. By 15 March 2027 each Member State concerned shall assess the appropriateness of its Plans in view of the actual direct effects of the ***emission trading system for buildings and road transport established pursuant to Chapter IVa of Directive 2003/087/EC***. Those assessments shall be submitted to the Commission as part of the biennial progress reporting pursuant to Article 17 of Regulation (EU) 2018/1999.

Amendment

5. By 15 March 2027 each Member State concerned shall assess the appropriateness of its Plans in view of the actual direct effects of the ***impact of the transition towards climate neutrality, including by carbon pricing***. Those assessments shall be submitted to the Commission as part of the biennial progress reporting pursuant to Article 17 of Regulation (EU) 2018/1999.

Amendment 126

Proposal for a regulation Article 18 – paragraph 1

Text proposed by the Commission

1. After the Commission has adopted a decision as referred to in Article 16, it shall in due time conclude an agreement with the Member State concerned constituting an individual legal commitment within the meaning of Regulation (EU, Euratom) 2018/1046 covering the period **2025-2027**. ***That agreement may be concluded at the earliest one year before the year of the start of the auctions under Chapter IVa of Directive 2003/87/EC.***

Amendment 127

**Proposal for a regulation
Article 19 – paragraph 4 – subparagraph 1**

Text proposed by the Commission

Where, as a result of the assessment referred to in paragraph 3, the Commission establishes that the milestones and targets set out in the Commission decision referred to in Article 16 have not been satisfactorily fulfilled, the payment of all or part of the financial allocation shall be suspended. The Member State concerned may present its observations within one month of the communication of the Commission's assessment.

Amendment 128

**Proposal for a regulation
Article 19 – paragraph 4 a (new)**

Amendment

1. After the Commission has adopted a decision as referred to in Article 16, it shall in due time conclude an agreement with the Member State concerned constituting an individual legal commitment within the meaning of Regulation (EU, Euratom) 2018/1046 covering the period **from ... [the date of entry into force of this Regulation] until 2027**.

Amendment

Where, as a result of the assessment referred to in paragraph 2, the Commission establishes that the milestones and targets set out in the Commission decision referred to in Article 16 have not been satisfactorily fulfilled, the payment of all or part of the financial allocation shall be suspended. ***The amount of the financial allocation suspended shall be in line with the costs of the measures for which the milestones and targets are not satisfactorily met. The Member State concerned may present its observations within one month of the communication of the Commission's assessment.***

Text proposed by the Commission

Amendment

4a. *Where the Commission establishes that the Member State concerned under this Article has not brought into force the law, regulations and administrative provisions necessary to comply with Directive (EU) [yyyy/nnn] of the European Parliament and the Council amending Directive IVa of Directive/..../EC [(COD)2021/0211], the payment of the financial allocation shall be suspended. The suspension shall only be lifted where the Member State concerned has brought those laws, regulations and administrative provisions into force.*

Amendment 129

Proposal for a regulation Article 19 – paragraph 7

Text proposed by the Commission

Amendment

7. Where, within 12 months of the date of the conclusion of relevant agreements referred to in Article 18, no tangible progress has been made in respect of any relevant milestones and targets by the Member State concerned, the Commission shall terminate the relevant agreements referred to in Article 18 and shall de-commit the amount of the financial allocation. The Commission shall take a decision on the termination of agreements referred to in Article 18 after having given the Member State concerned the possibility to present its observations within a period of two months of the communication of its assessment as to whether no tangible progress has been made.

7. Where, within 12 months of the date of the conclusion of relevant agreements referred to in Article 18, no tangible progress has been made in respect of any relevant milestones and targets by the Member State concerned, the Commission shall terminate the relevant agreements referred to in Article 18 and shall de-commit the amount of the financial allocation. ***Any pre-financing in accordance with Article [13a] shall be recovered in full.*** The Commission shall take a decision on the termination of agreements referred to in Article 18 after having given the Member State concerned the possibility to present its observations within a period of two months of the communication of its assessment as to whether no tangible progress has been made. ***Any decommitted amounts shall be proportionally allocated to other Member States.***

Amendment 130

Proposal for a regulation Article 20 – paragraph 1

Text proposed by the Commission

1. In implementing the Fund, the Member States, as beneficiaries of funds under the Fund, shall take all the appropriate measures to protect the financial interests of the Union and to ensure that the use of funds in relation to measures and investments supported by the Fund complies with the applicable Union and national law, in particular regarding the prevention, detection and correction of fraud, corruption and conflicts of interests. To this effect, the Member States shall provide an effective and efficient internal control system as further detailed in Annex III and the recovery of amounts wrongly paid or incorrectly used. Member States may rely on their regular national budget management systems.

Amendment

1. In implementing the Fund, the Member States, as beneficiaries of funds under the Fund, ***shall respect the fundamental values enshrined in Article 2 of the Treaty on European Union, including the rule of law.*** They shall take all the appropriate measures to protect the financial interests of the Union and to ensure that the use of funds in relation to measures and investments supported by the Fund complies with the applicable Union and national law, in particular regarding the ***protection of the Union budget in the case of breaches of the principles of the rule of law,*** prevention, detection and correction of fraud, corruption and conflicts of interests. To this effect, the Member States shall provide an effective and efficient internal control system as further detailed in Annex III and the recovery of amounts wrongly paid or incorrectly used. Member States may rely on their regular national budget management systems.

Amendment 131

Proposal for a regulation Article 20 – paragraph 1 a (new)

Text proposed by the Commission

Amendment

1a. In implementing the Fund, the Commission shall take all the appropriate measures in accordance with Regulation (EU, Euratom) 2020/2092 to ensure the protection of funds in relation to measures and investments supported by the Fund in the case of breaches of the

principles of the rule of law in the Member States. The Commission shall provide, to that effect, an effective and efficient internal control system and the recovery of amounts wrongly paid or incorrectly used.

Amendment 132

Proposal for a regulation Article 20 – paragraph 5 a (new)

Text proposed by the Commission

Amendment

5a. Where it is established that breaches of the principles of the rule of law in a Member State affect or seriously risk affecting the sound financial management of the Fund or the protection of the financial interests of the Union, the Commission shall take the appropriate measures in accordance with Regulation (EU, Euratom) 2020/2092 which may include, inter alia, a suspension of payments to the affected national authorities. In such cases, the Commission shall take all necessary steps to ensure that the intended final beneficiaries of the Fund continue to have access to Union assistance, with the Commission ensuring disbursement via local and regional authorities, non-governmental organisations, or other entities with a proven capacity to ensure the sound financial management of the Fund.

Amendment 133

Proposal for a regulation Article 21 – paragraph 1 – introductory part

Text proposed by the Commission

Amendment

The Commission and the Member States concerned shall, in a manner

The Commission and the Member States concerned shall, in a manner

commensurate to their respective responsibilities, foster synergies and ensure effective coordination between the Fund and other Union programmes and instruments, including InvestEU Programme, the Technical Support Instrument, the Recovery and Resilience Facility, and the Funds covered by Regulation (EU) 2021/1060. For that purpose, they shall:

commensurate to their respective responsibilities, foster synergies and ensure effective coordination between the Fund and other Union programmes and instruments, including ***the Modernisation Fund***, InvestEU Programme, the Technical Support Instrument, the Recovery and Resilience Facility, and the Funds covered by Regulation (EU) 2021/1060. For that purpose, they shall:

Amendment 134

Proposal for a regulation Article 21 – paragraph 1 – point a

Text proposed by the Commission

(a) ensure complementarity, synergy, coherence and consistency among different instruments at Union, national and, where appropriate, regional levels, both in the planning phase and during implementation;

Amendment

(a) ensure complementarity, synergy, coherence and consistency among different instruments at Union, national and, where appropriate, ***local and*** regional levels, both in the planning phase and during implementation;

Amendment 135

Proposal for a regulation Article 21 – paragraph 1 – point c

Text proposed by the Commission

(c) ensure close cooperation between those responsible for implementation and control at Union, national and, where appropriate, regional levels to achieve the objectives of the Fund.

Amendment

(c) ensure close cooperation between those responsible for implementation and control at Union, national and, where appropriate, ***local and*** regional levels, ***including relevant stakeholders in accordance with the principles of the European code of conduct on partnerships established by Commission Delegated Regulation (EU) No 240/2014*** to achieve the objectives of the Fund.

Amendment 136

Proposal for a regulation
Article 22 – paragraph 2

Text proposed by the Commission

Amendment

2. The recipients of Union funding shall acknowledge the origin of those funds and ensure the visibility of the Union funding, in particular when promoting the actions and their results, by providing coherent, effective and proportionate targeted information to multiple audiences, including the media and the public.

deleted

Amendment 137

Proposal for a regulation
Article 22 a (new)

Text proposed by the Commission

Amendment

Article 22a

Visibility of Union funding

1. Each Member State shall ensure:

(a) the visibility for intermediary entities and final beneficiaries of Union support in all activities relating to operations supported by the Fund, including by displaying the Union emblem; and

(b) communication to Union citizens of the role and achievements of the Fund through a single website portal providing access to all programmes involving that Member State.

2. Member States shall acknowledge and, where applicable, shall ensure that intermediary entities acknowledge, support from the Fund and the origin of that funding by:

(a) ensuring the visibility of the Union funding to the final beneficiaries and the public, including by displaying the emblem of the Union and an appropriate

funding statement that reads ‘funded by the European Union – Social Climate Fund’ on documents and communication material relating to the implementation of the operation intended for the final beneficiaries or the public;

(b) providing on their official website, where such a site exists, and social media sites, a short description of the operation, proportionate to the level of support, including its aims and results, and highlighting the financial support from the Union; and

(c) communicating for operations involving financial instruments, including for temporary direct income support in accordance with Article 6(1), the amount of support from the Fund to the final recipients.

3. Where a Member State does not comply with the obligations under paragraphs 1 and 2, and where remedial actions have not been put into place, the Commission shall apply measures, taking into account the principle of proportionality, that cancel up to 5 % per year of the support from the Fund to the Member State concerned.

Amendment 138

Proposal for a regulation

Article 23 – paragraph 1 – introductory part

Text proposed by the Commission

1. Each Member State concerned shall, on a biennial basis, report to the Commission on the implementation of its Plan as part of its integrated national energy and climate progress report pursuant to Article 17 of Regulation (EU) 2018/1999 and in accordance with Article 28 thereof. The Member States concerned shall include in their progress report:

Amendment

1. Each Member State concerned shall, on a biennial basis report to the Commission on the implementation of its Plan as part of its integrated national energy and climate progress report pursuant to Article 17 of Regulation (EU) 2018/1999 and in accordance with Article 28 thereof, ***and in meaningful consultation with relevant stakeholders in accordance with the principles of the***

European code of conduct on partnerships established by Commission Delegated Regulation (EU) No 240/2014.
The Member States concerned shall include in their progress report:

Amendment 139

Proposal for a regulation Article 23 – paragraph 1 – point a

Text proposed by the Commission

(a) detailed quantitative information on the number of households in energy poverty;

Amendment

(a) detailed quantitative information on the number of households in energy poverty **and in mobility poverty, in particular vulnerable households, vulnerable micro-enterprises, and vulnerable transport users;**

Amendment 140

Proposal for a regulation Article 23 – paragraph 1 – point a a (new)

Text proposed by the Commission

Amendment

(aa) detailed information on the application of the definition of energy and mobility poverty in accordance with Article 2(2) and (2a) on the basis of concrete and measurable criteria;

Amendment 141

Proposal for a regulation Article 23 – paragraph 1 – point b

Text proposed by the Commission

(b) **when applicable**, detailed information on progress towards the national indicative **objective** to reduce the number of households in energy poverty;

Amendment

(b) detailed information on progress towards the national indicative **targets and objectives** to reduce the number of households in energy poverty **and mobility poverty, in particular vulnerable**

*households, vulnerable micro-enterprises,
and vulnerable transport users.*

Amendment 142

Proposal for a regulation Article 23 – paragraph 1 – point c

Text proposed by the Commission

(c) detailed information on the results of the measures and investments, included in its Plan;

Amendment

(c) detailed information on the results of the measures and investments, ***in particular as regards to the emissions reduction achieved and the number of people benefitting from the measures*** included in its Plan;

Amendment 143

Proposal for a regulation Article 23 – paragraph 1 – point c a (new)

Text proposed by the Commission

Amendment

(ca) an explanation of how the measures in the plan are expected to contribute to gender equality and equal opportunities for all and the mainstreaming of those objectives, in line with principles 2 and 3 of the European Pillar of Social Rights, with the UN Sustainable Development Goal 5 and, where relevant, with the national gender equality strategy;

Amendment 144

Proposal for a regulation Article 23 – paragraph 1 – point c b (new)

Text proposed by the Commission

Amendment

(cb) detailed information on the share and targeting of direct income support included in its Plan;

Amendment 145

Proposal for a regulation Article 23 – paragraph 1 – point f

Text proposed by the Commission

(f) in 2027, an assessment of the Plan referred to in Article 17(5) in view of the actual direct effects of the emission trading system **for buildings and road transport** established pursuant to **Chapter IVa of Directive 2003/087/EC**;

Amendment

(f) in 2027, an assessment of the Plan referred to in Article 17(5) in view of the actual direct effects of the emission trading system established pursuant to Directive 2003/087/EC;

Amendment 146

Proposal for a regulation Article 23 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

2a. The Commission shall monitor the share of costs related to the surrender of allowances under Chapter IVa of Directive .../.../EC[(COD)2021/0211] absorbed by fuel suppliers and passed on to final consumers. The Commission shall annually report its finding to the European Parliament.

Amendment 147

Proposal for a regulation Article 23 – paragraph 4

Text proposed by the Commission

4. The Commission shall be empowered to adopt delegated acts in accordance with Article 25 to supplement this Regulation in order to set out the common indicators to be used for reporting on the progress and for the purpose of monitoring and evaluation of the Fund towards the achievement of the objectives

Amendment

4. The Commission shall be empowered to adopt delegated acts in accordance with Article 25 to supplement this Regulation in order to set out the common indicators to be used for reporting on the progress and for the purpose of monitoring and evaluation of the Fund towards the achievement of the objectives

set out in Article 1.

set out in Article 1, *including a template based on which Member States have to report. The Commission shall adopt those delegated acts no later than ...[3 months after the entry into force of this Regulation].*

Amendment 148

Proposal for a regulation Article 23 a (new)

Text proposed by the Commission

Amendment

Article 23a

Transparency

- 1. The Commission shall transmit the Plans submitted by Member States, and the decisions, as made public by the Commission, simultaneously and on equal terms to the European Parliament and the Council without undue delay.*
- 2. Information transmitted by the Commission to the Council or any of its preparatory bodies in the context of this Regulation or its implementation shall simultaneously be made available to the European Parliament, subject to confidentiality arrangements if necessary.*
- 3. The Commission shall provide the competent committees of the European Parliament with an overview of its preliminary findings concerning the satisfactory fulfilment of the relevant milestones and targets included in the Plans submitted by Member States.*
- 4. The competent committees of the European Parliament may invite the Commission to provide information on the state of play of the assessment by the Commission of the Plans.*

Amendment 149

Proposal for a regulation
Article 23 b (new)

Text proposed by the Commission

Amendment

Article 23b

Social Climate Dialogue

1. In order to enhance the dialogue between the Union institutions, in particular the European Parliament, the Council and the Commission, and to ensure greater transparency and accountability, the competent committees of the European Parliament may invite the Commission twice a year to discuss the following matters:

- (a) the Plans submitted by Member States;***
- (b) the assessment by the Commission of the Plans submitted by Member States;***
- (c) the status of fulfilment of the milestones and targets of the Plans submitted by Member States;***
- (d) payment, suspension and termination procedures, including any observation presented and remedial measures taken by Member States to ensure a satisfactory fulfilment of the milestones and targets;***
- (e) any other relevant information and documentation provided by the Commission to the competent committee of the European Parliament in relation to the implementation of the Fund.***

2. The European Parliament may express its views in resolutions as regards the matters referred to in paragraph 1.

3. The Commission shall take into account any elements arising from the views expressed through the social climate dialogue, including the resolutions from the European Parliament if provided.

Amendment 150

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Proposal for a regulation
Article 24 – paragraph 1

Text proposed by the Commission

1. By 1 July **2028**, the Commission shall provide the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions with an evaluation report on the implementation and functioning of the Fund.

Amendment

1. By 1 July **2026**, the Commission shall provide the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions with an evaluation report on the implementation and functioning of the Fund ***until that date, taking into account in particular the results of the first reports submitted by Member States in accordance with Article 23.***

Amendment 151

Proposal for a regulation
Article 24 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

2a. For every year that the Fund is active, the Commission shall provide a report to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions of the CO2 reduction arising from the investments in energy efficiency of building, integration of energy from renewable sources and granting improved access to zero- and low-emission mobility and transport.

Amendment 152

Proposal for a regulation
Article 24 – paragraph 3

Text proposed by the Commission

Amendment

3. The evaluation report shall, in particular, assess to which extent the objectives of the Fund laid down in Article

3. The evaluation report ***referred to in paragraph 1*** shall, in particular, assess:

1 have been achieved, the efficiency of the use of the resources and the Union added value. It shall consider the continued relevance of all objectives and actions set out in Article 6 in light of the impact on greenhouse gas emissions from the emission trading system *for buildings and road transport* pursuant to *Chapter IVa of Directive 2003/87/EC* and from the national measures taken to meet the binding annual greenhouse gas emission reductions by Member States pursuant to Regulation (EU) 2018/842 of the European Parliament and of the Council⁶³. It shall also consider the continued relevance of the financial envelope of the Fund in relation to possible developments concerning the auctioning of allowances under the emission trading system *for buildings and road transport* pursuant to *Chapter IVa of Directive 2003/87/EC* and other relevant considerations.

(a) to which extent the objectives of the Fund laid down in Article 1 have been achieved, the efficiency of the use of the resources and the Union added value;

(b) *on a country-by-country basis, the progress and effect of the implementation of structural investments and measures and the use of the direct income support in light of the achievement of the milestones and targets in the Plans, and the subsequent need for, and required level of, direct income support in that context, pursuant to the rules set out in Article 6(1) for the period 2028-2032;*

(c) *the application of the definitions of energy and mobility poverty as reported by Member States in accordance with Article 23(1aa) and whether a more detailed approach may be necessary in the future, and, where appropriate, present a proposal to the European Parliament and to the Council;*

It shall consider the continued relevance of all objectives and actions set out in Article 6 in light of the impact on greenhouse gas

emissions from the emission trading system pursuant to Directive 2003/87/EC and from the national measures taken to meet the binding annual greenhouse gas emission reductions by Member States pursuant to Regulation (EU) 2018/842 of the European Parliament and of the Council⁶³. It shall also consider the continued relevance of the financial envelope of the Fund in relation to possible developments concerning the auctioning of allowances under the emission trading system pursuant to Directive 2003/87/EC and other relevant considerations. *As part of the evaluation report referred to in paragraph 1, the Commission shall also consider the prolongation of the specific technical adjustment based on carbon-price fluctuation referred to in Article 9 in the context of the negotiations of the next multiannual financial framework.*

⁶³ Regulation (EU) 2018/842 of the European Parliament and of the Council of 30 May 2018 on binding annual greenhouse gas emission reductions by Member States from 2021 to 2030 contributing to climate action to meet commitments under the Paris Agreement and amending Regulation (EU) No 525/2013 (OJ L 156, 19.6.2018, p. 26-42).

⁶³ Regulation (EU) 2018/842 of the European Parliament and of the Council of 30 May 2018 on binding annual greenhouse gas emission reductions by Member States from 2021 to 2030 contributing to climate action to meet commitments under the Paris Agreement and amending Regulation (EU) No 525/2013 (OJ L 156, 19.6.2018, p. 26-42).

Amendment 153

Proposal for a regulation Article 25 – paragraph 2

Text proposed by the Commission

2. The power to adopt delegated acts referred to in *Article 23(4)* shall be conferred on the Commission for an indeterminate period of time.

Amendment

2. The power to adopt delegated acts referred to in *Articles 4(2a) and 23(4)* shall be conferred on the Commission for an indeterminate period of time.

Amendment 154

Proposal for a regulation
Article 25 – paragraph 3

Text proposed by the Commission

3. The delegations of power referred to in **Article 23(4)** may be revoked at any time by the European Parliament or by the Council. A decision to revoke shall put an end to the delegation of the power specified in that decision. It shall take effect on the day following the publication of the decision in the Official Journal of the European Union or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.

Amendment

3. The delegations of power referred to in **Articles 4(2a) and 23(4)** may be revoked at any time by the European Parliament or by the Council. A decision to revoke shall put an end to the delegation of the power specified in that decision. It shall take effect on the day following the publication of the decision in the Official Journal of the European Union or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.

Amendment 155

Proposal for a regulation
Article 26 – paragraph 2

Text proposed by the Commission

It shall apply from the date by which the Member States shall bring into force the laws, regulations and administrative provisions necessary to comply with Directive (EU) [yyyy/nnn] of the European Parliament and the Council⁶⁴ amending Directive 2003/87/EC as regards Chapter IVa of Directive 2003/87/EC.

Amendment

deleted

⁶⁴ ***[Directive (EU) yyyy/nnn of the European Parliament and of the Council.... (OJ)] [Directive amending Directive 2003/87/EC]***

Amendment 156

Proposal for a regulation
Annex I – paragraph 9

For the Member States with a GNI per capita below 90% of the EU-27 value, cannot be lower than the share of reference emissions under Article 4(2) of Regulation (EU) 2018/842 for the sectors covered by [Chapter IVa of Directive 2003/87/EC] for the average of the period 2016-2018. The of the Member States with a GNI per capita above the EU-27 value are proportionally adjusted to ensure that the sum of all equals 100%.

For all Member States, α_i cannot be lower than 0,07 % of the sum of the financial envelopes as referred to in Article 9(1) and (2). For the Member States with a GNI per capita below 90% of the EU-27 value, α_i cannot be lower than the share of reference emissions under Article 4(2) of Regulation (EU) 2018/842 for the sectors covered by [Chapter IVa of Directive 2003/87/EC] for the average of the period 2016-2018. The α_i of the Member States with a GNI per capita above the EU-27 value are proportionally adjusted to ensure that the sum of all α_i equals 100%.

Amendment 157

Proposal for a regulation Annex II – paragraph 1 a (new)

Text proposed by the Commission

Amendment

Additional allocations pertaining from Article 9(1a) shall be allocated to Member States on the basis of the following share.

Maximum financial allocation per EU Member State

Member State	Share as % of total	TOTAL [date of entry into force]-2032 (in EUR, current prices)	Amount for [date of entry into force]-2027 (in EUR, current prices)	Amount for 2028-2032 (in EUR, current prices)
Belgium	2.56	[1 844 737 639]	[605 544 073]	[1 239 193 566]
Bulgaria	3.85	[2 778 104 958]	[911 926 420]	[1 866 178 538]
Czechia	2.40	[1 735 707 679]	[569 754 460]	[1 165 953 219]
Denmark	0.50	[361 244 536]	[118 580 270]	[242 664 266]
Germany	8.19	[5 910 983 488]	[1 940 308 984]	[3 970 674 504]
Estonia	0.29	[207 004 992]	[67 950 392]	[139 054 600]
Ireland	1.02	[737 392 966]	[242 052 816]	[495 340 150]
Greece	5.52	[3 986 664 037]	[1 308 641 796]	[2 678 022 241]

<i>Spain</i>	10.53	[7 599 982 898]	[2 494 731 228]	[5 105 251 670]
<i>France</i>	11.20	[8 087 962 701]	[2 654 912 964]	[5 433 049 737]
<i>Croatia</i>	1.94	[1 403 864 753]	[460 825 411]	[943 039 343]
<i>Italy</i>	10.81	[7 806 923 117]	[2 562 660 358]	[5 244 262 759]
<i>Cyprus</i>	0.20	[145 738 994]	[47 839 531]	[97 899 463]
<i>Latvia</i>	0.71	[515 361 901]	[169 170 042]	[346 191 859]
<i>Lithuania</i>	1.02	[738 205 618]	[242 319 573]	[495 886 046]
<i>Luxemburg</i>	0.10	[73 476 421]	[24 118 991]	[49 357 430]
<i>Hungary</i>	4.33	[3 129 860 199]	[1 027 391 783]	[2 102 468 416]
<i>Malta</i>	0.01	[5 112 942]	[1 678 348]	[3 434 594]
<i>Netherlands</i>	1.11	[800 832 270]	[262 877 075]	[537 955 195]
<i>Austria</i>	0.89	[643 517 259]	[211 237 660]	[432 279 599]
<i>Poland</i>	17.61	[12 714 118 688]	[4 173 471 093]	[8 540 647 595]
<i>Portugal</i>	1.88	[1 359 497 281]	[446 261 573]	[913 235 708]
<i>Romania</i>	9.26	[6 682 901 998]	[2 193 694 977]	[4 489 207 021]
<i>Slovenia</i>	0.55	[397 623 987]	[130 522 001]	[267 101 985]
<i>Slovakia</i>	2.36	[1 701 161 680]	[558 414 568]	[1 142 747 112]
<i>Finland</i>	0.54	[386 966 933]	[127 023 772]	[259 943 161]
<i>Sweden</i>	0.62	[445 050 067]	[146 089 842]	[298 960 225]
<i>EU27</i>	100%	[72 200 000 000]	[23 700 000 000]	[48 500 000 000]

EXPLANATORY STATEMENT

A. Background

The Social Climate Fund Regulation is part of the Commission's broader efforts under the European Green Deal to cut the greenhouse gas emissions in the European Union by 55% in 2030 compared to 1990 and to ensure that every European citizen is able to make this energy transition. This Fund is connected to the Commission's proposal establishing a new European Emissions Trading System¹ (ETS2) to cover buildings and road transport emissions in two ways:

- Revenue stemming from the new ETS is used to finance the fund and co-finance SCF measures undertaken by Member States.
- The Fund helps vulnerable citizens, households and enterprises who are disproportionately impacted by the new ETS.

The raison d'être of the Fund is therefore to support vulnerable citizens, households and enterprises, as well as vulnerable transport users to make the climate transition and become more sustainable in their consumption, through concrete measures.

Two types of measures are envisaged: firstly, concrete investments aimed at decarbonising the road transport and building sectors; secondly, temporary direct income/social support serving as a safety net to those without adequate and affordable low-emission alternatives who will be most adversely affected by carbon price increases.

As well as being a climate fund, the SCF has a fundamental social dimension. These two aspects work hand in hand to help make the EU's green transition a socially fairer one. While fighting the enormous challenges of climate change, the SCF is thus an important tool to avoid disproportionately harming lower-income and middle-income citizens at risk of energy and transport poverty, thus supporting the EU's efforts in evolving into a greener economy through a transition that 'leaves no-one behind'².

B. Target and Scope

The Commission estimates households will be spending between 0,7 to 0,8 percentage points more on their energy bills, as stated in the impact assessment of the Commission on the Fit for 55 package³. Those with a lower income, who already spend an above-average share on energy, will be most affected by the inclusion of road transport and households in the new ETS. The Social Climate Fund is therefore aimed at vulnerable citizens, households, micro-enterprises and SMEs, including those at risk of energy poverty and transport poverty. Absent any outstanding Union-level definitions, the proposal of the Rapporteurs seeks to establish an EU definition of energy poverty and introduces a definition for transport poverty. This includes vulnerable households, vulnerable micro-enterprises, vulnerable SMEs and transport users who enjoy few or no adequate and affordable alternatives to fossil fuels in the building and transport sectors. In order to ensure that funding reaches those most in need, Member

¹ Chapter IVa of Directive 2003/87/EC

² State of the Union, September 2020, European Commission President Ursula von der Leyen.

³ COM/2021/568

States are required to report regularly about the state of energy and transport poverty and how the measures included in their Social Climate Plans contribute to addressing this challenge. Furthermore, support from the Fund for the purchase of an electrical vehicle should be limited to basic or mid-range cars, also with a view to quickly developing a second-hand electrical car market.

Financial intermediaries, such as banks, as well as consultancies and climate advice agencies should in the view of the rapporteurs not be the primary beneficiaries of the Social Climate Fund. Vulnerable SMEs, on the other hand, are added to the list of eligible beneficiaries.

C. Social Climate Plans

Under the Regulation, Member States have the responsibility to allocate the Social Climate Fund according to the specific needs of regions and communities. Member States shall be required to draft Social Climate Plans and submit them to the Commission, framed in the context of commitments made in existing National Energy and Climate Plans, which are due to be updated for each Member State in accordance with Regulation (EU) 2018/1999 of the European Parliament and the Council ('the Governance Regulation').⁴

The Rapporteurs propose to much better target, monitor and measure the Plans and eligible measures to ensure the highest added value and cost-effectiveness in supporting households to become more sustainable while contributing to overall greenhouse gas reductions.

To stimulate Member States to target those measures with the highest added value and cost-effectiveness, the Commission should provide detailed guidance before the start of the Plans on measures and investments likely to reap the highest benefits, monitor the impact of the Member States' Plans on a regular basis, and update its guidance based on best practices. In addition, the Rapporteurs consider it essential to involve social partners and regional authorities from the start to ensure the Plans have broad support and are attuned to the reality on the ground. Finally, Member States will be expected to set concrete objectives and commit to a robust implementation timeline with reporting, with input from social partners on progress towards the national targets and objectives to reduce energy and transport poverty.

With regard to the eligible measures and investments, the Rapporteurs recognise that temporary direct income may in some cases be beneficial to provide short-term bridging support until structural measures and investments effectively kick-in and demonstrate their full impact, but propose that such measures should not exceed 25% of the total estimated costs of the Plan and should be limited to a three-year transitional period, to avoid drawing resources away from more sustainable, long-lasting measures and investments. Structural investments and measures should stimulate renovation through vouchers, give financial and fiscal support, give education, develop a second-hand market for electrical vehicles. These measures should also benefit those households who already receive a form of support today, for example through social energy tariffs, as those are the households who may need support the most.

⁴ Regulation (EU) 2018/1999 of the European Parliament and of the Council of 11 December 2018 on the Governance of the Energy Union and Climate Action, amending Regulations (EC) No 663/2009 and (EC) No 715/2009 of the European Parliament and of the Council, Directives 94/22/EC, 98/70/EC, 2009/31/EC, 2009/73/EC, 2010/31/EU, 2012/27/EU and 2013/30/EU of the European Parliament and of the Council, Council Directives 2009/119/EC and (EU) 2015/652 and repealing Regulation (EU) No 525/2013 of the European Parliament and of the Council (OJ L 328, 21.12.2018, p. 1).

To ensure a successful renovation wave and rollout of zero-emission mobility, it is also essential to ensure a workforce trained to carry out the rapidly increasing amount of building renovations and deployment of alternative fuel infrastructure required. Therefore, the Rapporteurs propose to include this type of targeted training and reskilling in the Plans, with an upper limit to ensure that it does not displace other key objectives of the Fund, and always in coordination with Member States' broader training and reskilling programmes under the Just Transition Fund and European Social Fund Plus.

Finally, the Rapporteurs support the principle that support from the Fund must fully respect the principle of 'do no significant harm' within the meaning of Article 17 of Regulation (EU) 2020/852 of the European Parliament and of the Council.⁵

D. Visibility and conditionality

The Parliament attached great importance to the access to rule of law and the visibility of Union's Funds to final beneficiaries. The Rapporteurs underline the link between the Social Climate Fund and the rule of law. This is in line with the European rule of law mechanism.

Another criterion that the two Rapporteurs want to add is the climate neutrality commitment of Member States. Commitment to climate neutrality by 2050 and access to the Fund should go hand in hand.

Finally, it should be noted that the European Union established the Social Climate Fund to help European citizens. The public's understanding of the Union's finances is critical for transparency and popular support of the energy transition. Therefore, the Rapporteurs propose to strengthen the obligation on Member States and intermediaries to inform the final beneficiaries of the Social Climate Fund about the Union's funding involved.

E. Budget

Although the obligation to purchase emission allowances formally concerns the proposed regulated entities, it is expected that (part of) these costs will be passed on to the final consumer. Any revenue resulting from such application of the polluter-pays-principle to citizens households and SMEs should also benefit them, in particular those in a vulnerable position at risk of transport and energy poverty, by temporarily providing income support or by helping them to become more sustainable in their consumption. The Fund should therefore correspond and react to the actual price impacts resulting from the application of this polluter-pays-principle. The Rapporteurs therefore propose that the financial envelope of the Fund should be set at least at EUR 72 200 000 000, as proposed by the Commission and that any EU-revenue from the new emissions trading system should go to the Social Climate Fund. When carbon prices increase, the Fund should also increase to proportionally address the impacts felt by vulnerable households, micro-enterprises, SMEs and transport users. Taking

⁵ Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (OJ L 198, 22.6.2020, p. 13).

into account that structural measures and investments take time to implement and show effect, the implementation is proposed to start one year earlier, from 2025 to 2024, to kick-start investment cycles as soon as possible to make vulnerable households, vulnerable micro-enterprises, vulnerable SMEs and vulnerable transport users benefit from the Fund as quickly as possible.

In line with this principle and to avoid a slow uptake of funds, the Rapporteurs propose to make a pre-financing share of up to 13% available to Member States, subject to the requirements in the Regulation. In addition, to make the best use of the Social Climate Fund, support under the Fund should as much as possible complement and work in synergy to other Union and national programmes, instruments and funds, without however replacing existing national spending.

F. Member State Allocation and Co-Financing

The proportional allocation to Member States is based on an allocation key that should ensure a fair allocation to all Member States and is based on objective criteria taking into account, in equal measure, the predicted effects on vulnerable households, vulnerable micro-enterprises, vulnerable SMEs and vulnerable transport users. The key considers populations at risk of poverty (AROPE) living in rural populations. These AROPE households in arrears over utility bills, and household carbon dioxide emissions over a three-year average. There are further adjustments for lower-income Member States.

Support from the Fund should be targeted to measures and investment with the highest cost-effectiveness and added value in terms of supporting households to be more sustainable in their consumption. Therefore, the rapporteurs propose differentiated co-financing rules to reflect a preference for lasting investments that promote decarbonisation and energy efficiency. For temporary direct income measures under Article 6§1, Member States will finance at least 60%. For investments, which have a more structural effect, under Article 6§2, Member States will in general co-finance at least 50%, as proposed by the Commission, but the rapporteurs suggest lowering this national co-financing requirement to 40% for Member States with a GDP per capita at market prices below 65% of the Union average during the period 2016-2018.

20.4.2022

OPINION OF THE COMMITTEE ON BUDGETS

for the Committee on Employment and Social Affairs and the Committee on the Environment, Public Health and Food Safety

on the proposal for a regulation of the European Parliament and of the Council establishing a Social Climate Fund
(COM(2021)0568 – C9-0324/2021 – 2021/0206(COD))

Rapporteur for opinion(*): Margarida Marques

(*) Associated committee – Rule 57 of the Rules of Procedure

AMENDMENTS

The Committee on Budgets calls on the Committee on Employment and Social Affairs and the Committee on the Environment, Public Health and Food Safety, as the committees responsible, to take into account the following amendments:

Amendment 1

Proposal for a regulation

Recital 8

Text proposed by the Commission

(8) Those amendments have differing economic and social impacts on the different sectors of the economy, on the citizens, and the Member States. In particular, the inclusion of greenhouse gas emissions from buildings and road transport into the scope of Directive 2003/87/EC of the European Parliament and the Council³¹ should provide an additional economic incentive to invest into the reduction of fossil fuel consumption and thereby accelerate the reduction of greenhouse gas emissions. Combined with other measures, this should, in the medium to long term, reduce

Amendment

(8) Those amendments have differing economic and social impacts on the different sectors of the economy, on the citizens, and the Member States ***and they could lead to higher prices for fossil fuels, particularly for the most vulnerable citizens, while the decarbonisation of the economy is under way.*** In particular, the inclusion of greenhouse gas emissions from buildings and road transport into the scope of Directive 2003/87/EC of the European Parliament and the Council should provide an additional economic incentive to invest into the reduction of fossil fuel consumption and thereby

the costs for buildings and road transport, and provide new opportunities for job creation and investment.

accelerate the reduction of greenhouse gas emissions. Combined with other measures, this should, in the medium to long term, reduce the costs for buildings and road transport, and provide new opportunities for job creation and investment. ***Particular attention should be paid to the most disadvantaged groups and to households in mobility or energy poverty, so that they benefit from the implementation of those funding instruments and no one is left behind.***

³¹ Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a system for greenhouse gas emission allowance trading within the Union (OJ L 275, 25.10.2003, p. 32).

³¹ Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a system for greenhouse gas emission allowance trading within the Union (OJ L 275, 25.10.2003, p. 32).

Amendment 2

Proposal for a regulation Recital 9

Text proposed by the Commission

(9) However, resources are needed to finance those investments. In addition, before they have taken place, the cost supported by households and transport users for heating, cooling and cooking, as well as for road transport, is likely to increase as fuel suppliers subject to the obligations under the emission trading for buildings and road transport pass on costs on carbon to the consumers.

Amendment

(9) However, resources are needed to finance those investments. In addition, before they have taken place, the cost supported by households and transport users for heating, cooling and cooking, as well as for road transport, is likely to increase as fuel suppliers subject to the obligations under the emission trading for buildings and road transport pass on costs on carbon to the consumers ***and taking into account the dependency of Member States on imported fossil fuels in the light of the Russian war of aggression.***

Amendment 3

Proposal for a regulation Recital 11

Text proposed by the Commission

(11) Therefore, a part of the revenues generated by the inclusion of building and road transport into the scope of Directive 2003/87/EC should be used **to address** the social impacts arising from that inclusion, for the transition to be just and inclusive, leaving no one behind.

Amendment

(11) Therefore, a part of the revenues generated by the inclusion of building and road transport into the scope of Directive 2003/87/EC should be used **as an own resource to finance the Union budget as general income, in accordance with the legally binding Interinstitutional Agreement of 16 December 2020^{1a} that sets out a roadmap towards the introduction of new own resources, thereby providing the Union budget with the means of contributing to addressing** the social impacts arising from that inclusion, for the transition to be just and inclusive, leaving no one behind. **Under that Agreement, a basket of new own resources is envisaged to be introduced by 1 January 2023. Green own resources are means of aligning the Union budget with the Union's policy priorities, thus providing Union added value, and should be used to contribute to the climate mainstreaming objectives, the repayment of NextGenerationEU debts and the resilience of the Union budget as regards its functioning as a tool for investments and guarantees.**

^{1a} Interinstitutional Agreement of 16 December 2020 between the European Parliament, the Council of the European Union and the European Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management, as well as on new own resources, including a roadmap towards the introduction of new own resources (OJ L 433I, 22.12.2020, p. 28).

Amendment 4

**Proposal for a regulation
Recital 13**

Text proposed by the Commission

(13) A Social Climate ('the Fund') should therefore be established to provide funds to the Member States to support their policies to address the social impacts ***of the emissions trading for buildings and road transport*** on vulnerable households, vulnerable micro-enterprises and vulnerable transport users. This should be achieved notably through temporary income support and measures and investments intended to reduce reliance on fossil fuels through increased energy efficiency of buildings, decarbonisation of heating and cooling of buildings, including the integration of energy from renewable sources, and granting improved access to zero- and low-emission mobility and transport to the benefit of vulnerable households, vulnerable micro-enterprises and vulnerable transport users.

Amendment

(13) A Social Climate ***Fund*** ('the Fund') should therefore be established to provide funds to the Member States to support their policies to address the social impacts on vulnerable households, vulnerable micro-enterprises and vulnerable transport users ***of the emissions trading for buildings and road transport, which is designed to facilitate the green transition. The Fund should promote fairness and solidarity between and within Member States while contributing to eradicating energy and mobility poverty and should build on and complement existing solidarity and climate mechanisms.*** This should be achieved notably through temporary income support and measures and investments intended to reduce reliance on fossil fuels through increased energy efficiency of buildings, decarbonisation of heating and cooling of buildings, including the integration of energy from renewable sources, and granting improved access to zero- and low-emission mobility and transport to the benefit of vulnerable households, vulnerable micro-enterprises and vulnerable transport users.

Amendment 5

Proposal for a regulation

Recital 15

Text proposed by the Commission

(15) Member States, in consultation with regional level authorities, are best placed to design and to implement Plans that are adapted and targeted to their local, regional and national circumstances as their existing policies in the relevant areas and planned use of other relevant EU funds. In that manner, the broad diversity of situations, the specific knowledge of local and

Amendment

(15) Member States, ***where appropriate*** in consultation with ***the relevant stakeholders, including*** regional level authorities ***and social partners, in accordance with their national legal framework,*** are best placed to design and to implement Plans that are adapted and targeted to their local, regional and national circumstances as their existing policies in

regional governments, research and innovation and industrial relations and social dialogue structures, as well as national traditions, can best be respected and contribute to the effectiveness and efficiency of the overall support to the vulnerable.

the relevant areas and planned use of other relevant EU funds, ***while respecting the competences of local or regional authorities including with regard to the allocation of funds***. In that manner, the broad diversity of situations, the specific knowledge of local and regional governments, research and innovation and industrial relations and social dialogue structures, as well as national traditions, can best be respected and contribute to the effectiveness and efficiency of the overall support to the vulnerable. ***The Social Climate Plans should set out a summary of the consultation process conducted with local and regional authorities, social partners, civil society organisations, including those representing young people, and other relevant national stakeholders.***

Amendment 6

Proposal for a regulation Recital 16

Text proposed by the Commission

(16) Ensuring that the measures and investments are particularly targeted towards energy poor or vulnerable households, vulnerable micro-enterprises and vulnerable transport users is key for a just transition towards climate neutrality. Support measures to promote reductions in greenhouse gas emissions should help Member States to address the social impacts arising from the emissions trading for the sectors of buildings and road transport.

Amendment

(16) Ensuring that the measures and investments are particularly targeted towards energy poor or vulnerable households, vulnerable micro-enterprises and vulnerable transport users is key for a just transition towards climate neutrality. Support measures to promote reductions in greenhouse gas emissions should help Member States to address the social impacts ***on vulnerable households, vulnerable micro-enterprises and vulnerable transport users*** arising from the emissions trading for the sectors of buildings and road transport, ***which is designed to facilitate the green transition and could lead to higher prices for fossil fuel energy.***

Amendment 7

Proposal for a regulation Recital 18

Text proposed by the Commission

(18) Taking into account the importance of tackling climate change in line with Paris Agreement commitments, and the commitment to the United Nations Sustainable Development Goals, the actions under this Regulation should contribute to the achievement of the target that 30% of *all* expenditure under the 2021-2027 multiannual financial framework should be spent on mainstreaming climate objectives and should contribute to the ambition of providing 10% of annual spending to biodiversity objectives in 2026 and 2027, while considering the existing overlaps between climate and biodiversity goals. For this purpose, the methodology set out in Annex II of Regulation (EU) 2021/1060 of the European Parliament and of the Council³³ should be used to tag the expenditures of the Fund. The Fund should support activities that fully respect the climate and environmental standards and priorities of the Union and comply with the principle of ‘do no significant harm’ within the meaning of Article 17 of Regulation (EU) 2020/852 of the European Parliament and of the Council³⁴. Only such measures and investments should be included in the Plans. Direct income support measures should as a rule be considered as having an insignificant foreseeable impact on environmental objectives, and as such be considered compliant with the principle of ‘do no significant harm’. The Commission intends to issue technical guidance to the Member States well ahead of the preparation of the Plans. The guidance will explain how the measures and investments must comply with the principle of ‘do no significant harm’ within the meaning of Article 17 of Regulation (EU) 2020/852.

Amendment

(18) Taking into account the importance of tackling climate change in line with Paris Agreement commitments, and the commitment to the United Nations Sustainable Development Goals, the actions under this Regulation should contribute to the achievement of the target that *at least 30% of the total amount of the Union budget and the European Union Recovery Instrument* expenditure under the 2021-2027 multiannual financial framework should be spent on mainstreaming climate objectives and should contribute to the ambition of providing *7,5 % of annual spending under the multiannual financial framework to biodiversity objectives in 2024 and* 10% of annual spending to biodiversity objectives in 2026 and 2027, while considering the existing overlaps between climate and biodiversity goals. For this purpose, the methodology set out in Annex II of Regulation (EU) 2021/1060 of the European Parliament and of the Council should be used to tag the expenditures of the Fund. The Fund should support activities that fully respect the climate and environmental standards and priorities of the Union and comply with the principle of ‘do no significant harm’ within the meaning of Article 17 of Regulation (EU) 2020/852 of the European Parliament and of the Council. Only such measures and investments should be included in the Plans. Direct income support measures should as a rule be considered as having an insignificant foreseeable impact on environmental objectives, and as such be considered compliant with the principle of ‘do no significant harm’. The Commission intends to issue technical guidance to the Member States well ahead of the

The Commission intends to present in 2021 a proposal for a Council Recommendation on how to address the social aspects of the green transition.

preparation of the Plans. The guidance will explain how the measures and investments must comply with the principle of ‘do no significant harm’ within the meaning of Article 17 of Regulation (EU) 2020/852. The Commission intends to present in 2021 a proposal for a Council Recommendation on how to address the social aspects of the green transition.

³³ Regulation (EU) 2021/1060 of the European Parliament and of the Council of 24 June 2021 laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, the Just Transition Fund and the European Maritime, Fisheries and Aquaculture Fund and financial rules for those and for the Asylum, Migration and Integration Fund, the Internal Security Fund and the Instrument for Financial Support for Border Management and Visa Policy (OJ L 231, 30.6.2021, p. 159).

³³ Regulation (EU) 2021/1060 of the European Parliament and of the Council of 24 June 2021 laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, the Just Transition Fund and the European Maritime, Fisheries and Aquaculture Fund and financial rules for those and for the Asylum, Migration and Integration Fund, the Internal Security Fund and the Instrument for Financial Support for Border Management and Visa Policy (OJ L 231, 30.6.2021, p. 159).

³⁴ Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (OJ L 198, 22.6.2020, p. 13).

³⁴ Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (OJ L 198, 22.6.2020, p. 13).

Amendment 8

Proposal for a regulation

Recital 19

Text proposed by the Commission

(19) Women are **particularly** affected by carbon pricing **as they represent** 85% of single parent families. Single parent families have a particularly high risk of child poverty. Gender equality and equal opportunities for all, and the mainstreaming of those objectives, as well as questions of accessibility for persons

Amendment

(19) Women are **disproportionately** affected by carbon pricing **and energy and mobility poverty. For example, women are the parent in** 85% of single parent families, **and** single parent families, **together with other vulnerable groups**, have a particularly high risk of child poverty, **energy poverty and mobility**

with disabilities should be taken into account and promoted throughout the preparation **and** implementation of Plans to ensure no one is left behind.

poverty. Gender equality **as well as rights** and equal opportunities for all, and the mainstreaming of those objectives, as well as questions of accessibility for persons with disabilities should be taken into account and promoted throughout the preparation, implementation **and monitoring** of Plans to ensure no one is left behind.

Amendment 9

Proposal for a regulation Recital 22 a (new)

Text proposed by the Commission

Amendment

(22a) The principle of unity of the budget, whereby all items of revenue and expenditure of the Union are shown in the budget, is a requirement laid down in Article 310(1) TFEU. The Fund is therefore to be fully integrated into the Union budget in order to, inter alia, respect the Community method, respect parliamentary democratic accountability, oversight and control, ensure predictability of funding and multiannual programming, and safeguard the transparency of the budgetary decisions taken at Union level.

Amendment 10

Proposal for a regulation Recital 23

Text proposed by the Commission

Amendment

(23) The financial envelope of the Fund **should, in principle, be commensurate to amounts corresponding to 25%** of the expected revenues from the inclusion of buildings and road transport into the scope of Directive 2003/87/EC in the period 2026-2032. Pursuant to Council Decision

(23) The financial envelope of the Fund **has been set on the basis of an assessment of the estimated amount generated by allocating to the Union budget 25%** of the expected revenues from the inclusion of buildings and road transport into the scope of Directive 2003/87/EC in the period

(EU, Euratom) 2020/2053⁴¹, Member States should make those revenues available to the Union budget as own resources. Member States are to finance 50% of the total costs of their Plan themselves. For this purpose, as well as for investment and measures to accelerate and alleviate the required transition for citizens negatively affected, Member States should inter alia use their expected revenues from emissions trading for buildings and road transport under Directive 2003/87/EC for that purpose.

2026-2032. Pursuant to Council Decision (EU, Euratom) 2020/2053, Member States should make those revenues available to the Union budget as own resources. ***The revenue accruing to the Union budget is to respect the principle of universality in accordance with Article 7 of Decision (EU, Euratom) 2020/2053. The financial envelope of the Fund for the 2025-2032 period should be EUR 72,2 billion. As Member States are to finance at least 50% of the total costs of their Plan themselves, the Fund should therefore mobilise at least EUR 144,4 billion for a socially fair transition, on the basis of a preliminary assessment of the additional burden on vulnerable households, micro-enterprises and transport users.*** For this purpose, as well as for investment and measures to accelerate and alleviate the required transition for citizens negatively affected, Member States should inter alia use their expected revenues from emissions trading for buildings and road transport under Directive 2003/87/EC for that purpose. ***The financing of the Fund should not come at the expense of other Union programmes and policies.***

⁴¹ Council Decision (EU, Euratom) 2020/2053 of 14 December 2020 on the system of own resources of the European Union and repealing Decision 2014/335/EU, Euratom (OJ L 424, 15.12.2020, p. 1).

⁴¹ Council Decision (EU, Euratom) 2020/2053 of 14 December 2020 on the system of own resources of the European Union and repealing Decision 2014/335/EU, Euratom (OJ L 424, 15.12.2020, p. 1).

Amendment 11

Proposal for a regulation Recital 23 a (new)

Text proposed by the Commission

Amendment

(23a) In the event of a higher carbon price that would create an additional burden for vulnerable households, micro-enterprises and transport users, additional

allocations should be made available for the Fund to ensure that the impact of carbon price increases on the most vulnerable is adequately and fairly mitigated, in order, in turn, to further support vulnerable households and transport users in adapting to a fair green transition towards climate neutrality, involving a phasing out of dependence on fossil fuels. Such annual reinforcements should be accommodated within the multiannual financial framework by means of an automatic carbon price fluctuation adjustment of the ceiling of Heading 3 and the payment ceiling, the mechanism for which is to be provided for in Council Regulation (EU, Euratom) 2020/2093^{1a} pursuant to Article 312 TFEU.

^{1a} Council Regulation (EU, Euratom) 2020/2093 of 17 December 2020 laying down the multiannual financial framework for the years 2021 to 2027 (OJ L 433I, 22.12.2020, p. 11).

Amendment 12

Proposal for a regulation Recital 25

Text proposed by the Commission

(25) In order to ensure an efficient and coherent allocation of funds and to respect the principle of sound financial management, actions under this Regulation should be consistent with and be complementary to ongoing Union programmes, whilst avoiding double funding from the Fund and other Union programmes for the same expenditure. In particular, the Commission and the Member State should ensure, in all stages of the process, effective coordination in order to safeguard the consistency, coherence, complementarity and synergy

Amendment

(25) In order to ensure an efficient and coherent allocation of funds and to respect the principle of sound financial management, ***the Fund should be included within the Union budget and the*** actions under this Regulation should be consistent with and be complementary to ongoing Union programmes, ***including in climate action and social policies***, whilst avoiding double funding from the Fund and other Union programmes for the same expenditure. In particular, the Commission and the Member State should ensure, in all stages of the process, effective

among sources of funding. To that effect, Member States should be required to present the relevant information on existing or planned Union financing when submitting their plans to the Commission. Financial support under the Fund should be additional to the support provided under other Union programmes and instruments. Measures and investment financed under the Fund should be able to receive funding from other Union programmes and instruments provided that such support does not cover the same costs.

coordination in order to safeguard the consistency, coherence, complementarity and synergy among sources of funding. To that effect, Member States should be required to present the relevant information on existing or planned Union financing when submitting their plans to the Commission. Financial support under the Fund should be additional to the support provided under other Union programmes and instruments. Measures and investment financed under the Fund should be able to receive funding from other Union programmes and instruments provided that such support does not cover the same costs.

Amendment 13

Proposal for a regulation Recital 28

Text proposed by the Commission

(28) The implementation of the Fund should be carried out in line with the principle of sound financial management, including the effective prevention and prosecution of fraud, tax fraud, tax evasion, corruption and conflicts of interest.

Amendment

(28) The implementation of the Fund should be carried out in line with the principles ***of unity, of universality and*** of sound financial management, including the effective prevention and prosecution of fraud, tax fraud, tax evasion, corruption and conflicts of interest.

Amendment 14

Proposal for a regulation Recital 28 a (new)

Text proposed by the Commission

Amendment

(28a) The integration of the Fund into the Union budget provides strong safeguards as regards the Fund's implementation, given the protection afforded both by Union financial legislation and the applicable sector-specific and financial rules in the event of irregularities or serious deficiencies in

management and control systems and by the measures set out under Regulation (EU, Euratom) 2020/2092 of the European Parliament and of the Council^{1a} for the protection of the Union budget in the event of breaches of the principles of the rule of law in Member States. The Commission should provide, to that effect, an effective and efficient internal control system and the recovery of amounts wrongly paid or incorrectly used and should take the necessary measures, which could include, among others, a suspension of payments, termination of the legal commitment within the meaning of the Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council^{1b}, a prohibition on entering into such legal commitments, or a suspension of the disbursement of instalments.

^{1a} Regulation (EU, Euratom) 2020/2092 of the European Parliament and of the Council of 16 December 2020 on a general regime of conditionality for the protection of the Union budget (OJ L 433I, 22.12.2020, p. 1).

^{1b} Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 (OJ L 193, 30.7.2018, p. 1).

Amendment 15

**Proposal for a regulation
Recital 30 a (new)**

Text proposed by the Commission

Amendment

(30a) Respect for fundamental rights and compliance with the Charter of Fundamental Rights of the European Union, should be ensured throughout the preparation, evaluation, implementation and monitoring of eligible projects under the Fund. The Fund should contribute to eliminating inequalities, promoting gender equality and integrating the gender perspective, as well as combating discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation as set out in Article 2 of the Treaty on European Union (TEU), Article 10 TFEU and Article 21 of the Charter of Fundamental Rights of the European Union.

Amendment 16

Proposal for a regulation Article 1 – paragraph 3

Text proposed by the Commission

Amendment

The measures and investments supported by the Fund shall benefit households, micro-enterprises and transport users, which are vulnerable and particularly affected by the inclusion of greenhouse gas emissions from buildings and road transport into the scope of Directive 2003/87/EC, especially households in energy poverty and citizens without public transport alternative to individual cars (in remote and rural areas).

The measures and investments supported by the Fund shall benefit households, micro-enterprises and transport users, which are vulnerable and particularly affected ***by the green transition, namely*** by the inclusion of greenhouse gas emissions from buildings and road transport into the scope of Directive 2003/87/EC, especially households in energy poverty and citizens without public transport alternative to individual cars (in remote and rural areas).

Amendment 17

Proposal for a regulation Article 1 – paragraph 4

Text proposed by the Commission

The general objective of the Fund is to contribute to **the** transition towards climate neutrality by addressing the social impacts of the inclusion of greenhouse gas emissions from buildings and road transport into the scope of Directive 2003/87/EC. The specific objective of the Fund is to support vulnerable households, vulnerable micro-enterprises and vulnerable transport users through temporary direct income support and through measures and investments intended to increase energy efficiency of buildings, decarbonisation of heating and cooling of buildings, including the integration of energy from renewable sources, and granting improved access to zero- and low-emission mobility and transport.

Amendment

The general objective of the Fund is to contribute to **a fair** transition towards climate neutrality by addressing the social impacts **on households, micro-enterprises and transport users** of the inclusion of greenhouse gas emissions from buildings and road transport into the scope of Directive 2003/87/EC, **which is designed to facilitate the green transition**. The specific objective of the Fund is to support **the transition towards climate neutrality for** vulnerable households, vulnerable micro-enterprises and vulnerable transport users through temporary direct income support and through measures and investments intended to increase energy efficiency of buildings, decarbonisation of heating and cooling of buildings, including the integration of energy from renewable sources, and granting improved access to zero- and low-emission mobility and transport, **thereby phasing out dependence on fossil fuels**.

Amendment 18

Proposal for a regulation

Article 2 – paragraph 1 – point 13

Text proposed by the Commission

(13) ‘vulnerable transport users’ means transport users, including from lower middle-income households, that are significantly affected by the price impacts of the inclusion of road transport into the scope of Directive 2003/87/EC and lack the means to purchase zero- and low-emission vehicles or to switch to alternative sustainable modes of transport, including public transport, **particularly in rural and remote areas**.

Amendment

(13) ‘vulnerable transport users’ means transport users, including from lower middle-income households, that are significantly affected by the price impacts of the inclusion of road transport into the scope of Directive 2003/87/EC and lack the means to purchase zero- and low-emission vehicles or to switch to alternative sustainable modes of transport, including public transport.

Amendment 19

Proposal for a regulation Article 3 – paragraph 3 a (new)

Text proposed by the Commission

Amendment

3a. Each Member State shall consult, in accordance with its national legal framework, local and regional authorities, social partners, civil society organisations, including those representing young people, and other relevant stakeholders on its draft plan before submitting the Plan to the Commission.

Amendment 20

Proposal for a regulation Article 4 – paragraph 1 – point j

Text proposed by the Commission

Amendment

(j) for the preparation and, where available, for the implementation of the Plan, a summary of the consultation process, conducted in accordance with Article 10 of Regulation (EU) 2018/1999 and with the national legal framework, of local and regional authorities, social partners, civil society organisations, youth organisations and other relevant stakeholders, and how the input of the stakeholders is reflected in the Plan;

(j) for the preparation and, where available, for the implementation of the Plan, a summary of the consultation process **provided for in Article 3(3a)**, conducted in accordance with Article 10 of Regulation (EU) 2018/1999 and with the national legal framework, of local and regional authorities, social partners, civil society organisations, youth organisations and other relevant stakeholders, and how the input of the stakeholders is reflected in the Plan;

Amendment 21

Proposal for a regulation Article 8 – paragraph 1

Text proposed by the Commission

Amendment

Member States may include into the estimated total costs financial support provided to public or private entities other

Member States may include into the estimated total costs financial support provided to public or private entities other

than vulnerable households, vulnerable micro-enterprises and vulnerable transport uses, if those entities carry out measures and investments ultimately benefitting vulnerable households, vulnerable micro-enterprises and vulnerable transport users.

than vulnerable households, vulnerable micro-enterprises and vulnerable transport uses, if those entities carry out measures and investments ultimately benefitting vulnerable households, vulnerable micro-enterprises and vulnerable transport users. ***Such entities shall comply with the requirements on visibility set out in Article 22(2).***

Amendment 22

Proposal for a regulation Article 9 – paragraph 1 a (new)

Text proposed by the Commission

Amendment

1a. Additional allocations shall be made available subject to the specific technical adjustment based on carbon-price fluctuation provided for in Article 4b of ... [Council Regulation (EU, Euratom) 2020/2093^{1a} as amended] so as to ensure that the available appropriations for the Fund in the Union budget increase with the carbon price.

^{1a} Council Regulation (EU, Euratom) 2020/2093 of 17 December 2020 laying down the multiannual financial framework for the years 2021 to 2027 (OJ L 433I, 22.12.2020, p. 11).

Amendment 23

Proposal for a regulation Article 9 – paragraph 2

Text proposed by the Commission

Amendment

2. The financial envelope for the implementation of the Fund for the period 2028-2032 shall be EUR 48 500 000 000 in current prices, subject to the availability of the amounts under the annual ceilings of

2. The financial envelope for the implementation of the Fund for the period 2028-2032 shall be EUR 48 500 000 000 in current prices, subject to the availability of the amounts under the annual ceilings of

the applicable multiannual financial framework referred to in Article 312 TFEU.

the applicable multiannual financial framework referred to in Article 312 TFEU. ***The prolongation of the specific technical adjustment based on carbon-price fluctuation shall be considered in the context of the negotiations of the applicable multiannual financial framework.***

Amendment 24

Proposal for a regulation Article 13 – paragraph 1

Text proposed by the Commission

1. The maximum financial allocation shall be calculated for each Member State as specified in Annex I and Annex II.

Amendment

1. ***Without prejudice to Article 9(1a),*** the maximum financial allocation shall be calculated for each Member State as specified in Annex I and Annex II.

Amendment 25

Proposal for a regulation Article 13 – paragraph 2

Text proposed by the Commission

2. Each Member State may submit a request up to its maximum financial allocation to implement its Plan.

Amendment

2. ***In 2025,*** each Member State may submit a request up to its maximum financial allocation to implement its Plan.

Amendment 26

Proposal for a regulation Article 13 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

2a. In the years 2026 and 2027, each Member State may submit a request up to its maximum financial allocation to implement its Plan and up to the maximum of its share of the additional allocation made available pursuant to

Article 9(1a), as specified in Annex II and based on the methodology for the calculation as referred to in Annex I.

Amendment 27

Proposal for a regulation

Article 15 – paragraph 2 – point b – point iii a (new)

Text proposed by the Commission

Amendment

(iii a) whether the consultation on the draft Plan was conducted in accordance with Article 3(3a).

Amendment 28

Proposal for a regulation

Article 17 – paragraph 1

Text proposed by the Commission

Amendment

1. Where a Social Climate Plan, including relevant milestones and targets, is no longer achievable, either in whole or in part, by the Member State concerned because of objective circumstances, in particular because of the actual direct effects of the emission trading system for buildings and road transport established pursuant to Chapter IVa of Directive 2003/87/EC, the Member State concerned may submit to the Commission an amendment of its Plan to include the necessary and duly justified changes. Member States may request technical support for the preparation of such request.

1. Where a Social Climate Plan, including relevant milestones and targets, is no longer achievable, either in whole or in part, by the Member State concerned because of objective circumstances, in particular because of the actual direct effects of the emission trading system for buildings and road transport established pursuant to Chapter IVa of Directive 2003/87/EC, ***or where the Member State decides to propose an amendment of its Plan to better achieve the objectives set out in Article 1 of this Regulation***, the Member State concerned may submit to the Commission an amendment of its Plan to include the necessary and duly justified changes. Member States may request technical support for the preparation of such request.

Amendment 29

Proposal for a regulation
Article 17 – paragraph 1 a (new)

Text proposed by the Commission

Amendment

1a. Where additional allocations are made available pursuant to Article 9(1a), the Member State concerned may submit a targeted amendment of its Plan to the Commission to:

(a) increase the number of beneficiaries of, or the costs borne by, a measure or investment set out in its Plan;

(b) add measures or investments in accordance with Article 6.

Amendment 30

Proposal for a regulation
Article 17 – paragraph 2 – subparagraph 1a (new)

Text proposed by the Commission

Amendment

Notwithstanding the first subparagraph, where a Member State submits an amendment of its Plan pursuant to paragraph 1a(a), the Commission shall not assess the criteria referred to in Article 15(2)(a), (b) and (c)(ii).

Amendment 31

Proposal for a regulation
Article 17 – paragraph 3

Text proposed by the Commission

Amendment

3. Where the Commission gives a positive assessment to the amended Plan, it shall in accordance with Article 16(1) adopt, within three months of the official submission of the amended Plan by the Member State, a decision setting out the reasons for its positive assessment, by means of an implementing act.

3. Where the Commission gives a positive assessment to the amended Plan, it shall in accordance with Article 16(1) adopt, within three months of the official submission of the amended Plan by the Member State, a decision setting out the reasons for its positive assessment, by means of an implementing act. **Where a plan is amended as set out in paragraph**

1a, point (a), that period shall be reduced to six weeks.

Amendment 32

Proposal for a regulation Article 17 – paragraph 4

Text proposed by the Commission

4. Where the Commission gives a negative assessment to the amended Plan, it shall reject the request within the period referred to in paragraph 3, after having given the Member State concerned the possibility to present its observations within three months of the communication of the Commission's assessment.

Amendment

4. Where the Commission gives a negative assessment to the amended Plan, it shall reject the request within the periods referred to in paragraph 3, after having given the Member State concerned the possibility to present its observations within three months of the communication of the Commission's assessment.

Amendment 33

Proposal for a regulation Article 18 – paragraph 1

Text proposed by the Commission

1. After the Commission has adopted a decision as referred to in Article 16, it shall in due time conclude an agreement with the Member State concerned constituting an individual legal commitment within the meaning of Regulation (EU, Euratom) 2018/1046 covering the period **2025-2027**. That agreement may be concluded at the earliest one year before the year of the start of the auctions under Chapter IVa of Directive 2003/87/EC.

Amendment

1. After the Commission has adopted a decision as referred to in Article 16, it shall in due time conclude an agreement with the Member State concerned constituting an individual legal commitment within the meaning of Regulation (EU, Euratom) 2018/1046 covering the period **until** 2027. That agreement may be concluded at the earliest one year before the year of the start of the auctions under Chapter IVa of Directive 2003/87/EC.

Amendment 34

Proposal for a regulation Article 19 – paragraph 4 – subparagraph 1

Text proposed by the Commission

Where, as a result of the assessment referred to in paragraph 3, the Commission establishes that the milestones and targets set out in the Commission decision referred to in Article 16 have not been satisfactorily fulfilled, the payment of all or part of the financial allocation shall be suspended. The Member State concerned may present its observations within one month of the communication of the Commission's assessment.

Amendment

Where, as a result of the assessment referred to in paragraph 3, the Commission establishes that the milestones and targets set out in the Commission decision referred to in Article 16 have not been satisfactorily fulfilled, the payment of all or part of the financial allocation shall be suspended. ***The amount suspended shall be in line with the costs of the measures for which the milestones and targets have not been satisfactorily met.*** The Member State concerned may present its observations within one month of the communication of the Commission's assessment.

Amendment 35

**Proposal for a regulation
Article 20 – paragraph 1**

Text proposed by the Commission

1. In implementing the Fund, the Member States, as beneficiaries of funds under the Fund, shall take all the appropriate measures to protect the financial interests of the Union and to ensure that the use of funds in relation to measures and investments supported by the Fund complies with the applicable Union and national law, in particular regarding the prevention, detection and correction of fraud, corruption and conflicts of interests. To this effect, the Member States shall provide an effective and efficient internal control system as further detailed in Annex III and the recovery of amounts wrongly paid or incorrectly used. Member States may rely on their regular national budget management systems.

Amendment

1. In implementing the Fund, the Member States, as beneficiaries of funds under the Fund, ***shall respect the fundamental values enshrined in Article 2 of the Treaty on European Union, including the rule of law.*** They shall take all the appropriate measures to protect the financial interests of the Union and to ensure that the use of funds in relation to measures and investments supported by the Fund complies with the applicable Union and national law, in particular regarding the prevention, detection and correction of fraud, corruption and conflicts of interests. To this effect, the Member States shall provide an effective and efficient internal control system as further detailed in Annex III and the recovery of amounts wrongly paid or incorrectly used. Member States may rely on their regular national budget management systems.

Amendment 36

Proposal for a regulation Article 24 – paragraph -1 (new)

Text proposed by the Commission

Amendment

-1. By 1 July 2026, the Commission shall provide the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions with an early evaluation report on the implementation and functioning of the Fund. In that early evaluation, the Commission shall consider the prolongation of the specific technical adjustment based on carbon-price fluctuation referred to in Article 9 in the context of the negotiations of the next multiannual financial framework.

Amendment 37

Proposal for a regulation Annex II – paragraph 1 a (new)

Text proposed by the Commission

Amendment

Additional allocations pertaining from Article 9(1a) shall be allocated to Member States on the basis of the following share.

PROCEDURE – COMMITTEE ASKED FOR OPINION

Title	Establishing a Social Climate Fund
References	COM(2021)0568 – C9-0324/2021 – 2021/0206(COD)
Committees responsible Date announced in plenary	EMPL ENVI 13.9.2021 13.9.2021
Opinion by Date announced in plenary	BUDG 13.9.2021
Associated committees - date announced in plenary	11.11.2021
Rapporteur for the opinion Date appointed	Margarida Marques 25.10.2021
Rule 58 – Joint committee procedure Date announced in plenary	11.11.2021
Discussed in committee	28.2.2022
Date adopted	20.4.2022
Result of final vote	+: 32 –: 3 0: 5
Members present for the final vote	Rasmus Andresen, Pietro Bartolo, Robert Biedroń, Anna Bonfrisco, Olivier Chastel, Lefteris Christoforou, David Cormand, Andor Deli, José Manuel Fernandes, Eider Gardiazabal Rubial, Alexandra Geese, Vlad Gheorghe, Valentino Grant, Francisco Guerreiro, Valérie Hayer, Eero Heinäluoma, Niclas Herbst, Monika Hohlmeier, Moritz Körner, Joachim Kuhs, Zbigniew Kuźmiuk, Hélène Laporte, Pierre Larrouturou, Camilla Laureti, Janusz Lewandowski, Margarida Marques, Siegfried Mureşan, Victor Negrescu, Lefteris Nikolaou-Alavanos, Dimitrios Papadimoulis, Karlo Ressler, Bogdan Rzońca, Nicolae Ştefănuţă, Nils Torvalds, Nils Ušakovs, Rainer Wieland, Angelika Winzig
Substitutes present for the final vote	Petros Kokkalis, Jan Olbrycht, Petri Sarvamaa

FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

32	+
PPE	Lefteris Christoforou, José Manuel Fernandes, Niclas Herbst, Monika Hohlmeier, Janusz Lewandowski, Siegfried Mureşan, Jan Olbrycht, Karlo Ressler, Petri Sarvamaa, Rainer Wieland, Angelika Winzig
Renew	Olivier Chastel, Vlad Gheorghe, Valérie Hayer, Moritz Körner, Nicolae Ştefănuţă, Nils Torvalds
S&D	Pietro Bartolo, Robert Biedroń, Eider Gardiazabal Rubial, Eero Heinäluoma, Pierre Larroustourou, Camilla Laureti, Margarida Marques, Victor Negrescu, Nils Ušakovs
The Left	Petros Kokkalis, Dimitrios Papadimoulis
Verts/ALE	Rasmus Andresen, David Cormand, Alexandra Geese, Francisco Guerreiro

3	-
ID	Joachim Kuhs
NI	Andor Deli, Lefteris Nikolaou-Alavanos

5	0
ECR	Zbigniew Kuźmiuk, Bogdan Rzońca
ID	Anna Bonfrisco, Valentino Grant, Hélène Laporte

Key to symbols:

+ : in favour

- : against

0 : abstention

29.4.2022

OPINION OF THE COMMITTEE ON ECONOMIC AND MONETARY AFFAIRS

for the Committee on Employment and Social Affairs and the Committee on the Environment, Public Health and Food Safety

on the proposal for a regulation of the European Parliament and of the Council establishing a Social Climate Fund
(COM(2021)0568 – C9-0324/2021 – 2021/0206(COD))

Rapporteur for opinion: Henrike Hahn

AMENDMENTS

The Committee on Economic and Monetary Affairs calls on the Committee on Employment and Social Affairs and the Committee on the Environment, Public Health and Food Safety, as the committees responsible, to take into account the following amendments:

Amendment 1

Proposal for a regulation

Recital 1 a (new)

Text proposed by the Commission

Amendment

(1a) The depth and acute nature of the ongoing climate and environmental emergency has a more disproportionate effect on the most vulnerable groups, including the economically disadvantaged, low-income households, women, discriminated groups, people with disabilities, elderly people or children, even though these groups often have the least ability to respond to the impacts of climate change. A new European Social Climate Fund is required to protect and empower the most vulnerable families and communities with the view to contribute to eradicating energy and transport poverty across Europe and to ensure full participation in the social benefits of the ecological transition, creating a win-win scenario for the people and the planet. In

particular, the Fund should directly benefit the vulnerable people and micro-enterprises and where justified vulnerable small enterprises in energy poverty and mobility poverty, which are likely to be affected by the expected inclusion of greenhouse gas emissions from building and road transport into the scope of Directive 2003/87/EC.

Amendment 2

Proposal for a regulation Recital 8

Text proposed by the Commission

(8) Those amendments have differing economic and social impacts on the different sectors of the economy, on the citizens, and the Member States. In particular, the inclusion of greenhouse gas emissions from buildings and road transport into the scope of Directive 2003/87/EC of the European Parliament and the Council³¹ **should** provide an additional economic incentive to invest into the reduction of fossil fuel consumption and thereby accelerate the reduction of greenhouse gas emissions. ***Combined with other measures, this should, in the medium to long term, reduce the costs for buildings and road transport, and provide new opportunities for job creation and investment.***

³¹ Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a system for greenhouse gas emission allowance trading within the Union (OJ L 275, 25.10.2003, p. 32).

Amendment

(8) Those amendments have differing economic and social impacts on the different sectors of the economy, on the citizens, and the Member States. In particular, ***while*** the inclusion of greenhouse gas emissions from buildings and road transport into the scope of Directive 2003/87/EC of the European Parliament and the Council³¹ ***intends to*** provide an additional economic incentive to invest into the reduction of fossil fuel consumption and thereby accelerate the reduction of greenhouse gas emissions ***from those sectors, the sharp increase of fuel prices, if not accompanied by appropriate measures, is likely to have a regressive distributional impact and produce social hardship, due to the low elasticity in both the transport and buildings sectors, especially among the lower-income households affected by energy poverty and mobility poverty.***

³¹ Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a system for greenhouse gas emission allowance trading within the Union (OJ L 275, 25.10.2003, p. 32).

Amendment 3

Proposal for a regulation

Recital 9

Text proposed by the Commission

(9) **However**, resources are needed to finance those investments. In addition, before they have taken place, the cost supported by households and transport users for heating, cooling and cooking, as well as for road transport, is likely to increase as fuel suppliers subject to the obligations under the emission trading for buildings and road transport pass on costs on carbon to the consumers.

Amendment

(9) **Moreover**, resources are needed to finance those investments. In addition, before they have taken place, the cost supported by households and transport users for heating, cooling and cooking, as well as for road transport, is likely to increase as fuel suppliers subject to the obligations under the emission trading for buildings and road transport pass on costs on carbon to the consumers. ***The costs passed on by fuel suppliers to final consumers can differ for each company, region or Member State. The Commission should therefore collect data on the share of costs absorbed by fuel suppliers and the share of costs passed on to final consumers and should annually report its findings to the European Parliament.***

Amendment 4

Proposal for a regulation

Recital 10

Text proposed by the Commission

(10) The increase in the price for fossil fuels **may** disproportionately affect vulnerable households, vulnerable micro-enterprises and vulnerable transport users who spend a larger part of their incomes on energy and transport, who, in certain regions, do not have access to alternative, affordable mobility and transport solutions and who may lack the financial capacity to invest into the reduction of fossil fuel consumption.

Amendment

(10) The increase **and global fluctuations** in the price for fossil fuels disproportionately affect vulnerable households, vulnerable micro-enterprises **and vulnerable small enterprises**, and vulnerable transport users who spend a larger part of their incomes on energy and transport, who, in certain regions, **including in rural, insular, mountainous, remote and less accessible areas**, do not have access to alternative, affordable mobility and transport solutions and who may lack the financial capacity to invest

into the reduction of fossil fuel consumption. *Ambitious climate action would also allow the Union to mitigate the impact of the increase in energy prices.*

Amendment 5

Proposal for a regulation

Recital 11

Text proposed by the Commission

(11) Therefore, *a part of* the revenues generated by the inclusion of building and road transport into the scope of Directive 2003/87/EC should be used to address the social impacts arising from that inclusion, for the transition to be just and inclusive, leaving no one behind.

Amendment

(11) Therefore, the *expected* revenues generated *within the Union budget* by the inclusion of building and road transport into the scope of Directive 2003/87/EC should be used to address the social impacts arising from that inclusion, for the transition to be just and inclusive, leaving no one behind.

Amendment 6

Proposal for a regulation

Recital 11 a (new)

Text proposed by the Commission

Amendment

(11a) Further fiscal or stimulus measures may be necessary in order to support vulnerable households, vulnerable micro-enterprises, vulnerable small enterprises or vulnerable transport users.

Amendment 7

Proposal for a regulation

Recital 12

Text proposed by the Commission

(12) This is even more relevant in view of the existing levels of energy poverty. Energy poverty is a situation in which

Amendment

(12) This is even more relevant in view of the existing levels of energy poverty. Energy poverty is a situation in which

households are unable to access essential energy services such as cooling, as temperatures rise, and heating. About 34 million Europeans reported an inability to keep their homes adequately warm in 2018, and **6.9%** of the Union population have said that they cannot afford to heat their home sufficiently in a **2019** EU-wide survey³². Overall, the Energy Poverty Observatory estimates that more than 50 million households in the European Union experience energy poverty. Energy poverty is therefore a major challenge for the Union. While social tariffs or direct income support can provide immediate relief to households facing energy poverty, only targeted structural measures, in particular **energy** renovations, can provide lasting solutions.

households are unable to access essential energy services such as cooling, as temperatures rise, and heating **or lighting**. About 34 million Europeans reported an inability to keep their homes adequately warm in 2018, and **8.2%** of the Union population have said that they cannot afford to heat their home sufficiently in a **2020** EU-wide survey³². Overall, the Energy Poverty Observatory estimates that more than 50 million households in the European Union experience energy poverty. Energy poverty is therefore a major challenge for the Union. ***The lack of a Union-level definition of energy poverty leads to incomparable data sets. Establishing a common Union-level definition will allow to effectively address energy poverty, measure progress and consequently to better target policy actions.*** While social tariffs or direct income support can provide immediate relief to households facing energy poverty, ***they are not a real solution to lift households out of energy poverty, on the contrary, they can also have the effect of locking people further into energy and transport poverty.*** Only targeted structural measures, in particular ***deep and staged building renovations, the development of energy communities and renewable energy sources, including through community-lead projects, as well as information and awareness-raising measures targeted at the households,*** can provide lasting solutions ***and effectively combat energy poverty.*** Also, particular attention should be paid to the situation of owners of houses and apartments living in energy poverty and those in risk to fall into energy poverty as a result of increasing prices, especially single women and elderly owners in rural areas and owners in big residential buildings in poor condition. ***Vulnerable households should receive investment support well before energy costs are effectively increased and should be provided with enough time to***

³² Data from 2018. Eurostat, SILC [ilc_mdcs01]).

adapt.

³² Data from 2018. Eurostat, SILC [ilc_mdcs01]).

Amendment 8

Proposal for a regulation Recital 13

Text proposed by the Commission

(13) A Social Climate ('the Fund') should therefore be established to provide funds to the Member States to support ***their policies to*** address the social impacts of the emissions trading for buildings and road transport on ***vulnerable households, vulnerable micro-enterprises and vulnerable transport users***. This should be achieved notably through ***temporary income support and*** measures and investments intended to reduce reliance on fossil fuels through increased energy efficiency of buildings, ***decarbonisation of*** heating and cooling of buildings, including the ***integration of energy from*** renewable ***sources***, and granting improved access to zero- and low-emission mobility and transport to the benefit of vulnerable households, vulnerable micro-enterprises and vulnerable transport users.

Amendment

(13) A Social Climate ***Fund*** ('the Fund') should therefore be established to provide funds to the Member States to support ***households and people living in energy poverty and mobility poverty, as well as micro-enterprises and vulnerable small enterprises, where justified, and*** address the social impacts of the emissions trading for buildings and road transport on ***those people and enterprises, where applicable, by targeted actions contributing to the green transition***. This should be achieved notably through measures and investments ***with lasting impact and, where necessary, temporary direct expenditure support***, intended to reduce reliance on fossil fuels through increased energy efficiency of buildings, ***in particular for those living in the worst performing buildings and in social housing, and through the increased access to renewable energy for*** heating and cooling of buildings, including the ***installation of renewable energy systems***, and granting improved access to zero- and low-emission mobility and transport to the benefit of vulnerable households, vulnerable micro-enterprises and vulnerable transport users. ***Rural, insular, mountainous, remote areas and less accessible areas or less developed regions or territories, including less developed (peri-) urban areas should receive a special focus when it comes to financing of measures and investments to support***

citizens and micro-enterprises as they are particularly vulnerable to energy and transport price movements.

Amendment 9

Proposal for a regulation

Recital 14

Text proposed by the Commission

(14) For that purpose, each Member State should submit to the Commission a Social Climate Plan ('the Plan'). Those Plans should pursue two objectives. Firstly, they should provide vulnerable households, vulnerable micro-enterprises and vulnerable transport users the necessary resources to finance and carry out investments in energy efficiency, decarbonisation of heating and cooling, in zero- and low-emission vehicles and mobility. Secondly, they should mitigate the impact of the increase in the cost of fossil fuels on the most vulnerable and thereby prevent energy and **transport** poverty during the transition period until such investments have been implemented. The Plans should have an investment component promoting the long-term solution of reduce fossil fuels reliance and could envisage other measures, including temporary direct income support to mitigate adverse income effects in the shorter term.

Amendment

(14) For that purpose, each Member State should submit to the Commission a Social Climate Plan ('the Plan'). Those Plans should pursue two objectives. Firstly, they should provide vulnerable households, vulnerable micro-enterprises and, **where duly justified taking into account the national context, vulnerable small enterprises, as well as** vulnerable transport users the necessary resources to finance and carry out investments in energy efficiency, decarbonisation of heating and cooling, in zero- and low-emission vehicles and mobility. Secondly, they should mitigate the impact of the increase in the cost of fossil fuels on the most vulnerable and thereby prevent energy and **mobility** poverty during the transition period until such investments have been implemented. The Plans should have an investment component promoting the long-term solution of reduce fossil fuels reliance and could envisage other measures, including temporary direct income support to mitigate adverse income effects in the shorter term.

Amendment 10

Proposal for a regulation

Recital 14 a (new)

Text proposed by the Commission

Amendment

(14a) The Plans submitted by the

Member States should include measures to provide information support, capacity building and training necessary to implement the investments and measures intended to reduce reliance on fossil fuels through increased energy efficiency of buildings and increased access to renewable energy for heating and cooling of buildings, and granting improved access to sustainable mobility and transport services, including the necessary infrastructures and the deployment of charging stations for electric vehicles. The Plans should also address the lack of workforce needed for all stages of the green transition, in particular in jobs related to building renovation and the integration of energy from renewable sources as well as peer-to-peer and community work tackling energy poverty and mobility poverty.

Amendment 11

Proposal for a regulation Recital 15

Text proposed by the Commission

(15) Member States, in consultation with regional level authorities, are best placed to design and to implement Plans that are adapted and targeted to their local, regional and national circumstances as their existing policies in the relevant areas and planned use of other relevant EU funds. In that manner, the broad diversity of situations, the specific knowledge of local and regional governments, research and innovation and industrial relations and social dialogue structures, as well as national traditions, can best be respected and contribute to the effectiveness and efficiency of the overall support to the vulnerable.

Amendment

(15) Member States, in consultation with ***economic and social partners***, regional ***and local*** level authorities, ***and civil society organisations***, are best placed to design and to implement Plans that are adapted and targeted to their local, regional and national circumstances as their existing policies in the relevant areas and planned use of other relevant EU funds. ***Member States should be required to prepare, develop and implement the Plans through the meaningful and inclusive participation of all the relevant stakeholders, including non-governmental organisations and bodies promoting environmental rights, social inclusion, fundamental rights, rights of persons with disabilities, gender equality, rights of young people and non-discrimination, in***

accordance with the European Code of Conduct on Partnership, and submit those Plans in compliance with Article 10 of Regulation (EU) 2018/1999 and Article 8 of Regulation (EU) 2021/1060. In that manner, the broad diversity of situations, the specific knowledge of local and regional governments, research and innovation and industrial relations and social dialogue structures, as well as national traditions, can best be respected and contribute to the effectiveness and efficiency of the overall support to the vulnerable.

Amendment 12

Proposal for a regulation Recital 15 a (new)

Text proposed by the Commission

Amendment

(15a) Respect for fundamental and human rights and compliance with the European Convention on Human Rights, the Charter of Fundamental Rights of the European Union, the ILO Conventions and the International Bill of Human Rights should be ensured throughout the preparation, implementation, monitoring and evaluation of the Fund. The Fund should also ensure gender mainstreaming across all the measures and investments financed and respect the principle of non-discrimination on the grounds of gender, racial or ethnic origin, religion or belief, disability, age or sexual orientation throughout their preparation and implementation and ensure, where relevant, the accessibility for persons with disabilities. Moreover, the Fund should not support activities excluded under Article 9 of Regulation (EU) 2021/1056 nor give any support to enterprises which do not respect the applicable working conditions and employers' obligations resulting from the applicable labour law

or collective agreements.

Amendment 13

Proposal for a regulation

Recital 16

Text proposed by the Commission

(16) Ensuring that the measures and investments are particularly targeted towards energy poor or vulnerable households, vulnerable micro-enterprises and vulnerable transport users is key for a just transition towards climate neutrality. Support measures to promote reductions in greenhouse gas emissions should help Member States to address the social impacts arising from the emissions trading for the sectors of buildings and road transport.

Amendment

(16) Ensuring that the measures and investments are particularly targeted towards energy poor or vulnerable households, vulnerable micro-enterprises and, ***where duly justified taking into account the national context, vulnerable small enterprises, and*** vulnerable transport users is key for a just transition towards climate neutrality. ***It is important to set a definition of vulnerable households, which takes into account a wide set of variables relating to economic, social and geographical conditions.*** Support measures to promote reductions in greenhouse gas emissions should help Member States to address the social impacts arising from the emissions trading for the sectors of buildings and road transport.

Amendment 14

Proposal for a regulation

Recital 17

Text proposed by the Commission

(17) Pending the impact of those investments on reducing costs and emissions, well targeted direct ***income*** support for the most vulnerable would help the ***just*** transition. Such support should be understood to be a ***temporary*** measure accompanying ***the decarbonisation of the housing and transport sectors.*** It would not be permanent as it does not address the root causes of energy and transport

Amendment

(17) Pending the impact of those investments on reducing costs and emissions, well targeted direct ***household expenditure*** support for the most vulnerable would help the ***just*** transition. Such support should ***not exceed 30% of the total expenditure of the national plans and should*** be understood to be a ***complementary and transitional*** measure accompanying ***long-term investments to***

poverty. Such support should only *concern* direct impacts of the inclusion of building and road transport into the scope of Directive 2003/87/EC, not electricity or heating costs related to the inclusion of power and heat production in the scope of that Directive. *Eligibility for such direct income support should be limited in time.*

tackle energy and transport poverty and could be considered as a means of enabling vulnerable households to meet their essential socio-economic needs. It would not be permanent as it does not address the root causes of energy and transport poverty. Such support should only *target vulnerable households who are likely to be disproportionately affected by the* direct impacts of the inclusion of building and road transport into the scope of Directive 2003/87/EC, not electricity or heating costs related to the inclusion of power and heat production in the scope of that Directive.

Amendment 15

Proposal for a regulation

Recital 18

Text proposed by the Commission

(18) Taking into account the importance of tackling climate change in line with Paris Agreement commitments, and the commitment to the United Nations Sustainable Development Goals, the actions under this Regulation should contribute to the achievement of the target that 30% of all expenditure under the 2021-2027 multiannual financial framework should be spent on mainstreaming climate objectives and should contribute to the ambition of providing 10% of annual spending to biodiversity objectives in 2026 and 2027, while considering the existing overlaps between climate and biodiversity goals. For this purpose, the methodology set out in Annex II of Regulation (EU) 2021/1060 of the European Parliament and of the Council³³ should be used to tag the expenditures of the Fund. The Fund should support activities that fully respect the climate and environmental standards and priorities of the Union and comply with the principle of ‘do no significant harm’ within the meaning of Article 17 of Regulation

Amendment

(18) Taking into account the importance of tackling climate change in line with Paris Agreement commitments, *the European Pillar of Social Rights* and the commitment to the United Nations Sustainable Development Goals, the actions under this Regulation should contribute to the achievement of the target that *at least* 30% of all expenditure under the 2021-2027 multiannual financial framework should be spent on mainstreaming climate objectives and should contribute to the ambition of providing 10% of annual spending to biodiversity objectives in 2026 and 2027, while considering the existing overlaps between climate and biodiversity goals. For this purpose, the methodology set out in Annex II of Regulation (EU) 2021/1060 of the European Parliament and of the Council³³ should be used to tag the expenditures of the Fund. The Fund should support activities that fully respect the climate and environmental standards and priorities of the Union and comply with the

(EU) 2020/852 of the European Parliament and of the Council³⁴. Only such measures and investments should be included in the Plans. Direct income support measures should as a rule be considered as having an insignificant foreseeable impact on environmental objectives, and as such be considered compliant with the principle of ‘do no significant harm’. The Commission intends to issue technical guidance to the Member States well ahead of the preparation of the Plans. The guidance will explain how the measures and investments must comply with the principle of ‘do no significant harm’ within the meaning of Article 17 of Regulation (EU) 2020/852. The Commission intends to present in 2021 a proposal for a Council Recommendation on how to address the social aspects of the green transition.

principle of ‘do no significant harm’ within the meaning of Article 17 of Regulation (EU) 2020/852 of the European Parliament and of the Council³⁴, ***as well as with the technical screening criteria established by the Commission in accordance with Article 10(3) of that Regulation***. Only such measures and investments should be included in the Plans. Direct income support measures should as a rule be considered as having an insignificant foreseeable impact on environmental objectives, and as such be considered compliant with the principle of ‘do no significant harm’. The Commission intends to issue technical guidance to the Member States well ahead of the preparation of the Plans. The guidance will explain how the measures and investments must comply with the principle of ‘do no significant harm’ within the meaning of Article 17 of Regulation (EU) 2020/852 ***and contribute to environmental objectives established by that Regulation***. The Commission intends to present in 2021 a proposal for a Council Recommendation on how to address the social aspects of the green transition.

³³ Regulation (EU) 2021/1060 of the European Parliament and of the Council of 24 June 2021 laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, the Just Transition Fund and the European Maritime, Fisheries and Aquaculture Fund and financial rules for those and for the Asylum, Migration and Integration Fund, the Internal Security Fund and the Instrument for Financial Support for Border Management and Visa Policy (OJ L 231, 30.6.2021, p. 159).

³⁴ Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU)

³³ Regulation (EU) 2021/1060 of the European Parliament and of the Council of 24 June 2021 laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, the Just Transition Fund and the European Maritime, Fisheries and Aquaculture Fund and financial rules for those and for the Asylum, Migration and Integration Fund, the Internal Security Fund and the Instrument for Financial Support for Border Management and Visa Policy (OJ L 231, 30.6.2021, p. 159).

³⁴ Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU)

Amendment 16

Proposal for a regulation

Recital 19

Text proposed by the Commission

(19) Women are particularly affected by **carbon pricing** as they represent 85% of single parent families. Single parent families have a particularly high risk of **child** poverty. Gender equality and equal opportunities for all, and the mainstreaming of those objectives, as well as questions of accessibility for persons with disabilities should be **taken into account** and promoted throughout the preparation and implementation of Plans to ensure no one is left behind.

Amendment

(19) Women are particularly affected by **energy poverty and mobility poverty, in particular single-mothers, and single women and elderly women living alone**. Single parent families **with dependent child** have a particularly high risk of **energy** poverty. Gender equality and equal opportunities for all, and the mainstreaming of those objectives, as well as questions of accessibility for persons with disabilities should be **ensured** and promoted throughout the **design**, preparation and implementation of Plans to ensure no one is left behind.

Amendment 17

Proposal for a regulation

Recital 20

Text proposed by the Commission

(20) Member States should submit their Plans together with the update of their integrated national energy and climate plans in accordance with Article 14 of Regulation (EU) 2018/1999 of the European Parliament and of the Council³⁵. The Plans should include the measures to be financed, their estimated costs and the national contribution. They should also include key milestones and targets to assess the effective implementation of the measures.

Amendment

(20) Member States should submit their Plans together with the update of their integrated national energy and climate plans in accordance with Article 14 of Regulation (EU) 2018/1999 of the European Parliament and of the Council³⁵. **Member States should have the option to submit their Plans and, where relevant, the update of their integrated national energy and climate plans, ahead of the dates foreseen in Article 14 of Regulation (EU) 2018/1999, so that the Plans can be put into action as soon as possible.** The Plans should include the measures to be

financed, their estimated costs and the national contribution. They should also include key milestones and targets to assess the effective implementation of the measures.

³⁵ Regulation (EU) 2018/1999 of the European Parliament and of the Council of 11 December 2018 on the Governance of the Energy Union and Climate Action, amending Regulations (EC) No 663/2009 and (EC) No 715/2009 of the European Parliament and of the Council, Directives 94/22/EC, 98/70/EC, 2009/31/EC, 2009/73/EC, 2010/31/EU, 2012/27/EU and 2013/30/EU of the European Parliament and of the Council, Council Directives 2009/119/EC and (EU) 2015/652 and repealing Regulation (EU) No 525/2013 of the European Parliament and of the Council (OJ L 328, 21.12.2018, p. 1).

³⁵ Regulation (EU) 2018/1999 of the European Parliament and of the Council of 11 December 2018 on the Governance of the Energy Union and Climate Action, amending Regulations (EC) No 663/2009 and (EC) No 715/2009 of the European Parliament and of the Council, Directives 94/22/EC, 98/70/EC, 2009/31/EC, 2009/73/EC, 2010/31/EU, 2012/27/EU and 2013/30/EU of the European Parliament and of the Council, Council Directives 2009/119/EC and (EU) 2015/652 and repealing Regulation (EU) No 525/2013 of the European Parliament and of the Council (OJ L 328, 21.12.2018, p. 1).

Amendment 18

Proposal for a regulation Recital 23

Text proposed by the Commission

(23) The financial envelope of the Fund ***should, in principle, be commensurate to amounts corresponding to 25%*** of the expected revenues from the inclusion of buildings and road transport into the scope of Directive 2003/87/EC in the period 2026-2032. Pursuant to Council Decision (EU, Euratom) 2020/2053⁴¹, Member States should make those revenues available to the Union budget as own resources. Member States are to finance 50% of the total costs of their Plan themselves. ***For this purpose, as well as for investment and measures to accelerate and alleviate the required transition for citizens negatively affected, Member States should inter alia use their expected revenues from emissions trading for***

Amendment

(23) The financial envelope of the Fund ***has been set on the basis of an assessment of the estimated amount generated by allocating to the Union budget the expected revenues from the allowances auctioned in accordance with Directive 2003/87/EC (AM160), including 50%*** of the expected revenues from the inclusion of buildings and road transport into the scope of Directive 2003/87/EC in the period 2026-2032. Pursuant to Council Decision (EU, Euratom) 2020/2053⁴¹, Member States should make those revenues available to the Union budget as own resources. ***The revenue accruing to the Union budget is to respect the principle of universality in accordance with Article 7 of Decision (EU, Euratom)***

buildings and road transport under Directive 2003/87/EC for that purpose.

2020/2053. The financial envelope of the Fund for the 2024-2032 period should be at least EUR 90.2 billion. Member States are to finance a significant share corresponding to 50% of the total costs of their Plan themselves. Member States should use all their expected revenues from emissions trading for buildings and road transport under Directive 2003/87/EC for investment and measures to accelerate and alleviate the required transition for citizens negatively affected. The financing of the Fund should not come at the expense of other Union programmes and policies.

⁴¹ Council Decision (EU, Euratom) 2020/2053 of 14 December 2020 on the system of own resources of the European Union and repealing Decision 2014/335/EU, Euratom (OJ L 424, 15.12.2020, p. 1).

⁴¹ Council Decision (EU, Euratom) 2020/2053 of 14 December 2020 on the system of own resources of the European Union and repealing Decision 2014/335/EU, Euratom (OJ L 424, 15.12.2020, p. 1).

Amendment 19

Proposal for a regulation Recital 23 a (new)

Text proposed by the Commission

Amendment

(23a) In the event of a higher carbon price that would create additional burden on vulnerable households, micro-enterprises and transport users, additional allocations should be made available for the Fund to ensure that the impact of the carbon price increase on the most vulnerable is adequately and fairly mitigated.

Amendment 20

Proposal for a regulation Recital 24

Text proposed by the Commission

(24) The Fund should support measures that respect the principle of additionality of Union funding. The Fund should not be a substitute for recurring national expenditures, except in duly justified cases.

Amendment

(24) The Fund should support measures that respect the principle of additionality of Union funding ***and should not replace national funding for social programmes.*** The Fund should not be a substitute for recurring national expenditures, except in duly justified cases.

Amendment 21

Proposal for a regulation Recital 24 a (new)

Text proposed by the Commission

Amendment

(24a) With a view to identifying additional measures to ensure a fair redistribution of the burden and benefits of carbon pricing across the Union population, the Commission should without delay submit to the European Parliament, the Council and the European Economic and Social Committee and the Committee of the Regions a report, based on a cost-benefit analysis, which may be accompanied, if appropriate, by a legislative proposal, to assess the opportunity and feasibility of introducing a climate dividend in the form of a direct per capita refund of any additional revenues generated through carbon pricing and estimate how such climate dividend would benefit the most vulnerable people and groups affected by energy poverty and mobility poverty. The report should be taken into consideration in the context of the review of the Social Climate Fund.

Amendment 22

Proposal for a regulation Recital 25 a (new)

Text proposed by the Commission

Amendment

(25a) To ensure that support under the Fund can be effectively implemented from the initial years of the entry into force of the Fund, it should be possible for an amount of up to 13% of the financial contribution of Member States to be paid in the form of pre-financing.

Amendment 23

Proposal for a regulation Recital 28

Text proposed by the Commission

Amendment

(28) The implementation of the Fund should be carried out in line with the principle of sound financial management, including the effective prevention and prosecution of fraud, tax fraud, tax evasion, corruption and conflicts of interest.

(28) The implementation of the Fund should be carried out in line with the principle of sound financial management, including the ***protection of the Union budget in case of breaches of the principles of the rule of law***, the effective prevention and prosecution of fraud, tax fraud, tax evasion, corruption and conflicts of interest.

Amendment 24

Proposal for a regulation Article 1 – paragraph 2

Text proposed by the Commission

Amendment

It shall provide support to Member States for the financing of the measures and investments included in their Social Climate Plans ('the Plans').

It shall provide support to Member States for the ***partial*** financing of the measures and investments included in their Social Climate Plans ('the Plans').

Amendment 25

Proposal for a regulation Article 1 – paragraph 3

Text proposed by the Commission

The measures and investments supported by the Fund shall benefit households, **micro-enterprises and** transport users, which are **vulnerable and** particularly affected by the inclusion of greenhouse gas emissions from **buildings** and road transport into the scope of Directive 2003/87/EC, **especially households in energy poverty and citizens without public transport alternative to individual cars (in remote and rural areas).**

Amendment

The measures and investments supported by the Fund shall **directly** benefit households, **micro-enterprises and, where justified, vulnerable small enterprises and vulnerable** transport users, **in particular, households in energy poverty and people in mobility poverty, with particular attention to households living in worst performing buildings or in social housing, as well as people living in rural, insular, mountainous, and remote areas, with low or no access to basic services or public transport,** which are **likely to be** particularly affected by the inclusion of greenhouse gas emissions from **building** and road transport into the scope of Directive 2003/87/EC.

Amendment 26

**Proposal for a regulation
Article 1 – paragraph 4**

Text proposed by the Commission

The general objective of the Fund is to **contribute to the** transition **towards climate neutrality** by addressing the social impacts of **the** inclusion of greenhouse gas emissions from buildings and road transport into the scope of Directive 2003/87/EC. **The specific objective of the Fund is to support vulnerable households, vulnerable micro-enterprises and vulnerable transport users through temporary direct income support and through measures and investments intended to increase energy efficiency of buildings, decarbonisation of heating and cooling of buildings, including the integration of energy from renewable sources, and granting improved access to zero- and low-emission mobility and transport.**

Amendment

The general objective of the Fund is to **accelerate a socially fair and green** transition **to a climate-neutral, sustainable, non-toxic, resource-efficient, renewable energy-based, resilient and competitive circular economy and well-being for all people by 2050 at the latest,** notably by addressing the social impacts of **energy price increase and, in particular, of the expected** inclusion of greenhouse gas emissions from buildings and road transport into the scope of Directive 2003/87/EC, **in line with the Union's commitments under the Paris Agreement, the European Pillar of Social Rights and the UN Sustainable Development Goals, while leaving no one behind.**

Amendment 27

Proposal for a regulation

Article 1 – paragraph 4 a (new)

Text proposed by the Commission

Amendment

The specific objective of the Fund is to support vulnerable households, vulnerable micro-enterprises and, where justified, vulnerable small enterprises and vulnerable people affected by energy poverty and mobility poverty, by limiting as much as possible the social impacts of the transition. Primarily this support shall be ensured through targeted measures and investments intended to increase energy efficiency of buildings, improve access to renewable energy sources for heating and cooling, as well as to sustainable mobility solutions and affordable transport, and support the re-skilling or upskilling, and, where necessary, through direct expenditure support in accordance with the subsidiarity principle.

Amendment 28

Proposal for a regulation

Article 1 – paragraph 4 b (new)

Text proposed by the Commission

Amendment

In line with those objectives, the Fund shall not provide any support to measures and investments which could prolong the reliance on fossil fuels or lead to carbon lock-in, while hampering or delaying the deployment of alternative sustainable energy sources.

Amendment 29

Proposal for a regulation
Article 2 – paragraph 1 – point 1 a (new)

Text proposed by the Commission

Amendment

(1a) ‘deep building renovation’ means deep renovation as defined in [Article 2(19) of the proposal for a Directive of the European Parliament and of the Council on the energy performance of buildings (recast) (EPBD)];

Amendment 30

Proposal for a regulation
Article 2 – paragraph 1 – point 2

Text proposed by the Commission

Amendment

(2) ‘energy poverty’ means energy poverty *as defined in point [(49)] of Article 2 of Directive (EU) [yyyy/nnn] of the of the European Parliament and of the Council*⁵⁰ ;

(2) ‘energy poverty’ means *a household’s inability linked to the non-affordability and the lack of access to adequate, affordable, reliable, quality, safe and environmentally sound energy services and an adequate level of energy supply as to guarantee a decent standard of living and health, including adequate warmth, cooling, lighting, and energy to power appliances, in the relevant national context, existing social policy and other relevant policies; energy poverty can be caused by one or the combination of the following factors: low income, high energy expenditures and poor energy efficiency of homes; affecting households in the lowest income deciles whose energy costs exceed twice the median ratio between energy costs and disposable income after deduction of housing costs;*

⁵⁰ [Directive (EU) [yyyy/nnn] of the of the European Parliament and of the Council (OJ C [...], [...], p. [...]).] [Proposal for recast of Directive 2012/27/EU on energy efficiency]

⁵⁰ [Directive (EU) [yyyy/nnn] of the European Parliament and of the Council (OJ C [...], [...], p. [...]).] [Proposal for recast of Directive 2012/27/EU on energy efficiency]

Amendment 31

Proposal for a regulation Article 2 – paragraph 1 – point 11

Text proposed by the Commission

(11) ‘vulnerable households’ means households in energy poverty or households, ***including lower middle-income ones***, that are ***significantly*** affected by the ***price*** impacts of ***the*** inclusion of buildings into the scope of Directive 2003/87/EC and lack the means to renovate the building they occupy;

Amendment

(11) ‘vulnerable households’ means households in energy poverty ***or mobility poverty*** or households ***in the lowest three income deciles***, that are ***disproportionately*** affected by the impacts of ***energy price increases and are likely to be the most affected by the expected*** inclusion of ***greenhouse gas emissions from*** buildings ***and road transport*** into the scope of Directive 2003/87/EC, and lack ***access to affordable and sustainable energy sources and to*** the means to renovate the building they occupy, ***or the means to access to alternative modes of transport necessary for their economic or social wellbeing***;

Amendment 32

Proposal for a regulation Article 2 – paragraph 1 – point 12

Text proposed by the Commission

(12) ‘vulnerable micro-enterprises’ means micro-enterprises that are ***significantly*** affected by the ***price impacts of the*** inclusion of buildings into the scope of Directive 2003/87/EC and lack the means to renovate the building they occupy;

Amendment

(12) ‘vulnerable micro-enterprises’ means micro-enterprises ***with fewer than 10 employees and an annual turnover or balance sheet below EUR 2 000 000*** that are ***adversely affected by energy price impacts in the relevant national context and are likely to be most*** affected by the ***expected*** inclusion of buildings ***and road transport*** into the scope of Directive 2003/87/EC, and lack the means to renovate the building they occupy ***or the means, availability or accessibility to alternative modes of transport on which they need to rely on in the course of business***;

Amendment 33

Proposal for a regulation Article 2 – paragraph 1 – point 12 a (new)

Text proposed by the Commission

Amendment

(12a) ‘vulnerable small enterprises’ means small enterprises with fewer than 50 employees and an annual turnover or balance sheet below EUR 10 000 000 that are adversely affected by energy price impacts in the relevant national context and are likely to be most affected by the expected inclusion of buildings and road transport into the scope of Directive 2003/87/EC, and lack the means to renovate the building they occupy or the means, availability or accessibility to alternative modes of transport on which they need to rely on in the course of business;

Amendment 34

Proposal for a regulation Article 2 – paragraph 1 – point 13

Text proposed by the Commission

Amendment

(13) ‘vulnerable transport users’ means transport users, including from lower middle-income households, that are significantly affected by the price impacts of the inclusion of road transport into the scope of Directive 2003/87/EC and lack the means to purchase zero- and low-emission vehicles or to switch to alternative sustainable modes of transport, including public transport, particularly in rural and remote areas.

(13) ‘mobility poverty’ means a household’s inability to access the necessary modes of transport to meet essential socio-economic needs in a given context, which can be caused by one or the combination of the following factors, depending on national and local specificities: low income, high fuel expenditures and/or high costs of transport, lack of availability of mobility alternatives and their accessibility and location, travelled distances and transport practices, particularly in rural, insular, mountainous, remote areas and less accessible areas or less developed regions or territories, including less developed (peri-)urban areas as well as the impact of

the transition towards climate neutrality;

Amendment 35

Proposal for a regulation

Article 2 – paragraph 1 – point 13 a (new)

Text proposed by the Commission

Amendment

(13a) ‘worst performing buildings’ mean buildings below E energy performance rating, as defined in [Article 2(17) of Recast EPBD];

Amendment 36

Proposal for a regulation

Article 3 – paragraph 1

Text proposed by the Commission

Amendment

1. Each Member State shall submit to the Commission a Social Climate Plan (‘the Plan’) together with the update to the integrated national energy and climate plan referred to in Article 14(2) of Regulation (EU) 2018/1999 in accordance with the procedure and timeline laid down in that Article. ***The*** Plan shall contain a coherent set of measures and investments to ***address the impact of carbon pricing on*** vulnerable households, vulnerable micro-enterprises and vulnerable transport ***users*** in order to ***ensure*** affordable heating, cooling ***and*** mobility while accompanying and accelerating necessary measures to meet the climate targets of the Union.

1. Each Member State shall submit to the Commission a Social Climate Plan(‘the Plan’) together with the update to the integrated national energy and climate plan referred to in Article 14(2) of Regulation(EU) 2018/1999 in accordance with the procedure and timeline laid down in that Article ***in order to maximize the synergies and complementarities between the two plans. The*** Plan shall contain a coherent set of measures and investments to ***effectively support*** vulnerable households ***affected by energy poverty,*** vulnerable micro-enterprises and vulnerable ***people facing mobility poverty,*** ***as well as vulnerable small enterprises,*** ***where duly justified taking into account the national context, that are likely to be most affected by the impact of the expected inclusion of buildings and road transport into the scope of Directive 2003/87/EC,*** in order to ***increase energy efficiency of their buildings and access to affordable heating and cooling powered by renewable energy sources as well as***

improving access to sustainable and integrated mobility services while accompanying and accelerating necessary measures to meet the **energy and** climate targets of the Union.

Amendment 37

Proposal for a regulation

Article 3 – paragraph 1 – subparagraph 1 (new)

Text proposed by the Commission

Amendment

In order to facilitate the preparation of the Plan, the Commission shall publish guidance, including a template.

When drafting their Plans, Member States, in accordance with the partnership and multi-level governance principle, shall consult with all the relevant stakeholders, including regional and local authorities, economic and social partners and civil society organisations in accordance with the Partnership Principle laid down in Article 8 of Regulation (EU) 2021/1060.

Amendment 38

Proposal for a regulation

Article 3 – paragraph 2

Text proposed by the Commission

Amendment

2. The Plan may include national measures providing **temporary** direct **income** support to **vulnerable households and households that are vulnerable transport users** to reduce the impact of **the increase in the price of fossil fuels** resulting from the inclusion of buildings and road transport into the scope of Directive 2003/87/EC.

2. The Plan may include national **or subnational** measures providing direct **expenditure** support to households **affected by energy poverty and people facing mobility poverty, with special attention to women and to people living in remote and less accessible areas**, to reduce the impact of **fuel price increase** resulting from the **expected** inclusion of buildings and road transport into the scope of Directive 2003/87/EC, **by providing facilitated access to green energy efficient solutions**

and mobility services.

Amendment 39

Proposal for a regulation

Article 3 – paragraph 3 – introductory part

Text proposed by the Commission

3. The Plan shall include national projects to:

Amendment

3. The Plan shall include national, ***regional or local*** projects to:

Amendment 40

Proposal for a regulation

Article 3 – paragraph 3 – point a

Text proposed by the Commission

(a) finance measures and investments ***to increase energy efficiency of buildings, to implement energy efficiency improvement measures***, to carry out building renovation, ***and to decarbonise heating and cooling of buildings, including*** the integration of energy production from renewable energy sources;

Amendment

(a) finance measures and investments ***with a lasting impact, prioritising demand-side measures and applying the energy efficiency first principle***, to carry out ***deep building renovation and staged building renovation where appropriate, as well as investments aimed at*** the integration of energy production from renewable energy sources ***and other measures preventing carbon lock-in***;

Amendment 41

Proposal for a regulation

Article 3 – paragraph 3 – point b

Text proposed by the Commission

(b) finance measures and investments to increase the uptake of ***zero- and low-emission*** mobility and transport.

Amendment

(b) finance measures and investments ***with a lasting impact*** to increase the ***access to and*** uptake of ***sustainable and shared*** mobility and ***public transport services, particularly in insular, peripheral, remote and rural regions***.

Amendment 42

Proposal for a regulation

Article 4 – paragraph 1 – point a

Text proposed by the Commission

(a) concrete measures and investments in accordance with **Article 3 to** reduce the effects referred to in point (c) of this paragraph together with an explanation of how they would contribute effectively to the achievement of the objectives set out in Article 1 within the overall setting of a Member State’s relevant policies;

Amendment

(a) concrete measures and investments, ***including policy reforms,*** in accordance with ***Articles 3 and 6 to combat energy poverty and mobility poverty and*** reduce the effects referred to in point (c) of this paragraph, together with an explanation of how they would contribute effectively to the achievement of the objectives set out in Article 1 within the overall setting of a Member State’s relevant policies ***set out in the integrated national energy and climate plan;***

Amendment 43

Proposal for a regulation

Article 4 – paragraph 1 – point b

Text proposed by the Commission

(b) concrete accompanying measures needed to accomplish the measures and investments of the Plan and reduce the effects referred to in point (c) as well as information on existing or planned financing of measures and investments from other Union, international, public or private sources;

Amendment

(b) concrete accompanying measures needed to accomplish the measures and investments of the Plan and reduce the effects referred to in point (c) as well as information on existing or planned financing of measures and investments from other Union, international, public or private sources, ***which may include, where appropriate:***

Amendment 44

Proposal for a regulation

Article 4 – paragraph 1 – point b – point i (new)

Text proposed by the Commission

Amendment

i) measures aimed at supporting and ensuring that home-owners and landlords

comply with minimum energy performance standards;

Amendment 45

Proposal for a regulation

Article 4 – paragraph 1 – point b – point ii (new)

Text proposed by the Commission

Amendment

ii) measures aimed at ensuring that building renovations do not result in evictions or indirect evictions through rent increases of vulnerable people, including conditioning any financial support or fiscal incentives to specific legal safeguards for the tenants;

Amendment 46

Proposal for a regulation

Article 4 – paragraph 1 – point b – point iii (new)

Text proposed by the Commission

Amendment

iii) measures aimed at addressing the problem of split-incentives between homeowners and tenants;

Amendment 47

Proposal for a regulation

Article 4 – paragraph 1 – point b – point iv (new)

Text proposed by the Commission

Amendment

iv) investments aimed at developing and expanding cycling routes and public transport infrastructure and integrated mobility services, as well as the technological digital infrastructure in order to improve the accessibility and connectivity of rural, insular and remote areas;

Amendment 48

Proposal for a regulation

Article 4 – paragraph 1 – point b – point v (new)

Text proposed by the Commission

Amendment

v) *investments to support the rehabilitation and energy efficiency [A1] of abandoned buildings, where necessary, to increase access to affordable and sustainable housing for households affected by energy poverty.*

Amendment 49

Proposal for a regulation

Article 4 – paragraph 1 – point c

Text proposed by the Commission

Amendment

(c) an estimate of the *likely effects of that increase in prices on households, and in particular on* incidence of energy poverty, *on micro-enterprises and on transport users*, comprising in particular an estimate and *the* identification of vulnerable households, vulnerable micro-enterprises *and* vulnerable *transport users*; these impacts are to be analysed with a sufficient level of regional disaggregation, taking into account elements such as access to public transport and basic services and identifying the areas mostly affected, particularly territories which are remote and rural;

(c) an estimate of the incidence of energy poverty *and mobility poverty and the likely effects of an increase in fuel prices on households and enterprises*, comprising in particular an estimate and identification of vulnerable households *facing energy poverty, as well as people facing mobility poverty and* vulnerable micro-enterprises, *and where duly justified taking into account the national context*, vulnerable *small enterprises*; these impacts are to be analysed with *gender disaggregated data and gender-sensitive information*, a sufficient level of regional disaggregation, taking into account elements such as access to *decent, adequate, affordable housing*, public transport and basic services and identifying the areas mostly affected, particularly territories which are remote, *insular, peripheral* and rural *or less accessible regions; those impacts shall also be analysed in a continuous manner, where appropriate, taking into consideration the fact that a household may become vulnerable at any particular moment and*

for varying socio-economic reasons;

Amendment 50

Proposal for a regulation

Article 4 – paragraph 1 – point c a (new)

Text proposed by the Commission

Amendment

(ca) a gender impact assessment and an explanation of how the measures and investments contained in the Plan take into account the objectives to contribute to gender equality and equal opportunities for all and the mainstreaming of those objectives, in line with principles 2 and 3 of the European Pillar of Social Rights, with the UN Sustainable Development Goal 5 and, where available, with the national gender equality strategy;

Amendment 51

Proposal for a regulation

Article 4 – paragraph 1 – point d

Text proposed by the Commission

Amendment

(d) where the Plan provides for measures referred to in Article 3(2), the criteria for the identification of eligible final recipients, ***the indication of the envisaged time limit for the measures in question and their justification on the basis of a quantitative estimate and a qualitative explanation*** of how the measures in the Plan are expected to ***reduce*** energy and ***transport*** poverty and ***the vulnerability of households, micro-enterprises and transport users to an increase of road transport and heating fuel prices;***

(d) where the Plan provides for measures referred to in Article 3(2), the criteria for the identification of eligible final recipients and their justification of how the measures in the Plan are expected to ***contribute to eradicating energy poverty and mobility poverty and to phasing out the reliance on fossil fuel energy for heating and cooling, as well as for*** transport;

Amendment 52

Proposal for a regulation
Article 4 – paragraph 1 – point e

Text proposed by the Commission

(e) *envisaged* milestones, targets and *an indicative* timetable for the implementation of the measures and investments to be completed by 31 July 2032;

Amendment

(e) *specific* milestones, targets and *a* timetable for the implementation of the measures and investments to be completed *at the end of each multiannual financial framework, that is, by 31 December 2027 and* by 31 July 2035 *respectively*;

Amendment 53

Proposal for a regulation
Article 4 – paragraph 1 – point h

Text proposed by the Commission

(h) an explanation of how the Plan ensures that no investment or measure, included in the Plan does significant harm to environmental objectives within the meaning of Article 17 of Regulation (EU) 2020/852; the Commission shall provide technical guidance to the Member States targeted to the scope of the Fund to that effect; no explanation is required for the measures referred to in Article 3(2);

Amendment

(h) an explanation of how the Plan *promotes high quality employment and decent working conditions and* ensures that no investment or measure, included in the Plan does significant harm to environmental objectives within the meaning of Article 17 of Regulation (EU) 2020/852; the Commission shall provide technical guidance to the Member States targeted to the scope of the Fund to that effect; no explanation is required for the measures referred to in Article 3(2);

Amendment 54

Proposal for a regulation
Article 4 – paragraph 1 – point h a (new)

Text proposed by the Commission

Amendment

(ha) where appropriate, the measures to be taken to prevent bureaucratic burden on household beneficiaries receiving support from the Fund;

Amendment 55

Proposal for a regulation
Article 4 – paragraph 1 – point i

Text proposed by the Commission

(i) the arrangements for the effective monitoring and implementation of the Plan by the Member State concerned, in particular of the proposed milestones and targets, including indicators for the implementation of measures and investments, which, where relevant, shall be those available with the Statistical office of the European Union European Statistical Office and the European Energy Poverty Observatory as identified by Commission Recommendation 2020/1563⁵⁴ on energy poverty;

⁵⁴ OJ L 357, 27.10.2020, p. 35.

Amendment

(i) the arrangements for the effective monitoring and implementation of the Plan by the Member State **and regional and local authorities** concerned, **including the involvement and consultation of economic and social partners and civil society in the process**, in particular of the proposed milestones and targets, including **specific and quantifiable** indicators for the implementation of measures and investments, which, where relevant, shall be those available with the Statistical office of the European Union, European Statistical Office and the European Energy Poverty Observatory as identified by Commission Recommendation 2020/1563⁵⁴ on energy poverty;

⁵⁴ OJ L 357, 27.10.2020, p. 35.

Amendment 56

Proposal for a regulation
Article 4 – paragraph 1 – point j

Text proposed by the Commission

(j) for the preparation and, **where available, for** the implementation of the Plan, a **summary** of the consultation process, conducted in accordance with Article 10 of Regulation (EU) 2018/1999 and with the national legal framework, of local and regional authorities, social partners, civil society organisations, youth organisations and other relevant stakeholders, and how the input of the stakeholders is reflected in the Plan;

Amendment

(j) for the preparation and, the implementation of the Plan, a **detailed description** of the consultation process, conducted in accordance with Article 10 of Regulation(EU) 2018/1999 **and Article 8 of Regulation (EU) 2021/1060** and with the national legal framework, of local and regional authorities, social partners, civil society organisations, youth organisations and other relevant stakeholders, and how the input of the stakeholders is reflected in the Plan, **as well as their specific roles for the implementation and monitoring**;

Amendment 57

Proposal for a regulation

Article 4 – paragraph 1 – point k

Text proposed by the Commission

(k) an explanation of the Member State’s system to prevent, detect and correct corruption, fraud and conflicts of interests, when using the funds provided under the Fund, and the arrangements that aim to avoid double funding from the Fund and other Union programmes.

Amendment

(k) an explanation of the Member State’s system to prevent, detect and correct corruption, fraud and conflicts of interests ***and ensure the rule of law***, when using the funds provided under the Fund, and the arrangements that aim to avoid double funding from the Fund and other Union programmes.

Amendment 58

Proposal for a regulation

Article 4 – paragraph 1 a (new)

Text proposed by the Commission

Amendment

1a. By 31 July 2023, the Commission shall provide guidance to Member States on how to identify the vulnerable groups referred to in paragraph 1, point (c), and specify the relevant indicators to monitor energy poverty and mobility poverty.

Amendment 59

Proposal for a regulation

Article 4 – paragraph 3

Text proposed by the Commission

3. ***When preparing their Plans, Member States may request*** the Commission ***to organise an*** exchange of good practices. Member States may also request technical support under the ELENA facility, established by an Agreement of the Commission with the European Investment Bank in 2009, or

Amendment

3. The Commission ***shall set up a platform to actively promote the*** exchange of good practices ***among the relevant stakeholders concerned by the implementation of the Fund, as well as to provide guidance to enable and encourage the capacity building of stakeholders to participate in the development and***

under the Technical Support Instrument established by Regulation (EU) 2021/240 of the European Parliament and of the Council⁵⁸.

implementation of the Fund. Member States ***and the stakeholders involved in the preparation of the Plans*** may also request technical support under the ELENA facility, established by an Agreement of the Commission with the European Investment Bank in 2009, or under the Technical Support Instrument established by Regulation (EU) 2021/240 of the European Parliament and of the Council⁵⁸.

⁵⁸ Regulation (EU) 2021/240 of the European Parliament and of the Council of 10 February 2021 establishing a Technical Support Instrument (OJ L 57, 18.2.2021, p. 1).

⁵⁸ Regulation (EU) 2021/240 of the European Parliament and of the Council of 10 February 2021 establishing a Technical Support Instrument (OJ L 57, 18.2.2021, p. 1).

Amendment 60

Proposal for a regulation Article 5 – paragraph 1 a (new)

Text proposed by the Commission

Amendment

1a. Respect for fundamental and human rights and compliance with the European Convention on Human Rights, the Charter of Fundamental Rights of the EU, the ILO Conventions and the International Bill of Human Rights shall be ensured throughout the preparation, implementation, monitoring and evaluation of the Fund.

The measures and investments supported by the Fund shall respect the principle of non-discrimination and gender equality and address energy poverty and mobility poverty from a gender-sensitive perspective.

All beneficiaries of the Fund shall comply with the conditions outlined in this paragraph prior to receiving any form of financial support.

Amendment 61

Proposal for a regulation Article 5 – paragraph 2 – introductory part

Text proposed by the Commission

2. Payment of support shall be conditional upon achieving the milestones and targets for measures and investments set out in the Plans. Those milestones and targets shall be compatible with the Union’s climate targets and cover in particular:

Amendment

2. Payment of support shall be conditional upon **completion of** achieving the milestones and targets for measures and investments set out in the Plans. Those milestones and targets shall be compatible with the Union’s climate targets **under the Paris agreement** and cover in particular:

Amendment 62

Proposal for a regulation Article 5 – paragraph 2 – point b

Text proposed by the Commission

(b) building renovation;

Amendment

(b) **deep** building renovation **and staged building renovation as part of a long term planning**;

Amendment 63

Proposal for a regulation Article 5 – paragraph 2 – point b a (new)

Text proposed by the Commission

Amendment

(ba) development and use of renewable energy sources, including energy communities heating and cooling;

Amendment 64

Proposal for a regulation Article 5 – paragraph 2 – point c

Text proposed by the Commission

(c) zero- and **low-emission** mobility

Amendment

(c) zero- and **low- emission**

and transport;

sustainable mobility and *integrated* transport *services*;

Amendment 65

Proposal for a regulation Article 5 – paragraph 2 – point c a (new)

Text proposed by the Commission

Amendment

(ca) digital mobility services in remote, insular and rural areas;

Amendment 66

Proposal for a regulation Article 5 – paragraph 2 – point d

Text proposed by the Commission

Amendment

(d) greenhouse gas emissions reductions;

(d) greenhouse gas emissions reductions *relating to measures and investments in accordance with Article 6*;

Amendment 67

Proposal for a regulation Article 5 – paragraph 2 – point e

Text proposed by the Commission

Amendment

(e) reductions in the number of vulnerable households, especially households in energy poverty, of vulnerable micro-enterprises and of vulnerable transport users, including in rural and remote areas.

(e) reductions in the number of vulnerable households, especially households in energy poverty, of vulnerable micro-enterprises and of vulnerable transport users, including in *insular, peripheral*, rural and remote areas, *disaggregated per gender*.

Amendment 68

Proposal for a regulation Article 5 – paragraph 3

Text proposed by the Commission

3. The Fund shall **only** support measures and investments respecting the principle of ‘do no significant harm’ referred to in Article 17 of Regulation (EU) 2020/852.

Amendment

3. The Fund shall support measures and investments respecting ***the principle of Energy Efficiency First as in Article 3 of the Directive (2022/XX/EU) [the EED], the European Pillar of Social Rights and*** the principle of ‘do no significant harm’ referred to in Article 17 of Regulation (EU) 2020/852.

Amendment 69

Proposal for a regulation Article 5 – paragraph 3 a (new)

Text proposed by the Commission

Amendment

3a. The Fund shall not support measures and investments excluded under Article 9 of Regulation (EU) 2021/1056.

Amendment 70

Proposal for a regulation Article 5 – paragraph 3 b (new)

Text proposed by the Commission

Amendment

3b. The Fund shall not support enterprises which do not respect the applicable working conditions and employers’ obligations resulting from relevant labour law or collective agreements.

Amendment 71

Proposal for a regulation Article 6 – paragraph 1

Text proposed by the Commission

Amendment

1. Member States may include the

1. Member States may include the

costs of measures providing **temporary** direct **income** support to vulnerable households **and vulnerable households that are transport users to absorb the increase in road transport and heating fuel prices**. Such support shall decrease over time **and** be limited to the direct impact of the emission trading for buildings and road transport. **Eligibility for such** direct income support **shall cease within the time limits identified under Article 4(1) point (d)**.

costs of measures providing direct **household expenditure** support **limited** to vulnerable households **affected by energy poverty and people facing mobility poverty, to improve access to affordable clean energy efficiency solutions and affordable and sustainable mobility and public** transport. Such support shall decrease over time **with the completion of long-term solutions, such as deep building renovations and staged building renovations**. **Direct income support shall** be limited to the direct impact of the emission trading for buildings and road transport.

The household expenditure support shall cover the following measures:

(a) temporary and targeted direct income support, **including through lump-sum payments or targeted reduction of taxes and levies, conditioned to additional measures and investments with long lasting impacts on alleviating energy and mobility poverty;**

(b) direct support for the purchase of products and services to increase the energy performance of buildings and directly tackling energy poverty and mobility poverty, while respecting the principle of energy efficiency first, such as highly energy efficient appliances and equipment, as well as building renovations as part of the long term deep renovation plans, including through deductibility of renovation costs from the rent;

(c) free access or adapted tariffs for access to public transport as well as to sustainable and flexible shared mobility services.

Amendment 72

Proposal for a regulation Article 6 – paragraph 1 – subparagraph 1 (new)

Text proposed by the Commission

Amendment

Eligibility for such support shall be targeted to people facing energy poverty and mobility poverty, with special attention to women and vulnerable groups of women, such as single women, single-mothers and elderly women with low income. Support to women shall account for an amount, which represents at least 60 % of the total amount allocated for direct support.

The direct household expenditure support shall not exceed 30 % of the total estimated costs of the Plan.

Amendment 73

Proposal for a regulation Article 6 – paragraph 2 – introductory part

Text proposed by the Commission

Amendment

2. Member States may include the costs of the following measures and investments in the estimated total costs of the Plans, provided they ***principally*** benefit ***vulnerable*** households, vulnerable micro-enterprises ***or*** vulnerable ***transport users*** and intend to:

2. Member States may include the costs of the following measures and ***long term*** investments ***with lasting impact*** in the estimated total costs of the Plans, provided they benefit households, vulnerable micro-enterprises ***and, where appropriate,*** vulnerable ***small enterprises or people facing energy poverty and mobility poverty*** and intend to:

Amendment 74

Proposal for a regulation Article 6 – paragraph 2 – point a

Text proposed by the Commission

Amendment

(a) support building renovations, especially for those occupying worst-performing buildings, including in the form of financial support or fiscal incentives ***such as deductibility of renovation costs***

(a) support ***deep building renovations and staged*** building renovations, especially for those occupying worst-performing buildings, ***in privately-owned homes or in social housing,*** including in the form of

from the rent, independently of the ownership of the buildings concerned;

financial support or fiscal incentives;

Amendment 75

Proposal for a regulation Article 6 – paragraph 2 – point b

Text proposed by the Commission

(b) contribute to ***the decarbonisation***, including the electrification, of heating and cooling of, ***and cooking in***, buildings ***and the integration*** of energy from renewable sources ***that*** contribute to the achievements of energy savings;

Amendment

(b) contribute to ***achieving a climate-neutral building stock***, including the electrification, of heating and cooling of buildings, ***as well as for cooking, and support the installations of on-site and nearby production and distribution*** of energy from renewable sources, ***including support to renewable energy communities and peer-to-peer energy sharing to power any residual demand and*** contribute to the achievements of energy savings;

Amendment 76

Proposal for a regulation Article 6 – paragraph 2 – point b a (new)

Text proposed by the Commission

Amendment

(ba) provide households with targeted energy consultation and accessible and affordable information on cost-effective measures and investments to improve energy savings as well as information on sustainable and affordable mobility alternatives, in order to address the relevant non-monetary barriers, such as administrative barriers and information deficit, which may prevent improvements in the energy efficiency in buildings or limit access to sustainable and affordable mobility services;

Amendment 77

Proposal for a regulation
Article 6 – paragraph 2 – point c

Text proposed by the Commission

(c) support public and private entities in developing and providing affordable energy efficiency renovation solutions and appropriate funding instruments in line with the social goals of the Fund;

Amendment

(c) support public and private entities, ***in particular local renewable energy communities and social housing companies***, in developing and providing affordable energy efficiency renovation solutions and appropriate funding instruments in line with the social goals of the Fund;

Amendment 78

Proposal for a regulation
Article 6 – paragraph 2 – point d

Text proposed by the Commission

(d) ***provide*** access to zero- and ***low-emission*** vehicles and bikes, including financial support or fiscal incentives for their purchase as well as for appropriate public and private infrastructure, including for recharging ***and refuelling; for*** support ***concerning*** low-emission ***vehicles***, a timetable for gradually reducing the support shall be ***provided***;

Amendment

(d) ***improve*** access to zero- and ***low-emission*** vehicles and ***in particular*** bikes, including financial support or fiscal incentives for their purchase, as well as for appropriate public and private infrastructure, including for ***parking and*** recharging; ***measures to*** support low-emission ***mobility shall be primarily considered only where access to zero-emission mobility is not feasible, in particular for rural, remote and less accessible areas, and shall provide*** a timetable for gradually reducing the support, ***taking into account the technical criteria established by the Commission in accordance with Commission Delegated Regulation (EU) 2021/2139; nevertheless, support shall be primarily targeted to the purchase of zero-emission vehicles such as bicycles and e-bikes;***

Amendment 79

Proposal for a regulation
Article 6 – paragraph 2 – point e

Text proposed by the Commission

(e) **grant free access to public transport or adapted tariffs for access to public transport, as well as fostering sustainable mobility on demand and shared mobility services;**

Amendment

(e) **foster a zero emission sustainable mobility and improve access to affordable and accessible public transport mobility on demand and shared mobility services, especially in rural, insular, peripheral mountainous, remote and less accessible areas, including the outermost regions or for less developed regions or territories, including less developed peri-urban areas;**

Amendment 80

Proposal for a regulation

Article 6 – paragraph 2 – point f a (new)

Text proposed by the Commission

Amendment

(fa) **foster digital connectivity and suitable technological solutions to improve access to mobility services for rural, insular, mountainous, remote and less accessible areas;**

Amendment 81

Proposal for a regulation

Article 6 – paragraph 2 – point f b (new)

Text proposed by the Commission

Amendment

(fb) **support capacity building and training, upskilling and reskilling of people affected by energy poverty or mobility poverty for jobs in sectors related to the green transition, in particular jobs that directly contribute to the objectives of the Fund, including through peer-to-peer and community work initiatives.**

Amendment 82

Proposal for a regulation
Article 6 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

2a. Support to vulnerable small enterprises shall be provided primarily through loans at zero or favourable rates to finance long term investments with lasting impact intended to reduce reliance on fossil fuels; other forms of financial support may be considered, where appropriate and justified, provided that the necessary support to vulnerable households in energy and mobility poverty is not undermined as a consequence.

Amendment 83

Proposal for a regulation
Article 7 – paragraph 1 – introductory part

Text proposed by the Commission

Amendment

1. The Fund shall not **support**, and the estimated total costs of Plans shall **not** include measures in the form of direct income support pursuant to Article 3(2) of this Regulation for households already benefiting:

1. The Fund shall not **replace**, and the estimated total costs of Plans shall **only** include measures in the form of direct income support pursuant to Article 3(2) of this Regulation **to the extent that these are additional and complementary to the support provided** for households already benefiting:

Amendment 84

Proposal for a regulation
Article 9 – paragraph 1

Text proposed by the Commission

Amendment

1. The financial envelope for the implementation of the Fund for the period **2025-2027** shall be **EUR 23 700 000 000** in current prices.

1. The financial envelope for the implementation of the Fund for the period **2024-2027** shall be **at least EUR 41 700 000 000** in current prices.

Amendment 85

Proposal for a regulation Article 9 – paragraph 1 a (new)

Text proposed by the Commission

Amendment

1a. Additional allocations shall be made available subject to the specific technical adjustment based on carbon-price fluctuation by means of ‘upward adjustment’ provided for in Article 4b of ... [Council Regulation (EU, Euratom) 2020/2093¹, as amended], so as to ensure that the available appropriations for the Fund in the Union budget increase in light of increase in the carbon price.

¹ Council Regulation (EU, Euratom) 2020/2093 of 17 December 2020 laying down the multiannual financial framework for the years 2021 to 2027 (OJ L 433I, 22.12.2020, p. 11).

Amendment 86

Proposal for a regulation Article 9 – paragraph 2

Text proposed by the Commission

Amendment

2. The financial envelope for the implementation of the Fund for the period 2028-2032 shall be **EUR 48 500 000 000 in current prices, subject to the availability of the amounts under the annual ceilings of the applicable multiannual financial framework referred to in Article 312 TFEU.**

2. The financial envelope for the implementation of the Fund for the period 2028-2035 shall be **determined in the context of the agreement on the next multiannual financial framework, and shall be at least EUR 48 500 000 000.**

Amendment 87

Proposal for a regulation Article 9 – paragraph 3

Text proposed by the Commission

3. The amounts referred to in paragraphs 1 and 2 may also cover expenses pertaining to preparatory, monitoring, control, audit and evaluation activities which are required for the management of the Fund and the achievement of its objectives, in particular studies, meetings of experts, consultation of stakeholders, information and communication actions, including inclusive outreach actions, **and corporate communication of the political priorities of the Union**, insofar as they are related to the objectives of this Regulation, expenses linked to IT networks focusing on information processing and exchange, corporate information technology tools, and all other technical and administrative assistance expenses **incurred by the Commission for the management** of the Fund. Expenses may also cover the costs of other supporting activities such as quality control and monitoring of projects on the ground and the costs of peer counselling and experts for the assessment and implementation of the eligible actions.

Amendment 88

Proposal for a regulation
Article 12 – paragraph 1

Text proposed by the Commission

1. Support under the Fund shall be additional to the support provided under other Union funds, programmes and instruments. Measures and investments supported under the Fund may receive support from other Union funds, programmes and instruments provided that such support does not cover the same cost.

Amendment

3. The amounts referred to in paragraphs 1 and 2 may also cover expenses pertaining to preparatory, monitoring, control, audit and evaluation activities which are required for the management of the Fund and the achievement of its objectives, in particular studies, meetings of experts, consultation of stakeholders, information and communication actions, including inclusive outreach actions, insofar as they are related to the objectives of this Regulation, expenses linked to IT networks focusing on information processing and exchange, corporate information technology tools, and all other technical and administrative assistance expenses of the Fund. Expenses may also cover the costs of other supporting activities such as quality control and monitoring of projects on the ground and the costs of peer counselling and experts for the assessment and implementation of the eligible actions.

Amendment

1. Support under the Fund shall be additional to the **existing** support provided under other Union funds, programmes and instruments. Measures and investments supported under the Fund may receive support from other Union, **national and, where appropriate, regional** funds, programmes and instruments provided that such support does not cover the same cost.

Amendment 89

Proposal for a regulation Article 12 – paragraph 1 a (new)

Text proposed by the Commission

Amendment

1a. Support under the Fund shall be used in synergy, complementarity, coherence and consistency with other funds, programmes and instruments at Union, national and, where appropriate, regional levels, in particular with the Modernisation Fund established by Directive 2003/87/EC, the InvestEU Programme, the Technical Support Instrument, the Recovery and Resilience Facility, and the Funds covered by Regulation (EU) 2021/1060.

Amendment 90

Proposal for a regulation Article 12 – paragraph 2

Text proposed by the Commission

Amendment

2. Support from the Fund shall be additional and shall not substitute **recurring** national budgetary expenditure.

2. Support from the Fund shall be additional and shall not substitute national budgetary expenditure.

Amendment 91

Proposal for a regulation Article 12 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

2a. In the event that additional resources are allocated to the Fund, the Member State may increase the amounts attributed to the specific measures and investments programmed under the Social Climate Plan proportionally to the increased budget of the Fund.

Amendment 92

Proposal for a regulation Article 13 – paragraph 1

Text proposed by the Commission

1. The maximum financial allocation shall be calculated for each Member State as specified in Annex I and Annex II.

Amendment

1. The maximum financial allocation shall be calculated for each Member State as specified in Annex I and Annex II. ***It shall be ensured that all Member States can fully and adequately participate in programmes under the Fund right from their inception, subject to their particular economic and social conditions.***

Amendment 93

Proposal for a regulation Article 13 a (new)

Text proposed by the Commission

Amendment

Article 13a

Pre-financing

1. ***Subject to the adoption by the Commission of the implementing decision referred to in Article 16(1), when a Member State requests pre-financing together with the submission of the Plan, the Commission shall make a pre-financing payment of an amount of up to 13% of the financial contribution. By derogation from Article 116(1) of the Financial Regulation, the Commission shall make the corresponding payment within, to the extent possible, two months after the adoption by the Commission of the legal commitment referred to in Article 18.***

2. ***In cases of pre-financing under paragraph 1 of this Article, the financial contributions shall be adjusted proportionally.***

Amendment 94

Proposal for a regulation Article 14 – paragraph 1 a (new)

Text proposed by the Commission

Amendment

1a. By way of derogation, the contribution of the Member States providing funding for measures or direct income support in a region with a GDP per capita at market prices below 75% of the Union average during the period 2016 to 2018 shall be limited to a maximum of 40% of the total estimated costs of the measures and investments referred to in Article 6(2) in their Plans.

Amendment 95

Proposal for a regulation Article 15 – paragraph 2 – point a – point i

Text proposed by the Commission

Amendment

(i) whether the Plan represents a response to the social impact on and challenges faced by ***vulnerable*** households, ***vulnerable micro-enterprises*** and vulnerable ***transport users*** in the Member State concerned from establishing the emission trading system for buildings and road transport established pursuant to Chapter IVa of Directive 2003/87/EC, especially households ***in*** energy poverty, duly taking into account the challenges identified in the assessments of the Commission of the update of the concerned Member State's integrated national energy and climate plan and of its progress pursuant to Article 9(3), and Articles 13 and 29 of Regulation (EU) 2018/1999, as well as in the Commission recommendations to Member States issued pursuant to Article 34 of Regulation (EU) 2018/1999 in view of the long-term objective of climate neutrality in the Union by 2050. This shall take into account the

(i) whether the Plan represents a response to the social impact on and challenges faced by households and vulnerable ***micro-enterprises or small enterprises that are likely to be affected by the impact of increased fuel prices*** in the Member State concerned from establishing the emission trading system for buildings and road transport established pursuant to Chapter IVa of Directive 2003/87/EC, especially households ***experiencing*** energy poverty ***and mobility poverty***, duly taking into account the challenges identified in the assessments of the Commission of the update of the concerned Member State's integrated national energy and climate plan and of its progress pursuant to Article 9(3), and Articles 13 and 29 of Regulation (EU) 2018/1999, as well as in the Commission recommendations to Member States issued pursuant to Article 34 of Regulation (EU) 2018/1999 in view of the ***Union's 2030 climate and energy targets and the long-***

specific challenges and the financial allocation of the Member State concerned;

term objective of climate neutrality in the Union by 2050. This shall take into account the specific challenges and the financial allocation of the Member State concerned;

Amendment 96

Proposal for a regulation

Article 15 – paragraph 2 – point a – point iii a (new)

Text proposed by the Commission

Amendment

(iiia) whether the Plan has been prepared and developed through the effective participation of all relevant social partners and stakeholders in compliance with Partnership Principle laid down in Article 8 of Regulation (EU) 2021/1060;

Amendment 97

Proposal for a regulation

Article 15 – paragraph 2 – point a – point iii b (new)

Text proposed by the Commission

Amendment

(iiib) whether the Plan contains a gender impact analysis and an explanation of how the measures and investments contained in the Plan are expected to address the gender dimension of energy poverty and mobility poverty and contribute to the mainstreaming of gender equality; in case of measures providing direct household expenditure support to women, whether those measures account for an amount which represents at least 60% of the total national allocation for direct expenditure support;

Amendment 98

Proposal for a regulation

Article 15 – paragraph 2 – point a – point iii c (new)

Text proposed by the Commission

Amendment

(iiic) whether the Plan is expected to ensure that no measure or investment included in the Plan benefits enterprises that do not respect applicable working conditions resulting from relevant national labour law and collective agreements;

Amendment 99

Proposal for a regulation

Article 15 – paragraph 2 – point a – point iii d (new)

Text proposed by the Commission

Amendment

(iiid) whether the Plan complies with the conditionalities and exclusions set out in Article 5(3a) and (3b);

Amendment 100

Proposal for a regulation

Article 15 – paragraph 2 – point b – point i

Text proposed by the Commission

Amendment

(i) whether the Plan is expected to have a lasting impact on the challenges addressed by that Plan and in particular on vulnerable households, vulnerable micro-enterprises and vulnerable transport users, especially households in energy poverty, in the Member State concerned;

(i) whether the Plan is expected to have a lasting **and sustainable** impact on the challenges addressed by that Plan and in particular on vulnerable households, vulnerable micro-enterprises and vulnerable transport users, especially households in energy poverty, in the Member State concerned;

Amendment 101

Proposal for a regulation

Article 15 – paragraph 2 – point b – point ii

Text proposed by the Commission

(ii) whether the arrangements proposed by the Member State concerned are expected to ensure the effective monitoring and implementation of the Plan, including the envisaged timetable, milestones and targets, and the related indicators;

Amendment

(ii) whether the arrangements proposed by the Member State concerned are expected to ensure the effective monitoring and implementation of the Plan, including ***involvement of all relevant stakeholders***, the envisaged timetable, milestones and targets, and the related indicators;

Amendment 102

Proposal for a regulation

Article 15 – paragraph 2 – point c – point i

Text proposed by the Commission

(i) whether the justification provided by the Member State for the amount of the estimated total costs of the Plan is reasonable, plausible, in line with the principle of cost efficiency and commensurate to the expected national environmental and ***social*** impact;

Amendment

(i) whether the justification provided by the Member State for the amount of the estimated total costs of the Plan is reasonable, plausible, in line with the principle of cost efficiency and commensurate to the expected national environmental and ***socio-economic*** impact;

Amendment 103

Proposal for a regulation

Article 15 – paragraph 2 – point d

Text proposed by the Commission

(d) For the purpose of assessing coherence, the Commission shall take into account ***whether the Plan contains measures and investments that represent coherent actions.***

Amendment

(d) For the purpose of assessing coherence, the Commission shall take into account, ***where relevant, the following criteria:***

Amendment 104

Proposal for a regulation

Article 15 – paragraph 2 – point d – point i (new)

Text proposed by the Commission

Amendment

i) whether the Plan contains measures and investments that represent coherent actions;

Amendment 105

Proposal for a regulation

Article 15 – paragraph 2 – point d – point ii (new)

Text proposed by the Commission

Amendment

ii) how the measures and investments contained in the Plan interact with other policies and financing programmes and deliver synergy and coherence with the Union's 2030 targets and policy objectives and the Union commitments to achieve the UN Sustainable Development Goals;

Amendment 106

Proposal for a regulation

Article 16 – paragraph 1 – subparagraph 1 a (new)

Text proposed by the Commission

Amendment

That decision shall be made publicly available.

Amendment 107

Proposal for a regulation

Article 17 – paragraph 1

Text proposed by the Commission

Amendment

1. Where a Social Climate Plan, including relevant milestones and targets, is no longer achievable, either in whole or in part, by the Member State concerned because of objective circumstances, in particular because of the actual direct

1. Where a Social Climate Plan, including relevant milestones and targets, is no longer achievable, either in whole or in part, by the Member State concerned because of objective circumstances, in particular because of the actual direct

effects of the emission trading system for buildings and road transport established pursuant to Chapter IVa of Directive 2003/87/EC, the Member State concerned may submit to the Commission an amendment of its Plan to include the necessary and duly justified changes. Member States may request technical support for the preparation of such request.

effects of the emission trading system for buildings and road transport established pursuant to Chapter IVa of Directive 2003/87/EC, the Member State concerned may, ***following consultation with social partners and authorities at regional level***, submit to the Commission an amendment of its Plan to include the necessary and duly justified changes. Member States may request technical support for the preparation of such request.

Amendment 108

Proposal for a regulation Article 17 – paragraph 3

Text proposed by the Commission

3. Where the Commission gives a positive assessment to the amended Plan, it shall in accordance with Article 16(1) adopt, within three months of the official submission of the amended Plan by the Member State, a decision setting out the reasons for its positive assessment, by means of an implementing act.

Amendment

3. Where the Commission gives a positive assessment to the amended Plan, it shall in accordance with Article 16(1) adopt, within three months of the official submission of the amended Plan by the Member State, a ***publicly available*** decision setting out the reasons for its positive assessment, by means of an implementing act.

Amendment 109

Proposal for a regulation Article 17 – paragraph 5

Text proposed by the Commission

5. By 15 March 2027 each Member State concerned shall assess the appropriateness of its Plans in view of the actual direct effects of the emission trading system for buildings and ***road*** transport established pursuant to Chapter IVa of Directive ***2003/087/EC***. Those assessments shall be submitted to the Commission as part of the biennial progress reporting pursuant to Article 17 of Regulation (EU)

Amendment

5. By 15 March 2027 each Member State concerned shall assess the appropriateness of its Plans in view of the actual direct effects of the emission trading system for buildings and transport established pursuant to Chapter IVa of Directive ***2003/87/EC and the overall objective to contribute to eradicating energy poverty and mobility poverty, while meeting the Union energy and climate***

2018/1999.

targets. Those assessments shall be submitted to the Commission as part of the biennial progress reporting pursuant to Article 17 of Regulation (EU) 2018/1999.

Amendment 110

Proposal for a regulation Article 18 – paragraph 1

Text proposed by the Commission

1. After the Commission has adopted a decision as referred to in Article 16, it shall in due time conclude an agreement with the Member State concerned constituting an individual legal commitment within the meaning of Regulation (EU, Euratom) 2018/1046 covering the period **2025-2027**. That agreement may be concluded at the earliest one year before the year of the start of the auctions under Chapter IVa of Directive 2003/87/EC.

Amendment

1. After the Commission has adopted a decision as referred to in Article 16, it shall in due time conclude an agreement with the Member State concerned constituting an individual legal commitment within the meaning of Regulation (EU, Euratom) 2018/1046 covering the period **2024-2027**. That agreement may be concluded at the earliest one year before the year of the start of the auctions under Chapter IVa of Directive 2003/87/EC.

Amendment 111

Proposal for a regulation Article 20 – paragraph 1

Text proposed by the Commission

1. In implementing the Fund, the Member States, as beneficiaries of funds under the Fund, shall take all the appropriate measures to protect the financial interests of the Union and to ensure that the use of funds in relation to measures and investments supported by the Fund complies with the applicable Union and national law, in particular regarding the prevention, detection and correction of fraud, corruption and conflicts of interests. To this effect, the Member States shall provide an effective and efficient internal control system as further detailed in Annex

Amendment

1. In implementing the Fund, the Member States, as beneficiaries of funds under the Fund, shall take all the appropriate measures to protect the financial interests of the Union and to ensure that the use of funds in relation to measures and investments supported by the Fund complies with the applicable Union and national law, in particular regarding ***the protection of the Union budget in case of breaches of the principles of the rule of law***, the prevention, detection and correction of fraud, corruption and conflicts of interests. To this effect, the

III and the recovery of amounts wrongly paid or incorrectly used. Member States may rely on their regular national budget management systems.

Member States shall provide an effective and efficient internal control system as further detailed in Annex III and the recovery of amounts wrongly paid or incorrectly used. Member States may rely on their regular national budget management systems.

Amendment 112

Proposal for a regulation Article 20 – paragraph 1 a (new)

Text proposed by the Commission

Amendment

1a. In implementing the Fund, the Commission shall take all the appropriate measures in accordance with Regulation (EU, Euratom) 2020/2092 to ensure the protection of funds in relation to measures and investments supported by the Fund in case of breaches of the principle of the rule of law in the Member States. The Commission shall provide, to that effect, an effective and efficient internal control system and the recovery of amounts wrongly paid or incorrectly used.

Amendment 113

Proposal for a regulation Article 21 – paragraph 1 – introductory part

Text proposed by the Commission

Amendment

The Commission and the Member States concerned shall, in a manner commensurate to their respective responsibilities, foster synergies and ensure effective coordination between the Fund and other Union programmes and instruments, including InvestEU Programme, the Technical Support Instrument, the Recovery and Resilience Facility, and the Funds covered by

The Commission and the Member States concerned shall, in a manner commensurate to their respective responsibilities, foster synergies and ensure effective coordination between the Fund and other Union programmes and instruments, including ***the Modernisation Fund established by Directive 2003/87/EC***, InvestEU Programme, the Technical Support Instrument, the

Regulation (EU) 2021/1060. For that purpose, they shall:

Recovery and Resilience Facility, and the Funds covered by Regulation (EU) 2021/1060. For that purpose, they shall:

Amendment 114

Proposal for a regulation Article 22 – paragraph 2

Text proposed by the Commission

2. The recipients of Union funding shall acknowledge the origin of those funds **and** ensure the visibility of the Union funding, in particular when promoting the actions and their results, by providing coherent, effective and proportionate targeted information to multiple audiences, including the media and the public.

Amendment

2. The recipients of Union funding shall acknowledge the origin of those funds **at all time to** ensure the visibility **and traceability** of the Union funding, in particular when **dealing with beneficiaries** **and** promoting the actions and their results, by providing coherent, effective and proportionate targeted information to multiple audiences, including the media and the public.

Amendment 115

Proposal for a regulation Article 22 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

2a. In case of non-compliance with the obligations under paragraphs 1 and 2, the Commission shall be empowered to take measures, such as deferring the allocation of funds.

Amendment 116

Proposal for a regulation Article 23 – paragraph 2

Text proposed by the Commission

2. The Commission shall monitor the implementation of the Fund and measure the achievement of its objectives. The

Amendment

2. The Commission shall monitor the implementation of the Fund **on a yearly basis** and measure the achievement of its

monitoring of implementation shall be targeted and proportionate to the activities carried out under the Fund.

objectives. The monitoring of implementation shall be targeted and proportionate to the activities carried out under the Fund.

Amendment 117

Proposal for a regulation Article 24 – paragraph 1

Text proposed by the Commission

1. By **1 July 2028**, the Commission shall provide the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions with an evaluation report on the implementation and functioning of the Fund.

Amendment

1. By **31 July 2026**, the Commission shall provide the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions with an evaluation report on the implementation and functioning of the Fund.

Amendment 118

Proposal for a regulation Article 24 – paragraph 1 a (new)

Text proposed by the Commission

Amendment

1a. By 31 December 2030, the Commission shall provide the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions with an evaluation report on the contribution of the Fund to the achievement of the Unions 2030 climate and social goals.

Amendment 119

Proposal for a regulation Article 24 – paragraph 2

Text proposed by the Commission

2. By 31 December 2033, the Commission shall provide the European

Amendment

2. By 31 December 2033, the Commission shall provide the European

Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions with an independent *ex post* evaluation report.

Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions with an independent evaluation report *of the Fund's use between 2024-2032*.

Amendment 120

Proposal for a regulation Article 24 – paragraph 5

Text proposed by the Commission

5. The *ex post* evaluation report shall consist of a global assessment of the Fund and shall include information on its impact.

Amendment

5. The evaluation report shall consist of a global assessment of the Fund and shall include information on its impact.

Amendment 121

Proposal for a regulation Article 26 – paragraph 2

Text proposed by the Commission

It shall apply from *the date by which the Member States shall bring into force the laws, regulations and administrative provisions necessary to comply with Directive (EU) [yyyy/nnn] of the European Parliament and the Council⁶⁴ amending Directive 2003/87/EC as regards Chapter IVa of Directive 2003/87/EC*.

Amendment

It shall apply from **2024**.

⁶⁴ [Directive (EU) yyyy/nnn of the European Parliament and of the Council.... (OJ)] [Directive amending Directive 2003/87/EC].

⁶⁴ [Directive (EU) yyyy/nnn of the European Parliament and of the Council.... (OJ)] [Directive amending Directive 2003/87/EC].

PROCEDURE – COMMITTEE ASKED FOR OPINION

Title	Establishing a Social Climate Fund
References	COM(2021)0568 – C9-0324/2021 – 2021/0206(COD)
Committees responsible Date announced in plenary	EMPL ENVI 13.9.2021 13.9.2021
Opinion by Date announced in plenary	ECON 13.9.2021
Rapporteur for the opinion Date appointed	Henrike Hahn 16.9.2021
Rule 58 – Joint committee procedure Date announced in plenary	11.11.2021
Discussed in committee	28.2.2022
Date adopted	28.4.2022
Result of final vote	+: 41 –: 11 0: 5
Members present for the final vote	Rasmus Andresen, Gunnar Beck, Marek Belka, Isabel Benjumea Benjumea, Stefan Berger, Gilles Boyer, Carlo Calenda, Engin Eroglu, Markus Ferber, Jonás Fernández, Frances Fitzgerald, José Manuel García-Margallo y Marfil, Luis Garicano, Claude Gruffat, Enikő Győri, Michiel Hoogeveen, Danuta Maria Hübner, Stasys Jakeliūnas, France Jamet, Othmar Karas, Billy Kelleher, Ondřej Kovařík, Georgios Kyrtos, Aurore Lalucq, Aušra Maldeikienė, Pedro Marques, Costas Mavrides, Csaba Molnár, Siegfried Mureşan, Caroline Nagtegaal, Luděk Niedermayer, Lefteris Nikolaou-Alavanos, Dimitrios Papadimoulis, Piernicola Pedicini, Lídia Pereira, Kira Marie Peter-Hansen, Sirpa Pietikäinen, Dragoş Pîslaru, Evelyn Regner, Dorien Rookmaker, Alfred Sant, Joachim Schuster, Ralf Seekatz, Pedro Silva Pereira, Paul Tang, Irene Tinagli, Ernest Urtasun, Inese Vaidere, Johan Van Overtveldt, Stéphanie Yon-Courtin, Marco Zanni, Roberts Zīle
Substitutes present for the final vote	Nicolaus Fest, Henrike Hahn, Eugen Jurzyca, Chris MacManus, Mick Wallace

FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

41	+
PPE	Isabel Benjumea Benjumea, Stefan Berger, Markus Ferber, Frances Fitzgerald, José Manuel García-Margallo y Marfil, Danuta Maria Hübner, Othmar Karas, Georgios Kyrtzos, Aušra Maldeikienė, Siegfried Mureşan, Luděk Niedermayer, Lídia Pereira, Sirpa Pietikäinen, Ralf Seekatz, Inese Vaidere
Renew	Gilles Boyer, Carlo Calenda, Luis Garicano, Billy Kelleher, Ondřej Kovařík, Dragoş Pişlaru, Stéphanie Yon-Courtin
S&D	Marek Belka, Jonás Fernández, Aurore Lalucq, Pedro Marques, Costas Mavrides, Evelyn Regner, Alfred Sant, Joachim Schuster, Pedro Silva Pereira, Paul Tang, Irene Tinagli
The Left	Chris MacManus, Dimitrios Papadimoulis, Mick Wallace
Verts/ALE	Rasmus Andresen, Henrike Hahn, Piernicola Pedicini, Kira Marie Peter-Hansen, Ernest Urtasun

11	-
ECR	Michiel Hoogeveen, Eugen Jurzyca, Dorien Rookmaker, Johan Van Overtveldt, Roberts Zīle
ID	Gunnar Beck, Nicolaus Fest
NI	Enikő Győri, Lefteris Nikolaou-Alavanos
Renew	Engin Eroglu, Caroline Nagtegaal

5	0
ID	France Jamet, Marco Zanni
S&D	Csaba Molnár
Verts/ALE	Claude Gruffät, Stasys Jakeliūnas

Key to symbols:

+ : in favour

- : against

0 : abstention

21.4.2022

OPINION OF THE COMMITTEE ON INDUSTRY, RESEARCH AND ENERGY

for the Committee on Employment and Social Affairs and the Committee on the Environment, Public Health and Food Safety

on the proposal for a regulation of the European Parliament and of the Council establishing a Social Climate Fund
(COM(2021)0568 – C9-0324/2021 – 2021/0206(COD))

Rapporteur for opinion: Beata Szydło

SHORT JUSTIFICATION

Based on the European Green Deal strategy and an impact assessment, the Commission's Communication 'the 2030 Climate Target Plan' proposed to raise the Union's ambition and put forward a comprehensive plan to increase the Union's binding target for 2030 towards at least 55 % net emissions reduction, in a responsible way. The Union increased 2030 target is in line with the objective of Paris Agreement signed under the United Nations Framework Convention on Climate Change to keep the global temperature increase to well below 2°C and pursue efforts to keep it to 1.5°C.

The European Council endorsed the new Union binding target for 2030 at its meeting of December 2020. On 25 May 2021, the European Council reaffirmed these conclusions and invited the Commission to put forward its legislative package together with an examination of the environmental, economic and social impact at Member State level. Both, the climate neutrality of the Union by 2050 and the intermediate net emission reduction of at least 55 % by 2030 are enshrined in Regulation (EU) 2021/1119 of the European Parliament and of the Council ('the European Climate Law').

In order to implement the European Climate Law and the conclusions of the European Council, the Commission has reviewed the climate and energy legislation currently in place and proposes the 'Fit for 55' legislative package.

The increased climate ambitions of the EU mean that greater contributions will have to be made from all sectors of the economy. This change will inevitably cause price hikes that will affect households, transport users and microenterprises. Vulnerable households, transport users and microenterprises will be particularly and disproportionately affected, with impact likely to differ across the European Union depending on the average income and other circumstances in individual Member States. The Social Climate Fund is created to alleviate that impact through temporary income support and measures and investments intended to reduce in the medium to long term the reliance on fossil fuels through increased energy efficiency of buildings, decarbonisation of heating and cooling of buildings, including the integration of energy from renewable sources, and granting improved access to zero- and low-

emission mobility and transport.

The rising energy prices and economic as well as social repercussions of the COVID-19 pandemic highlight the importance of the fight against energy poverty – a fight, in which the Social Climate Fund can play an important role. Many Europeans already struggle with mounting energy bills, which absorb a large share of household income. High climate ambitions present new challenges in this fight – challenges that will greatly vary across the EU, due to different starting paths and policy choices of individual Member States. For the rapporteur, it is important that these different starting points and transformation paths of the Member States are taken into consideration in the Social Climate Fund.

The rapporteur believes that a climate transformation that takes into account the needs of all citizens must be fair and must not contribute to the deterioration of economic conditions for the most vulnerable regions or social groups. Moreover, transformation cannot be successfully accomplished without adequate social support.

Therefore, she will strive to look for solutions that will not be at the expense of the poorest countries and regions as well as the most vulnerable social groups.

AMENDMENTS

The Committee on Industry, Research and Energy calls on the Committee on Employment and Social Affairs and the Committee on the Environment, Public Health and Food Safety, as the committees responsible, to take into account the following amendments:

Amendment 1

Proposal for a regulation Recital 8

Text proposed by the Commission

(8) Those amendments have differing economic and social impacts on the different sectors of the economy, on the citizens, and the Member States. In particular, ***the inclusion of greenhouse gas emissions from buildings and road transport into*** the scope of Directive 2003/87/EC of the European Parliament and the Council³¹ should provide an additional economic incentive to invest into the reduction of fossil fuel consumption and thereby accelerate the reduction of greenhouse gas emissions. Combined with *other* measures, this should, in the medium to long term, ***reduce the costs for buildings and road transport***, and provide new opportunities for ***job***

Amendment

(8) Those amendments have differing economic and social impacts on the different sectors of the economy, on the citizens, and the Member States. In particular, ***any changes to*** the scope of Directive 2003/87/EC of the European Parliament and the Council³¹ should provide an additional economic incentive to invest into the reduction of fossil fuel consumption and thereby accelerate the reduction of greenhouse gas emissions. Combined with ***direct*** measures, this should, in the medium to long term, ***improve access to sustainable, efficient, and quality housing as well as to zero and low emission mobility, contribute to the eradication of energy and transport***

creation and *investment*.

poverty, and provide new opportunities for *quality of* creation and *investments*.

³¹ Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a system for greenhouse gas emission allowance trading within the Union (OJ L 275, 25.10.2003, p. 32).

³¹ Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a system for greenhouse gas emission allowance trading within the Union (OJ L 275, 25.10.2003, p. 32).

Amendment 2

Proposal for a regulation Recital 9

Text proposed by the Commission

(9) However, resources are needed to finance *those* investments. In addition, before they have taken place, the cost supported by households and transport users for heating, cooling and cooking, as well as for road transport, is likely to increase *as fuel suppliers subject to the obligations under the emission trading for buildings and road transport pass on costs on carbon to the consumers*.

Amendment

(9) However, resources are needed to finance *sufficient, stable and equitable* investments. In addition, before they have taken place, the cost supported by households and transport users for heating, cooling and cooking, as well as for road transport *and charging infrastructure*, is likely to increase. *An annual indexation should increase the volume of the Fund over time, so as to ensure continued investments*.

Amendment 3

Proposal for a regulation Recital 10

Text proposed by the Commission

(10) The increase in the price for fossil fuels may disproportionately affect vulnerable households, vulnerable micro-enterprises and vulnerable transport users who spend a larger part of their incomes on energy and transport, who, in certain regions, do not have access to alternative, affordable mobility and transport solutions and who may lack the financial capacity to

Amendment

(10) The increase in the price for fossil fuels may disproportionately affect vulnerable households, vulnerable micro-enterprises, *vulnerable SMEs* and vulnerable transport users who spend a larger part of their incomes on energy and transport, *thus exacerbating inequalities* who, in certain regions, *especially in rural, peripheral and isolated areas, in less*

invest into the reduction of fossil fuel consumption.

developed regions or territories, those suffering from severe handicaps and those in demographic decline, do not have access to alternative, *interconnected and efficient* affordable mobility and transport solutions and who may lack the financial capacity to invest into the reduction of fossil fuel consumption.

Amendment 4

Proposal for a regulation Recital 11

Text proposed by the Commission

(11) Therefore, a part of the revenues generated *by the inclusion of building and road transport into* the scope of Directive 2003/87/EC should be used to address the social impacts arising from *that inclusion*, for the transition to be just and inclusive, leaving no one behind.

Amendment

(11) Therefore, a part of the revenues generated *through changes to* the scope of Directive 2003/87/EC should be used to address the social *and economic* impacts arising from *the transition to climate neutrality policy*, for the transition to be just and inclusive, leaving no one behind. *In order to maximise the effectiveness, it should be possible to combine the Fund with other sources of EU financing, notably the Recovery and Resilience Facility.*

Amendment 5

Proposal for a regulation Recital 12

Text proposed by the Commission

(12) This is even more relevant in view of the existing levels of energy poverty. Energy poverty is a situation in which households *are unable to* access essential energy services *such as* cooling, *as temperatures rise, and heating*. About 34 million Europeans reported an inability to keep their homes adequately warm in 2018, and 6.9% of the Union population have said that they cannot afford to heat their

Amendment

(12) This is even more relevant in view of the existing levels of energy poverty. Energy poverty is a situation in which households *lack access to* essential energy services *that underpin a decent standard of living and health, including adequate warmth, cooling, lighting, and energy to power appliances, in the relevant national context, existing social policy and other relevant policies. This lack of access can*

home sufficiently in a 2019 EU-wide survey³². Overall, the Energy Poverty Observatory estimates that more than 50 million households in the European Union experience energy poverty. Energy poverty is therefore a major challenge for the Union. While social tariffs or direct income support can provide immediate relief to households facing energy poverty, only targeted structural measures, in particular energy renovations, can provide lasting solutions.

occur as a result of an insufficient level of income, high-energy prices and which, if applicable, may be aggravated by having an energy inefficient dwelling. About 34 million Europeans reported an inability to keep their homes adequately warm in 2018, and 6.9% of the Union population have said that they cannot afford to heat their home sufficiently in a 2019 EU-wide survey³². Overall, the Energy Poverty Observatory estimates that more than 50 million households in the European Union experience energy poverty. Energy poverty is therefore a major challenge for the Union. While social tariffs or direct income support can provide immediate relief to households facing energy poverty, only targeted structural measures, in particular energy renovations, *the application of the energy efficiency first principle, and awareness-raising measures targeted at the households* can provide lasting solutions *and effectively combat energy poverty.*

³² Data from 2018. Eurostat, SILC [ilc_mdcs01]).

³² Data from 2018. Eurostat, SILC [ilc_mdcs01]).

Amendment 6

Proposal for a regulation Recital 13

Text proposed by the Commission

(13) A Social Climate ('the Fund') should therefore be established to provide funds to the Member States to support their policies to address the social impacts *of the emissions trading* for buildings and road transport on vulnerable households, vulnerable micro-enterprises and vulnerable transport users. This should be achieved notably through temporary income support and measures and investments intended to reduce reliance on fossil fuels through increased energy

Amendment

(13) A Social Climate *Fund* ('the Fund') should therefore be established to provide funds to the Member States to support their policies to address the social impacts *arising from the transition to climate neutrality, carbon pricing, and rising energy prices* for buildings and road transport on vulnerable households, vulnerable micro-enterprises, *vulnerable SMEs* and vulnerable transport users. This should be achieved notably through temporary income support and measures

efficiency of buildings, decarbonisation of heating and cooling of buildings, including the integration of energy from renewable sources, and granting improved access to zero- and low-emission mobility and transport to the benefit of vulnerable households, vulnerable micro-enterprises and vulnerable transport users.

and investments intended to reduce reliance on fossil fuels through increased energy efficiency of buildings, decarbonisation of heating and cooling of buildings, including the integration *and storage* of energy from renewable sources, and granting improved access to zero- and low-emission mobility and transport to the benefit of vulnerable households, vulnerable micro-enterprises, *vulnerable SMEs* and vulnerable transport users.

Amendment 7

Proposal for a regulation Recital 14

Text proposed by the Commission

(14) For that purpose, each Member State should submit to the Commission a Social Climate Plan ('the Plan'). Those Plans should pursue two objectives. Firstly, they should provide vulnerable households, vulnerable micro-enterprises and vulnerable transport users the necessary resources to finance and carry out investments in energy efficiency, decarbonisation of heating and cooling, in zero- and low-emission vehicles and mobility. Secondly, they should mitigate the impact of the increase in the cost of fossil fuels on the most vulnerable and thereby prevent energy and transport poverty during the transition period until such investments have been implemented. The Plans should have an investment component promoting the long-term solution of reduce fossil fuels reliance and could envisage other measures, including temporary direct income support to mitigate adverse income effects in the shorter term.

Amendment

(14) For that purpose, each Member State should submit to the Commission a Social Climate Plan ('the Plan'). Those Plans should pursue two objectives. Firstly, they should provide vulnerable households, vulnerable micro-enterprises, *vulnerable SMEs* and vulnerable transport users the necessary resources to finance and carry out investments in energy efficiency, decarbonisation of heating and cooling, in zero- and low-emission vehicles and mobility *and charging infrastructure*. Secondly, they should mitigate the impact of the increase in the cost of fossil fuels on the most vulnerable and thereby prevent energy and transport poverty during the transition period until such investments have been implemented. The Plans should have an investment component promoting the long-term solution of reduce fossil fuels reliance and could envisage other measures, including temporary direct income support to mitigate adverse income effects in the shorter term.

Amendment 8

Proposal for a regulation
Recital 15

Text proposed by the Commission

(15) Member States, in consultation with regional level authorities, are best placed to design and to implement Plans that are adapted and targeted to their local, regional and national circumstances as their existing policies in the relevant areas and planned use of other relevant EU funds. In that manner, the broad diversity of situations, the specific knowledge of local and regional governments, research and innovation and industrial relations and social dialogue structures, as well as national traditions, can best be respected and contribute to the effectiveness and efficiency of the overall support to the vulnerable.

Amendment 9

Proposal for a regulation
Recital 16

Text proposed by the Commission

(16) Ensuring that the measures and investments are particularly targeted towards energy poor or vulnerable households, vulnerable micro-enterprises and vulnerable transport users is key for a just transition towards climate neutrality. Support measures to promote reductions in greenhouse gas emissions should help Member States to address the social impacts arising from *the emissions trading for the sectors of buildings and road transport*.

Amendment 10

Amendment

(15) Member States, in consultation with regional **and local** level authorities **as well as civil society organisations**, are best placed to design and to implement Plans that are adapted and targeted to their local, regional and national circumstances as their existing policies in the relevant areas and planned use of other relevant EU funds. In that manner, the broad diversity of situations, the specific knowledge of local and regional governments, research and innovation and industrial relations and social dialogue structures, as well as national traditions, can best be respected and contribute to the effectiveness and efficiency of the overall support to the vulnerable.

Amendment

(16) Ensuring that the measures and investments are particularly targeted towards energy poor or vulnerable households, vulnerable micro-enterprises, **vulnerable SMEs** and vulnerable transport users is key for a just transition towards climate neutrality. Support measures to promote reductions in greenhouse gas emissions should help Member States to address the social impacts **of the transition and** arising from **the transition to climate neutrality**.

Proposal for a regulation
Recital 17

Text proposed by the Commission

(17) Pending the impact of those investments on reducing costs and emissions, well targeted direct income support for the most vulnerable **would help** the just transition. Such support should be understood to be a temporary measure accompanying **the decarbonisation of the housing and transport sectors**. It would not be permanent as it does not address the root causes of energy and transport poverty. **Such support should only concern direct impacts of the inclusion of building and road transport into the scope of Directive 2003/87/EC, not electricity or heating costs related to the inclusion of power and heat production in the scope of that Directive.** Eligibility for such direct income support should be limited in time.

Amendment

(17) Pending the impact of those investments on reducing costs and emissions, well targeted direct income support for the most vulnerable **should be necessary in** the just transition. Such support should be understood to be a temporary measure accompanying **long term investments towards deep and staged deep building renovations, as well affordable and sustainable mobility that are supported by the Fund, as part of an holistic and long-term strategy to tackle effectively energy poverty** and transport poverty. It would not be permanent as it does not address the root causes of energy and transport poverty. Eligibility for such direct income support should be limited in time.

Amendment 11

Proposal for a regulation
Recital 17 a (new)

Text proposed by the Commission

Amendment

(17a) Renovation works should take into account the presence of asbestos-containing products in buildings and should remove these products and protect buildings from the emission of asbestos into the environment when they are upgraded for energy efficiency purposes.

Amendment 12

Proposal for a regulation
Recital 18

Text proposed by the Commission

Amendment

(18) Taking into account the importance

(18) Taking into account the importance

of tackling climate change in line with Paris Agreement commitments, and the commitment to the United Nations Sustainable Development Goals, the actions under this Regulation should contribute to the achievement of the target that 30% of all expenditure under the 2021-2027 multiannual financial framework should be spent on mainstreaming climate objectives and should contribute to the ambition of providing 10% of annual spending to biodiversity objectives in 2026 and 2027, while considering the existing overlaps between climate and biodiversity goals. For this purpose, the methodology set out in Annex II of Regulation (EU) 2021/1060 of the European Parliament and of the Council³³ should be used to tag the expenditures of the Fund. The Fund should support activities that fully respect the climate and environmental standards and priorities of the Union and comply with the principle of ‘do no significant harm’ within the meaning of Article 17 of Regulation (EU) 2020/852 of the European Parliament and of the Council³⁴. Only such measures and investments should be included in the Plans. Direct income support measures should as a rule be considered as having an insignificant foreseeable impact on environmental objectives, and as such be considered compliant with the principle of ‘do no significant harm’. ***The Commission intends to issue technical guidance to the Member States well ahead of the preparation of the Plans. The guidance will explain how the measures and investments must comply with the principle of ‘do no significant harm’ within the meaning of Article 17 of Regulation (EU) 2020/852. The Commission intends to present in 2021 a proposal for a Council Recommendation on how to address the social aspects of the green transition.***

³³ Regulation (EU) 2021/1060 of the European Parliament and of the Council of

of tackling climate change in line with Paris Agreement commitments, and the commitment to the United Nations Sustainable Development Goals, the actions under this Regulation should contribute to the achievement of the target that 30% of all expenditure under the 2021-2027 multiannual financial framework should be spent on mainstreaming climate objectives and should contribute to the ambition of providing 10% of annual spending to biodiversity objectives in 2026 and 2027, while considering the existing overlaps between climate and biodiversity goals. For this purpose, the methodology set out in Annex II of Regulation (EU) 2021/1060 of the European Parliament and of the Council³³ should be used to tag the expenditures of the Fund. The Fund should support activities that fully respect the climate and environmental standards and priorities of the Union and comply with the principle of ‘do no significant harm’ within the meaning of Article 17 of Regulation (EU) 2020/852 of the European Parliament and of the Council³⁴. Only such measures and investments should be included in the Plans. Direct income support measures should as a rule be considered as having an insignificant foreseeable impact on environmental objectives, and as such be considered compliant with the principle of ‘do no significant harm’. Measures ***related to the replacement of old and inefficient heating systems with particular attention to support the vulnerable households and vulnerable micro-enterprises should also be considered as not having a significant impact on these objective and deemed compliant with the aforementioned principle.***

³³ Regulation (EU) 2021/1060 of the European Parliament and of the Council of

24 June 2021 laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, the Just Transition Fund and the European Maritime, Fisheries and Aquaculture Fund and financial rules for those and for the Asylum, Migration and Integration Fund, the Internal Security Fund and the Instrument for Financial Support for Border Management and Visa Policy (OJ L 231, 30.6.2021, p. 159).

³⁴ Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (OJ L 198, 22.6.2020, p. 13).

24 June 2021 laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, the Just Transition Fund and the European Maritime, Fisheries and Aquaculture Fund and financial rules for those and for the Asylum, Migration and Integration Fund, the Internal Security Fund and the Instrument for Financial Support for Border Management and Visa Policy (OJ L 231, 30.6.2021, p. 159).

³⁴ Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (OJ L 198, 22.6.2020, p. 13).

Amendment 13

Proposal for a regulation Recital 19

Text proposed by the Commission

(19) Women are **particularly** affected by **carbon pricing as they** represent 85% of single parent families. Single parent families have a particularly high risk of child poverty. Gender equality and equal opportunities for all, and the mainstreaming of those objectives, as well as questions of accessibility for persons with disabilities should be taken into account and promoted throughout the preparation and implementation of Plans to ensure no one is left behind.

Amendment 14

Proposal for a regulation Recital 20

Amendment

(19) Women are **disproportionately** affected by **energy and mobility poverty due to the employment, income pay and pension pay gaps. They also** represent 85% of single parent families. Single parent **families and large** families have a particularly high risk of child poverty. Gender equality and equal opportunities for all, and the mainstreaming of those objectives, as well as questions of accessibility for persons with disabilities should be taken into account and promoted throughout the **design**, preparation and implementation of Plans to ensure no one is left behind.

Text proposed by the Commission

(20) Member States should **submit** their Plans together with the update of their integrated national energy and climate plans in accordance with Article 14 of Regulation (EU) 2018/1999 of the European Parliament and of the Council³⁵. The Plans should include the measures to be financed, their estimated costs and the national contribution. They should also include key milestones and targets to assess the effective implementation of the measures.

³⁵ Regulation (EU) 2018/1999 of the European Parliament and of the Council of 11 December 2018 on the Governance of the Energy Union and Climate Action, amending Regulations (EC) No 663/2009 and (EC) No 715/2009 of the European Parliament and of the Council, Directives 94/22/EC, 98/70/EC, 2009/31/EC, 2009/73/EC, 2010/31/EU, 2012/27/EU and 2013/30/EU of the European Parliament and of the Council, Council Directives 2009/119/EC and (EU) 2015/652 and repealing Regulation (EU) No 525/2013 of the European Parliament and of the Council (OJ L 328, 21.12.2018, p. 1).

Amendment 15

Proposal for a regulation

Recital 21

Text proposed by the Commission

(21) The Fund and the Plans should be coherent with and framed by the reforms

Amendment

(20) Member States should **prepare** their Plans ***in close cooperation with the regional and local actors, the economic and social partners and all the relevant stakeholders and representatives from the civil society, respecting the European Code of Conduct on Partnership and submit them***, together with the update of their integrated national energy and climate plans in accordance with Article 14 of Regulation (EU) 2018/1999 of the European Parliament and of the Council³⁵. The Plans should include the measures to be financed, their estimated costs and the national contribution. They should also include key milestones and targets to assess the effective implementation of the measures.

³⁵ Regulation (EU) 2018/1999 of the European Parliament and of the Council of 11 December 2018 on the Governance of the Energy Union and Climate Action, amending Regulations (EC) No 663/2009 and (EC) No 715/2009 of the European Parliament and of the Council, Directives 94/22/EC, 98/70/EC, 2009/31/EC, 2009/73/EC, 2010/31/EU, 2012/27/EU and 2013/30/EU of the European Parliament and of the Council, Council Directives 2009/119/EC and (EU) 2015/652 and repealing Regulation (EU) No 525/2013 of the European Parliament and of the Council (OJ L 328, 21.12.2018, p. 1).

Amendment

(21) The Fund and the Plans should be coherent with and framed by the reforms

planned and the commitments made by the Member States under their updated integrated national energy and climate plans in accordance with Regulation (EU) 2018/1999, under Directive [yyyy/nnn] of the European Parliament and the Council [Proposal for recast of Directive 2012/27/EU on energy efficiency]³⁶, the European Pillar of Social Rights Action Plan³⁷, the European Social Fund Plus (ESF+) established by Regulation (EU) 2021/1057 of the European Parliament and of the Council³⁸, the Just Transition Plans pursuant to Regulation (EU) 2021/1056 of the European Parliament and of the Council³⁹ and the Member States long-term buildings renovation strategies pursuant to Directive 2010/31/EU of the European Parliament and of the Council⁴⁰. To ensure administrative efficiency, where applicable, the information included in the Plans should be consistent with the legislation and plans listed above.

³⁶ [Add ref]

³⁷ Endorsed by the European Council on 24 and 25 June 2021.

³⁸ Regulation (EU) 2021/1057 of the European Parliament and of the Council of 24 June 2021 establishing the European Social Fund Plus (ESF+) and repealing Regulation (EU) No 1296/2013 (OJ L 231, 30.6.2021, p. 21).

³⁹ Regulation (EU) 2021/1056 of the European Parliament and of the Council of 24 June 2021 establishing the Just Transition Fund (OJ L 231, 30.6.2021, p. 1).

⁴⁰ Directive 2010/31/EU of the European Parliament and of the Council of 19 May 2010 on the energy performance of buildings (OJ L 153, 18.6.2010, p. 13).

planned and the commitments made by the Member States under their updated integrated national energy and climate plans in accordance with Regulation (EU) 2018/1999, under Directive [yyyy/nnn] of the European Parliament and the Council [Proposal for recast of Directive 2012/27/EU on energy efficiency]³⁶, the European Pillar of Social Rights Action Plan³⁷, the European Social Fund Plus (ESF+) established by Regulation (EU) 2021/1057 of the European Parliament and of the Council³⁸, the Just Transition Plans pursuant to Regulation (EU) 2021/1056 of the European Parliament and of the Council³⁹ and the Member States long-term buildings renovation strategies pursuant to Directive 2010/31/EU of the European Parliament and of the Council⁴⁰. To ensure administrative efficiency **while not adding any extra administrative burden**, where applicable, the information included in the Plans should be consistent with the legislation and plans listed above.

³⁶ [Add ref]

³⁷ Endorsed by the European Council on 24 and 25 June 2021.

³⁸ Regulation (EU) 2021/1057 of the European Parliament and of the Council of 24 June 2021 establishing the European Social Fund Plus (ESF+) and repealing Regulation (EU) No 1296/2013 (OJ L 231, 30.6.2021, p. 21).

³⁹ Regulation (EU) 2021/1056 of the European Parliament and of the Council of 24 June 2021 establishing the Just Transition Fund (OJ L 231, 30.6.2021, p. 1).

⁴⁰ Directive 2010/31/EU of the European Parliament and of the Council of 19 May 2010 on the energy performance of buildings (OJ L 153, 18.6.2010, p. 13).

Amendment 16

Proposal for a regulation Recital 22

Text proposed by the Commission

(22) The Union should support Member States with financial means to implement their Plans through the Social Climate Fund. Payments from the Social Climate Fund should be made conditional on achievement of the milestones and targets included in the Plans. This would allow efficiently taking into account national circumstances and priorities while simplifying financing and facilitating its integration with other national spending programmes while guaranteeing the impact and the integrity of EU spending.

Amendment

(22) The Union should support Member States with financial means ***along with technical support*** to implement their Plans through the Social Climate Fund. Payments from the Social Climate Fund should be made conditional on achievement of the milestones and targets included in the Plans. This would allow efficiently taking into account national circumstances and priorities while simplifying financing and facilitating its integration with other national spending programmes while guaranteeing the impact and the integrity of EU spending. ***To ensure that vulnerable, households, vulnerable SMEs and vulnerable microenterprises can receive support from the Fund as soon as possible, the Plans should be effectively implemented from the entry into force of the Fund, consequently the Commission should pre-finance an amount of up to 15% of the financial contribution of Member States.***

Amendment 17

Proposal for a regulation Recital 23

Text proposed by the Commission

(23) The financial envelope of the Fund should, in principle, be commensurate to amounts corresponding to 25% of the expected revenues from ***the inclusion of buildings and road transport into*** the scope of Directive 2003/87/EC in the period 2026-2032. Pursuant to Council Decision (EU, Euratom) 2020/2053⁴¹, Member States should make those revenues available to the Union budget as

Amendment

(23) The financial envelope of the Fund should, in principle, be commensurate to amounts corresponding to 25% of the expected revenues from ***changes in*** the scope of Directive 2003/87/EC in the period 2026-2032. Pursuant to Council Decision (EU, Euratom) 2020/2053⁴¹, Member States should make those revenues available to the Union budget as own resources. Member States are to

own resources. Member States are to finance **50%** of the total costs of their Plan themselves. For this purpose, as well as for investment and measures to accelerate and alleviate the required transition for citizens negatively affected, Member States should inter alia use their expected revenues from emissions trading for buildings and road transport under Directive 2003/87/EC for that purpose.

⁴¹ Council Decision (EU, Euratom) 2020/2053 of 14 December 2020 on the system of own resources of the European Union and repealing Decision 2014/335/EU, Euratom (OJ L 424, 15.12.2020, p. 1).

finance **40%** of the total costs of their Plan themselves. For this purpose, as well as for investment and measures to accelerate and alleviate the required transition for citizens negatively affected, Member States should inter alia use their expected revenues from emissions trading for buildings and road transport under Directive 2003/87/EC for that purpose.

⁴¹ Council Decision (EU, Euratom) 2020/2053 of 14 December 2020 on the system of own resources of the European Union and repealing Decision 2014/335/EU, Euratom (OJ L 424, 15.12.2020, p. 1).

Amendment 18

Proposal for a regulation Article 1 – paragraph 3

Text proposed by the Commission

The measures and investments supported by the Fund shall benefit households, micro-enterprises and transport users, which are vulnerable and particularly affected by the ***inclusion of greenhouse gas emissions from buildings and road transport into the scope of Directive 2003/87/EC***, especially households in energy poverty and citizens without public transport alternative to individual cars (in remote and rural areas).

Amendment

The measures and investments supported by the Fund shall ***directly*** benefit households, micro-enterprises, ***SMEs*** and transport users, ***including those*** which are vulnerable and particularly affected by the ***impact of the transition towards climate neutrality, including by carbon pricing***, especially households in energy poverty, ***people living in peripheral and isolated areas, in less developed regions or territories, those suffering from severe handicaps and those in demographic decline*** and citizens without public transport alternative to individual cars (in remote and rural areas); ***conditions for support from the Fund shall not impose any bureaucratic burden or additional cost on households and occupants of rental buildings.***

Amendment 19

Proposal for a regulation Article 1 – paragraph 4

Text proposed by the Commission

The general objective of the Fund is to contribute to the transition towards climate neutrality by addressing *the* social impacts of *the inclusion of greenhouse gas emissions from buildings and road transport into the scope of Directive 2003/87/EC*. The specific objective of the Fund is to support vulnerable households, vulnerable micro-enterprises and vulnerable transport users through temporary direct income support and through measures and investments intended to increase energy efficiency of buildings, decarbonisation of heating and cooling of buildings, including the integration of energy from renewable sources, and granting improved access to zero- and low-emission mobility and transport.

Amendment

The general objective of the Fund is to contribute to the transition towards climate neutrality, *which leaves no one behind*, by addressing social impacts of *that transition and contributing to the socially fair reduction of emissions in the transport and buildings sectors*. The specific objective of the Fund is to support vulnerable households, vulnerable micro-enterprises, *vulnerable SMEs* and vulnerable transport users through temporary direct income support and through measures and investments intended to increase energy efficiency of buildings, decarbonisation of heating and cooling of buildings, including the integration *and storage* of energy from renewable sources, and granting improved access to *efficient and affordable* zero- and low-emission mobility and transport *while maintaining technology neutrality*.

Amendment 20

Proposal for a regulation Article 2 – paragraph 1 – point 1

Text proposed by the Commission

(1) ‘building renovation’ means all kinds of energy-related building renovation, including the insulation of the building envelope, that is to say walls, roof, floor, the replacement of windows, the replacement of heating, cooling and cooking appliances, and the installation of on-site production of energy from renewable sources;

Amendment

(1) ‘building renovation’ means all kinds of energy-related building renovation, including the insulation of the building envelope, that is to say walls, roof, floor, the replacement of windows, the replacement of heating, cooling and cooking appliances, *the upgrade of electrical installations* and the installation of on-site production of energy from renewable sources *as well as its storage, and including all kinds of safety-related renovation works undertaken at the same time, such as seismic protection, electrical*

safety, smoke detection and smoke management;

Amendment 21

Proposal for a regulation Article 2 – paragraph 1 – point 1 a (new)

Text proposed by the Commission

Amendment

(1a) ‘deep building renovation’ means deep renovation as defined in [Article 2 (19) of the proposal for a Directive of the European Parliament and of the Council on energy efficiency (recast), COM(2021) 558 final (EPBD)];

Amendment 22

Proposal for a regulation Article 2 – paragraph 1 – point 1 b (new)

Text proposed by the Commission

Amendment

(1b) ‘energy efficiency first’ means ‘energy efficiency first’ as defined in point (18) of Article 2 of Regulation (EU) 2018/1999;

Amendment 23

Proposal for a regulation Article 2 – paragraph 1 – point 9 a (new)

Text proposed by the Commission

Amendment

(9a) ‘small or medium-sized enterprise’ or ‘SME’ means a small or medium-sized enterprise as defined in Article 2 of the Annex to Commission Recommendation 2003/361/EC^{1a};

^{1a} Commission Recommendation of 6 May 2003 concerning the definition of micro,

small and medium-sized enterprises (OJ L 124, 20.05.2003, p. 36).

Amendment 24

Proposal for a regulation

Article 2 – paragraph 1 – point 10

Text proposed by the Commission

(10) ‘transport users’ means households **or** micro-enterprises that use various transport and mobility options;

Amendment

(10) ‘transport users’ means households, micro-enterprises **or SMEs** that use various transport and mobility options;

Amendment 25

Proposal for a regulation

Article 2 – paragraph 1 – point 11

Text proposed by the Commission

(11) ‘vulnerable households’ means households in energy poverty or households, including lower middle-income ones, that are significantly affected by **the price impacts of the inclusion of buildings into the scope of Directive 2003/87/EC and lack the means to renovate the building they occupy**;

Amendment

(11) ‘vulnerable households’ means households in energy poverty or households,, including lower middle-income ones, that are significantly affected by **energy price rises**;

Amendment 26

Proposal for a regulation

Article 2 – paragraph 1 – point 12

Text proposed by the Commission

(12) ‘vulnerable micro-enterprises’ means micro-enterprises that are significantly affected by the **price impacts of the inclusion of buildings into the scope of Directive 2003/87/EC and lack the means to renovate the building they occupy**;

Amendment

(12) ‘vulnerable micro-enterprises’ means micro-enterprises that are significantly affected by the **impact of the transition to climate neutrality**, lack the means to renovate the building they occupy, **and are in need of support to switch to more sustainable transport options**;

Amendment 27

Proposal for a regulation

Article 2 – paragraph 1 – point 12 a (new)

Text proposed by the Commission

Amendment

(12a) ‘vulnerable small or medium-sized enterprises’ or ‘SMEs’ means small or medium-sized enterprises that are significantly affected by the impact of the transition to climate neutrality, lack the means to renovate the building they occupy or to upgrade road vehicles on which they rely in the course of their business;

Amendment 28

Proposal for a regulation

Article 2 – paragraph 1 – point 13

Text proposed by the Commission

Amendment

(13) ‘vulnerable transport users’ means transport users, including from lower middle-income households, ***that are significantly affected by the price impacts of the inclusion of road transport into the scope of Directive 2003/87/EC and lack the means to purchase zero- and low-emission vehicles or to switch to alternative sustainable modes of transport, including public transport,*** particularly in rural and remote areas.

(13) ‘vulnerable transport users’ means transport users, including from lower middle-income households particularly in rural and remote areas.

Amendment 29

Proposal for a regulation

Article 3 – paragraph 1

Text proposed by the Commission

Amendment

1. Each Member State shall submit to the Commission a Social Climate Plan

1. Each Member State shall submit to the Commission a Social Climate Plan

(‘the Plan’) together with the update to the integrated national energy and climate plan referred to in Article 14(2) of Regulation (EU) 2018/1999 in accordance with the procedure and timeline laid down in that Article. The Plan shall contain a coherent set of measures and investments to address the **impact of carbon pricing** on vulnerable households, vulnerable micro-enterprises and vulnerable transport users in order to ensure affordable heating, cooling and mobility while accompanying and accelerating necessary measures to meet the climate targets of the Union.

(‘the Plan’) together with the update to the integrated national energy and climate plan referred to in Article 14(2) of Regulation (EU) 2018/1999 in accordance with the procedure and timeline laid down in that Article, **following, where relevant, a consultation with regional and local level authorities and civil society organisations working with population in situations of vulnerability and the application of the Partnership Principle**. The Plan shall contain a coherent set of measures and investments to address the **impacts of transition to climate neutrality** on vulnerable households, vulnerable micro-enterprises, **vulnerable SMEs** and vulnerable transport users in order to ensure affordable **and efficient** heating, cooling and mobility while accompanying and accelerating necessary measures to meet the climate targets of the Union.

Amendment 30

Proposal for a regulation Article 3 – paragraph 1 a (new)

Text proposed by the Commission

Amendment

1a. The Plans shall take into utmost account the energy efficiency first principle. Member States shall consider the recently released Recommendation and Guidelines on the implementation of the principle^{1a}, which explain how planning, policy and investment decisions can reduce energy consumption in a number of key sectors, including energy and transport.

^{1a} Commission Recommendation C(2021) 7014 final of 28.9.2021 on “Energy Efficiency First: from principles to practice. Guidelines and examples for its implementation in decision-making in the energy sector and beyond.

Amendment 31

Proposal for a regulation Article 3 – paragraph 2

Text proposed by the Commission

2. The Plan may include national measures providing temporary direct income support to vulnerable households and households that are vulnerable transport users to reduce the impact of ***the increase in the price of fossil fuels resulting from the inclusion of buildings and road transport into*** the scope of *Directive 2003/87/EC*.

Amendment

2. The Plan may include national measures providing ***supervised*** temporary direct income support to vulnerable households and households that are vulnerable transport users to reduce the impact of ***transition to climate neutrality, rising energy prices and/or the impact of emission pricing on electricity, heating and transport, while quickly providing long-term solution for reducing energy and transport cost through renovation and other measures under*** the scope of ***Article 6 of this Regulation at no additional cost to the final beneficiary***.

Amendment 32

Proposal for a regulation Article 3 – paragraph 3 – point a

Text proposed by the Commission

(a) finance measures and investments to increase energy efficiency of buildings, to implement energy efficiency improvement measures, to carry out building renovation, and to decarbonise heating and cooling of buildings, including the integration of energy production from renewable energy sources;

Amendment

(a) finance measures and investments to ***improve energy performance and ensure their safety through the implementation of active and passive,*** energy efficiency improvement measures, to carry out ***electrical, fire and seismic safety inspection and renovation, to carry out building renovations and the installation of on-site and nearby facilities*** for energy production from renewable energy sources, ***as well as its storage, to cater for residual energy needs, including for heating and cooling;***

Amendment 33

Proposal for a regulation

Article 3 – paragraph 3 – point a a (new)

Text proposed by the Commission

Amendment

(aa) provide financial and technical support to renewable energy communities and community-led local development projects in urban and rural areas, including locally owned energy systems, as well as the arrangements for engaging and building capacity at the local level put in place through citizen projects;

Amendment 34

Proposal for a regulation

Article 3 – paragraph 3 – point a b (new)

Text proposed by the Commission

Amendment

(ab) finance measures addressing non-monetary barriers to improvements in the energy efficiency in buildings and uptake of renewable energy as well as barriers to accessing sustainable mobility and public transport services, in order to combat energy poverty and transport poverty. These may include energy consultations and advice services, including at community level;

Amendment 35

Proposal for a regulation

Article 3 – paragraph 3 – point b

Text proposed by the Commission

Amendment

(b) finance measures and investments to increase the uptake of zero- and low-emission mobility and transport.

(b) finance measures and investments ***with a lasting impact*** to increase the uptake ***and use*** of zero- and low-emission mobility and transport ***services, especially in rural, peripheral and isolated areas, in***

less developed regions or territories, those suffering from severe handicaps and those in demographic decline, including information support, capacity building and the training necessary to implement those measures and investments while respecting technological neutrality;

Amendment 36

Proposal for a regulation

Article 3 – paragraph 3 a (new)

Text proposed by the Commission

Amendment

3a. Plans shall be made public and accessible.

Amendment 37

Proposal for a regulation

Article 4 – paragraph 1 – point a

Text proposed by the Commission

Amendment

(a) concrete measures and investments in accordance with Article 3 to reduce the effects referred to in point (c) of this paragraph together with an explanation of how they would contribute effectively to the achievement of the objectives set out in Article 1 within the overall setting of a Member State's relevant policies;

(a) concrete measures and investments in accordance with Article 3 **and Article 6 to combat energy poverty and transport poverty** to reduce the effects referred to in point (c) of this paragraph together with an explanation of how they would contribute effectively to the achievement of the objectives set out in Article 1 within the overall setting of a Member State's relevant policies;

Amendment 38

Proposal for a regulation

Article 4 – paragraph 1 – point b

Text proposed by the Commission

Amendment

(b) concrete accompanying measures needed to accomplish the measures and

(b) concrete accompanying measures **that are** needed to accomplish the

investments of the Plan and reduce the effects referred to in point (c) as well as information on existing or planned financing of measures and investments from other Union, international, public or private sources;

measures and investments of the Plan and reduce the effects referred to in point (c) as well as information on existing or planned financing of measures and investments from other Union, international, public or private sources;

Amendment 39

Proposal for a regulation

Article 4 – paragraph 1 – point b a (new)

Text proposed by the Commission

Amendment

(ba) measures aimed at supporting home-owners and landlords to comply with minimum energy performance standards, including through social safeguards;

Amendment 40

Proposal for a regulation

Article 4 – paragraph 1 – point c

Text proposed by the Commission

Amendment

(c) an estimate of the likely effects of that increase in prices on households, and in particular on incidence of energy poverty, on micro-enterprises and on transport users, comprising in particular an estimate and the identification of vulnerable households, vulnerable micro-enterprises and vulnerable transport users; these impacts are to be analysed with ***a sufficient*** level of regional disaggregation, taking into account elements such as access to public transport and basic services and identifying the areas mostly affected, particularly territories which are remote and rural;

(c) an estimate of the likely effects of that increase in prices on households, and in particular on incidence of energy ***and transport*** poverty, on micro-enterprises, ***SMEs*** and on transport users, comprising in particular an estimate and the identification of vulnerable households, vulnerable micro-enterprises, ***vulnerable SMEs*** and vulnerable transport users; these impacts are to be analysed with ***an appropriate*** level of regional disaggregation, ***and sex-disaggregated data*** taking into account ***the national specificities*** elements such as access to public transport and basic services and identifying the areas mostly affected, particularly territories which are remote and rural;

Amendment 41

Proposal for a regulation

Article 4 – paragraph 1 – point d

Text proposed by the Commission

(d) where the Plan provides for measures referred to in Article 3(2), the criteria for the identification of eligible final recipients, the indication of the envisaged time limit for the measures in question and their justification on the basis of a quantitative estimate and a qualitative explanation of how the measures in the Plan are expected to reduce energy and transport poverty and the vulnerability of households, micro-enterprises and transport users to an increase of road transport and heating fuel prices;

Amendment

(d) where the Plan provides for measures referred to in Article 3(2), the criteria for the identification of eligible final recipients, the indication of the envisaged time limit for the measures in question and their justification on the basis of a quantitative estimate and a qualitative explanation of how the measures in the Plan ***such as renovation measures, investment aimed at developing and expanding public transport infrastructure as well as the technological digital infrastructure*** are expected to reduce energy and transport poverty and the vulnerability of households, micro-enterprises, ***SMEs*** and transport users to an increase of road transport and heating fuel prices;

Amendment 42

Proposal for a regulation

Article 4 – paragraph 1 – point e

Text proposed by the Commission

(e) envisaged milestones, targets and an indicative timetable for the implementation of the measures and investments to be completed by 31 July 2032;

Amendment

(e) envisaged milestones, targets ***to reduce the number of vulnerable households, vulnerable micro-enterprises, vulnerable SMEs*** and an indicative timetable for the implementation of the measures and investments to be completed by 31 July 2032;

Amendment 43

Proposal for a regulation

Article 4 – paragraph 1 – point f a (new)

Text proposed by the Commission

Amendment

(fa) the estimated amount of advance funding needed to launch the measures;

Amendment 44

Proposal for a regulation

Article 4 – paragraph 1 – point h a (new)

Text proposed by the Commission

Amendment

(ha) the arrangements to prevent bureaucratic burden on household beneficiaries receiving support from the Fund;

Amendment 45

Proposal for a regulation

Article 4 – paragraph 1 a (new)

Text proposed by the Commission

Amendment

1a. Member States shall lay down a detailed communication strategy that they will use to reach out and communicate to people who are energy poor and/or mobility poor or at risk thereof respectively. Member states shall provide information to final beneficiaries about eligibility and how to access funding and make arrangements for personal assistance and guidance.

Amendment 46

Proposal for a regulation

Article 4 – paragraph 2

Text proposed by the Commission

Amendment

2. The Plans shall be consistent with the information included and the

2. The Plans shall be consistent with the information included and the

commitments made by the Member States under the European Pillar of Social Rights Action Plan and the European Social Fund Plus (ESF+) established by Regulation (EU) 2021/1057, under their cohesion policy operational programmes under Regulation (EU) 2021/1058⁵⁵, under their Recovery and Resilience Plans in accordance with Regulation (EU) 2021/241 of the European Parliament and of the Council⁵⁶, under their long-term buildings renovation strategies pursuant to Directive 2010/31/EU and under their updated integrated national energy and climate plans under Regulation (EU) 2018/1999. They shall also be complementary to the Just Transition Plans pursuant to Regulation (EU) 2021/1056 of the European Parliament and of the Council⁵⁷.

commitments made by the Member States under the European Pillar of Social Rights Action Plan and the European Social Fund Plus (ESF+) established by Regulation (EU) 2021/1057, under their cohesion policy operational programmes under Regulation (EU) 2021/1058⁵⁵, under their Recovery and Resilience Plans in accordance with Regulation (EU) 2021/241 of the European Parliament and of the Council⁵⁶, under their long-term buildings renovation strategies pursuant to Directive 2010/31/EU and under their updated integrated national energy and climate plans under Regulation (EU) 2018/1999. They shall also be complementary to the ***Territorial*** Just Transition Plans pursuant to Regulation (EU) 2021/1056 of the European Parliament and of the Council⁵⁷ ***and therefore all these financial instruments shall increase the synergy of the measures while preventing and avoiding any possibility of double funding.***

⁵⁵ Regulation (EU) 2021/1058 of the European Parliament and of the Council of 24 June 2021 on the European Regional Development Fund and on the Cohesion Fund (OJ L 231, 30.6.2021, p. 60).

⁵⁶ Regulation (EU) 2021/241 of the European Parliament and of the Council of 12 February 2021 establishing the Recovery and Resilience Facility (OJ L 57, 18.2.2021, p. 17).

⁵⁷ Regulation (EU) 2021/1056 of the European Parliament and of the Council of 24 June 2021 establishing the Just Transition Fund (OJ L 231, 30.6.2021, p. 1).

⁵⁵ Regulation (EU) 2021/1058 of the European Parliament and of the Council of 24 June 2021 on the European Regional Development Fund and on the Cohesion Fund (OJ L 231, 30.6.2021, p. 60).

⁵⁶ Regulation (EU) 2021/241 of the European Parliament and of the Council of 12 February 2021 establishing the Recovery and Resilience Facility (OJ L 57, 18.2.2021, p. 17).

⁵⁷ Regulation (EU) 2021/1056 of the European Parliament and of the Council of 24 June 2021 establishing the Just Transition Fund (OJ L 231, 30.6.2021, p. 1).

Amendment 47

Proposal for a regulation Article 5 – paragraph 2 – point b

Text proposed by the Commission

- (b) building renovation;

Amendment

- (b) building renovation **with substantial energy cost savings**;

Amendment 48

Proposal for a regulation

Article 5 – paragraph 2 – point c

Text proposed by the Commission

- (c) zero- and low-emission mobility and transport;

Amendment

- (c) zero- and low-emission mobility and transport, **while respecting technological neutrality**;

Amendment 49

Proposal for a regulation

Article 5 – paragraph 2 – point e

Text proposed by the Commission

- (e) reductions in the number of vulnerable households, especially households in energy poverty, of vulnerable micro-enterprises and of vulnerable transport users, including in rural and remote areas.

Amendment

- (e) reductions in the number of vulnerable households, especially households in energy **and transport** poverty, of vulnerable micro-enterprises, **vulnerable SMEs** and of vulnerable transport users, including in rural and remote areas, **disaggregated by sex**;

Amendment 50

Proposal for a regulation

Article 5 – paragraph 2 – point e a (new)

Text proposed by the Commission

Amendment

- (ea) **improvements in safety, particularly in reduction in the number of buildings with unsafe electrical installations, increased deployment of smoke detection, smoke management seismic protection and automatic fire**

suppression;

Amendment 51

Proposal for a regulation

Article 5 – paragraph 2 – point e b (new)

Text proposed by the Commission

Amendment

(eb) enterprises benefiting from the Fund shall be conditional on the respect of applicable working conditions and employers' obligations resulting from labour law and/or collective agreements.

Amendment 52

Proposal for a regulation

Article 6 – paragraph 1

Text proposed by the Commission

Amendment

1. Member States may include the costs of measures providing temporary direct income support to vulnerable households and vulnerable households that are transport users to absorb the increase in road transport and heating fuel prices. Such support shall decrease over time ***and be limited to the direct impact of the emission trading for buildings and road transport.*** Eligibility for such direct income support shall cease within the time limits identified under Article 4(1) point (d).

1. Member States may include the costs of measures providing temporary direct income support to vulnerable households and vulnerable households that are transport users to absorb the increase in road transport and heating fuel prices. Such support shall decrease over time. Eligibility for such direct income support shall cease within the time limits identified under Article 4(1) point (d).

Amendment 53

Proposal for a regulation

Article 6 – paragraph 2 – introductory part

Text proposed by the Commission

Amendment

2. Member States may include the costs of the following measures and investments in the estimated total costs of

2. Member States may include the costs of the following measures and ***long term*** investments ***with lasting impacts*** in

the Plans, provided they principally benefit vulnerable households, vulnerable micro-enterprises or vulnerable transport users and intend to:

the estimated total costs of the Plans, provided they principally benefit vulnerable households, vulnerable micro-enterprises, **vulnerable SMEs** or vulnerable transport users and intend to:

Amendment 54

Proposal for a regulation Article 6 – paragraph 2 – point a

Text proposed by the Commission

(a) support building renovations, especially for **those** occupying worst-performing buildings, **including in the form of** financial support or fiscal incentives such as deductibility of renovation costs from **the rent**, independently of the ownership of the buildings concerned;

Amendment

(a) support building renovations, **such as deep and staged deep renovations, with regard to social housing and deprived areas**, especially for **people** occupying the worst-performing buildings, **such support comprising** financial support or fiscal incentives such as deductibility of renovation costs from **rent** independently of the ownership of the buildings concerned, **while simultaneously ensuring that the costs of the renovation do not have impact on households, in particular renters**,

Amendment 55

Proposal for a regulation Article 6 – paragraph 2 – point a a (new)

Text proposed by the Commission

Amendment

(aa) **promote ownership of housing with good energy scores, in the form of financial support or fiscal incentives;**

Amendment 56

Proposal for a regulation Article 6 – paragraph 2 – point b

Text proposed by the Commission

(b) contribute to the decarbonisation, including the electrification, of heating and cooling of, and cooking in, buildings and the integration of energy **from renewable sources** that contribute to the achievements of energy savings;

Amendment

(b) contribute to the decarbonisation, including the electrification, **digitalisation** of heating and cooling of, **powering appliances** and cooking in, buildings and the integration **and storage** of energy that contribute to the achievements of energy savings **as spelled out in the [EPBD]**;

Amendment 57

Proposal for a regulation Article 6 – paragraph 2 – point c

Text proposed by the Commission

(c) support public and private entities in developing and providing affordable energy efficiency renovation solutions and appropriate funding instruments in line with the social goals of the Fund;

Amendment

(c) support public and private entities in developing and providing **safe and** affordable energy efficiency renovation solutions **including those using sustainable and innovative construction materials fully in line with the circularity economy principle** and appropriate funding instruments in line with the social goals of the Fund;

Amendment 58

Proposal for a regulation Article 6 – paragraph 2 – point c a (new)

Text proposed by the Commission

Amendment

(ca) provide targeted information, support, capacity building and training necessary to implement the energy efficiency renovation solutions and grant access to zero- and low-emission mobility and transport services;

Amendment 59

Proposal for a regulation
Article 6 – paragraph 2 – point c b (new)

Text proposed by the Commission

Amendment

(cb) support the inclusion of adequate safeguards within building renovations, especially for most vulnerable occupants, including in the form of technical assistance and financial support;

Amendment 60

Proposal for a regulation
Article 6 – paragraph 2 – point d

Text proposed by the Commission

Amendment

(d) provide access to zero- and low-emission vehicles **and** bikes, including financial support or fiscal incentives for their purchase as well as for appropriate public and private infrastructure, including for recharging and refuelling; for support concerning low-emission vehicles, a timetable for gradually reducing the support shall be provided;

(d) provide access to ***zero- and low-emission*** vehicles, bikes, ***other means of transport***, including financial support or fiscal incentives for their purchase as well as for appropriate public and private infrastructure, including for recharging and refuelling; for support concerning low-emission vehicles, a timetable for gradually reducing the support shall be provided ***along with the implementation of long-term solutions at no additional cost to household beneficiaries;***

Amendment 61

Proposal for a regulation
Article 6 – paragraph 2 – point d a (new)

Text proposed by the Commission

Amendment

(da) support vulnerable SMEs and micro-enterprises when renewing their vehicle fleets, in particular by offering bespoke advice on possible alternative vehicles and targeted assistance for the purchase of new zero- or low-emission;

Amendment 62

Proposal for a regulation

Article 6 – paragraph 2 – point e

Text proposed by the Commission

(e) grant free access to public transport or adapted tariffs for access to public transport, as well as fostering sustainable mobility on demand and shared mobility services;

Amendment

(e) grant free access to public transport or adapted tariffs for access to public transport, as well as fostering sustainable mobility on demand and shared mobility services, ***including social shared mobility***;

Amendment 63

Proposal for a regulation

Article 6 – paragraph 2 – point f

Text proposed by the Commission

(f) support public and private entities in developing and providing affordable zero- and low-emission mobility and transport services and the uptake of attractive active mobility options for rural, insular, mountainous, remote and less accessible areas or for less developed regions or territories, including less developed peri-urban areas.

Amendment

(f) ***fostering digital connectivity and technological solutions to support people***, public and private entities in ***maintaining*** developing and providing ***efficient*** affordable zero- and low-emission mobility and transport services and the uptake of attractive active mobility options for rural, insular, mountainous, remote and less accessible areas or for less developed regions or territories, including less developed peri-urban areas.

Amendment 64

Proposal for a regulation

Article 6 – paragraph 2 – point f a (new)

Text proposed by the Commission

Amendment

(fa) fostering digital connectivity and technological solutions to support people affected by transport poverty in rural, insular, mountainous, remote and less accessible areas to access basic services or public transport;

Amendment 65

Proposal for a regulation Article 6 – paragraph 2 – point f b (new)

Text proposed by the Commission

Amendment

(fb) support the measures related to the replacement of old and inefficient heating systems with particular attention to support the vulnerable households and vulnerable micro-enterprises.

Amendment 66

Proposal for a regulation Article 7 – paragraph 2

Text proposed by the Commission

Amendment

2. Where it is proven by the Member State concerned in its Plan that the public interventions referred to in paragraph 1 do not fully off-set the price increase resulting from the inclusion of the sectors of buildings and road transport into the scope of Directive 2003/87/EC, direct income support may be included in the estimated total costs in the limits of the price increase not fully off-set.

deleted

Amendment 67

Proposal for a regulation Article 8 – title

Text proposed by the Commission

Amendment

Pass-on of benefits to households, micro-enterprises and transport users

Pass-on of benefits to households, micro-enterprises, ***SMEs*** and transport users

Amendment 68

Proposal for a regulation Article 8 – paragraph 1

Text proposed by the Commission

Member States may include into the estimated total costs financial support provided to public or private entities other than vulnerable households, vulnerable micro-enterprises and vulnerable transport users, if those entities carry out measures and investments ultimately benefitting vulnerable households, vulnerable micro-enterprises and vulnerable transport users.

Amendment

Member States may include into the estimated total costs financial support provided to public or private **and non-profit** entities other than vulnerable households, vulnerable micro-enterprises, **vulnerable SMEs** and vulnerable transport users, if those entities carry out measures and investments ultimately benefitting vulnerable households, vulnerable micro-enterprises and vulnerable transport users.

Amendment 69

Proposal for a regulation
Article 8 – paragraph 2

Text proposed by the Commission

Member States shall provide for the necessary statutory and contractual safeguards to ensure that the entire benefit is passed on to the households, micro-enterprises and transport users.

Amendment

Member States shall provide for the necessary statutory and contractual safeguards to ensure that the entire benefit is passed on to the households, micro-enterprises, **SMEs** and transport users.

Amendment 70

Proposal for a regulation
Article 9 – paragraph 1

Text proposed by the Commission

1. The financial envelope for the implementation of the Fund for the period **2025-2027** shall be EUR 23 700 000 000 in current prices.

Amendment

1. The financial envelope for the implementation of the Fund for the period **from 2024, at the latest, until 2027** shall be **at least** EUR 23 700 000 000 in current prices.

Amendment 71

Proposal for a regulation
Article 9 – paragraph 2

Text proposed by the Commission

2. The financial envelope for the implementation of the Fund for the period 2028-2032 shall be EUR 48 500 000 000 in current prices, subject to the availability of the amounts under the annual ceilings of the applicable multiannual financial framework referred to in Article 312 TFEU.

Amendment

2. The financial envelope for the implementation of the Fund for the period 2028-2032 shall be **at least** EUR 48 500 000 000 in current prices, subject to the availability of the amounts under the annual ceilings of the applicable multiannual financial framework referred to in Article 312 TFEU.

Amendment 72

**Proposal for a regulation
Article 10 – paragraph 2**

Text proposed by the Commission

2. Member States may entrust the managing authorities of the European Social Fund Plus (ESF+) established by Regulation (EU) 2021/1057 and of the cohesion policy operational programmes under Regulation (EU) 2021/1058 with the implementation of measures and investments benefitting from this Fund, where applicable in view of the synergies with those Union funds and in conformity with the objectives of the Fund. Member States shall state their intention to entrust those authorities in their Plans.

Amendment

2. **Member States shall be free, depending on their national structure, to choose which authorities are to be entrusted with the implementation of measures and investments benefitting from the Fund. If they wish,** Member States may entrust the managing authorities of the European Social Fund Plus (ESF+) established by Regulation (EU) 2021/1057 and of the cohesion policy operational programmes under Regulation (EU) 2021/1058 with the implementation of measures and investments benefitting from this Fund, where applicable in view of the synergies with those Union funds and in conformity with the objectives of the Fund. Member States shall state their intention to entrust those authorities in their Plans.

Amendment 73

**Proposal for a regulation
Article 10 – paragraph 3**

Text proposed by the Commission

3. Member States may include in their Plan, as part of the estimated total costs,

Amendment

3. Member States may include in their Plan, as part of the estimated total costs,

the payments for additional technical support pursuant to Article 7 of Regulation (EU) 2021/240 and the amount of the cash contribution for the purpose of the Member State compartment pursuant to the relevant provisions of Regulation (EU) 2021/523. Those costs shall not exceed 4 % of the financial total allocation for the Plan, and the relevant measures, as set out in the Plan, shall comply with this Regulation.

the payments for additional technical support pursuant to Article 7 of Regulation (EU) 2021/240 and the amount of the cash contribution for the purpose of the Member State compartment pursuant to the relevant provisions of Regulation (EU) 2021/523. Those costs shall not exceed 4 % of the financial total allocation for the Plan, and the relevant measures, as set out in the Plan, shall comply with this Regulation. ***In addition, where necessary, the Member State may propose additional technical assistance measures to strengthen the capacity and effectiveness of public authorities and bodies, beneficiaries and relevant partners necessary for the effective management and use of the Funds.***

Amendment 74

Proposal for a regulation Article 12 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

2a. When requested by a Member State together with the submission of its Social Climate Plans, the Commission shall make a pre-financing payment of an amount of up to 15 % of the financial contribution. The Commission shall make the corresponding payment within, to the extent possible, two months after the adoption by the Commission of the legal commitment referred to in Article 18. This will ensure that vulnerable households, vulnerable SMEs and vulnerable microenterprises can receive support from the Fund as soon as possible.

Amendment 75

Proposal for a regulation Article 14 – paragraph 1

Text proposed by the Commission

1. Member States shall contribute at least to **50** percent of the total estimated costs of their Plans.

Amendment

1. Member States shall contribute at least to **40** percent of the total estimated costs of their Plans.

Amendment 76

Proposal for a regulation

Article 15 – paragraph 2 – point a – point i

Text proposed by the Commission

(i) whether the Plan represents a response to the social impact on and challenges faced by vulnerable households, vulnerable micro-enterprises and vulnerable transport users in the Member State concerned from ***establishing the emission trading system for buildings and road transport established pursuant to Chapter IVa of Directive 2003/87/EC***, especially households in energy poverty, duly taking into account the challenges identified in the assessments of the Commission of the update of the concerned Member State's integrated national energy and climate plan and of its progress pursuant to Article 9(3), and Articles 13 and 29 of Regulation (EU) 2018/1999, as well as in the Commission recommendations to Member States issued pursuant to Article 34 of Regulation (EU) 2018/1999 in view of the long-term objective of climate neutrality in the Union by 2050. This shall take into account the specific challenges and the financial allocation of the Member State concerned;

Amendment

(i) whether the Plan represents a response to the social impact on and challenges faced by vulnerable households, vulnerable micro-enterprises, ***vulnerable SMEs*** and vulnerable transport users in the Member State concerned ***due to impacts arising from the transition to climate neutrality***, especially households in energy poverty, duly taking into account the challenges identified in the assessments of the Commission of the update of the concerned Member State's integrated national energy and climate plan and of its progress pursuant to Article 9(3), and Articles 13 and 29 of Regulation (EU) 2018/1999, as well as in the Commission recommendations to Member States issued pursuant to Article 34 of Regulation (EU) 2018/1999 in view of the long-term objective of climate neutrality in the Union by 2050. This shall take into account the specific challenges and the financial allocation of the Member State concerned;

Amendment 77

Proposal for a regulation

Article 15 – paragraph 2 – point a – point iii

Text proposed by the Commission

(iii) whether the Plan contains measures and investments *that contribute to* the green transition, *including to addressing the challenges resulting therefrom* and in particular to the achievement of the 2030 climate and energy objectives of the Union and the 2030 milestones of the Mobility Strategy.

Amendment 78

Proposal for a regulation

Article 15 – paragraph 2 – point b – point i

Text proposed by the Commission

(i) whether the Plan is expected to have a lasting impact on the challenges addressed by that Plan and in particular on vulnerable households, vulnerable micro-enterprises and vulnerable transport users, especially households in energy poverty, in the Member State concerned;

Amendment 79

Proposal for a regulation

Article 15 – paragraph 2 – point b – point ii

Text proposed by the Commission

(ii) whether the arrangements proposed by the Member State concerned are expected to ensure the effective monitoring and implementation of the Plan, including the envisaged timetable, milestones and targets, and the related indicators;

Amendment 80

Amendment

(iii) whether the Plan contains *innovative and existing* measures and investments, *including in digital solutions addressing the social impacts of* the green transition, and in particular to the achievement of the 2030 *and 2050* climate and energy objectives of the Union and the 2030 milestones of the Mobility Strategy.

Amendment

(i) whether the Plan is expected to have a lasting impact on the challenges addressed by that Plan and in particular on vulnerable households, vulnerable micro-enterprises, *vulnerable SMEs* and vulnerable transport users, especially households in energy poverty, in the Member State concerned;

Amendment

(ii) whether the arrangements proposed by the Member State concerned are expected to ensure the effective monitoring and implementation of the Plan, including *involvement of all relevant stakeholders according to the Partnership Principle*, the envisaged timetable, milestones and targets, and the related indicators;

Proposal for a regulation

Article 15 – paragraph 2 – point b – point iii a (new)

Text proposed by the Commission

Amendment

(iiia) whether the proposed measures are sufficiently effective at national level and are not adding any additional administrative burden;

Amendment 81

Proposal for a regulation

Article 17 – paragraph 1

Text proposed by the Commission

Amendment

1. Where a Social Climate Plan, including relevant milestones and targets, is no longer achievable, either in whole or in part, by the Member State concerned because of objective circumstances, ***in particular because of the actual direct effects of the emission trading system for buildings and road transport established pursuant to Chapter IVa of Directive 2003/87/EC***, the Member State concerned may submit to the Commission an amendment of its Plan to include the necessary and duly justified changes. Member States may request technical support for the preparation of such request.

1. Where a Social Climate Plan, including relevant milestones and targets, is no longer achievable, either in whole or in part, by the Member State concerned because of objective circumstances, the Member State concerned may submit to the Commission an amendment of its Plan to include the necessary and duly justified changes. Member States may request technical support for the preparation of such request.

Amendment 82

Proposal for a regulation

Article 17 – paragraph 2

Text proposed by the Commission

Amendment

2. The Commission shall assess the amended Plan in accordance with Article 15.

2. The Commission shall assess the amended Plan in accordance with Article 15 ***and shall provide guidance on the most efficient measures and investments provided for in Article 6(2)***.

Amendment 83

Proposal for a regulation Article 17 – paragraph 5

Text proposed by the Commission

5. By 15 March 2027 each Member State concerned shall assess the appropriateness of its Plans in view of ***the actual direct effects of the emission trading system for buildings and road transport established pursuant to Chapter IVa of Directive 2003/087/EC***. Those assessments shall be submitted to the Commission as part of the biennial progress reporting pursuant to Article 17 of Regulation (EU) 2018/1999.

Amendment

5. By 15 March 2027 each Member State concerned shall assess the appropriateness of its Plans in view of ***achieving the objective to eradicate energy poverty and transport poverty, while meeting the Union energy and climate targets***. Those assessments shall be submitted to the Commission as part of the biennial progress reporting pursuant to Article 17 of Regulation (EU) 2018/1999.

Amendment 84

Proposal for a regulation Article 18 – paragraph 1

Text proposed by the Commission

1. After the Commission has adopted a decision as referred to in Article 16, it shall in due time conclude an agreement with the Member State concerned constituting an individual legal commitment within the meaning of Regulation (EU, Euratom) 2018/1046 covering the period **2025-2027**. That agreement may be concluded at the earliest one year before the year of the start of the auctions under Chapter IVa of Directive 2003/87/EC.

Amendment

1. After the Commission has adopted a decision as referred to in Article 16, it shall in due time conclude an agreement with the Member State concerned constituting an individual legal commitment within the meaning of Regulation (EU, Euratom) 2018/1046 covering the period ***from 2024, at the latest, until 2027***. That agreement may be concluded at the earliest one year before the year of the start of the auctions under Chapter IVa of Directive 2003/87/EC.

Amendment 85

Proposal for a regulation Article 22 – paragraph 2

Text proposed by the Commission

2. The recipients of Union funding **shall** acknowledge the origin of those funds and ensure the visibility of the Union funding, in particular when promoting the actions and their results, by providing coherent, effective and proportionate targeted information to multiple audiences, including the media and the public.

Amendment

2. **Member States shall ensure that** the recipients of Union funding acknowledge the origin of those funds and ensure the visibility of the Union funding, in particular when promoting the actions and their results, by providing coherent, effective and proportionate targeted information to multiple audiences, including the media and the public.

Amendment 86

Proposal for a regulation

Article 23 – paragraph 1 – point f

Text proposed by the Commission

(f) in 2027, an assessment of the Plan referred to in Article 17(5) in view of the actual direct effects **of the emission trading system for buildings and road transport established pursuant to Chapter IVa of Directive 2003/087/EC**;

Amendment

(f) in 2027, an assessment of the Plan referred to in Article 17(5) in view of the actual direct effects **on energy and transport poverty in the Union**;

Amendment 87

Proposal for a regulation

Article 24 – paragraph 3

Text proposed by the Commission

3. The evaluation report shall, in particular, assess to which extent the objectives of the Fund laid down in Article 1 have been achieved, the efficiency of the use of the resources and the Union added value. It shall consider the continued relevance of all objectives and actions set out in Article 6 in light of the impact on greenhouse gas emissions from the emission trading system **for buildings and road transport** pursuant to Chapter IVa of Directive 2003/87/EC and from the

Amendment

3. The evaluation report shall, in particular, assess to which extent the objectives of the Fund laid down in Article 1 have been achieved, the efficiency of the use of the resources and the Union added value. It shall consider the continued relevance of all objectives and actions set out in Article 6 in light of the impact on greenhouse gas emissions from the emission trading system pursuant to Chapter IVa of Directive 2003/87/EC and from the national measures taken to meet

national measures taken to meet the binding annual greenhouse gas emission reductions by Member States pursuant to Regulation (EU) 2018/842 of the European Parliament and of the Council⁶³. It shall also consider the continued relevance of the financial envelope of the Fund in relation to possible developments concerning the auctioning of allowances under the emission trading system *for buildings and road transport* pursuant to Chapter IVa of Directive 2003/87/EC and other relevant considerations.

⁶³ Regulation (EU) 2018/842 of the European Parliament and of the Council of 30 May 2018 on binding annual greenhouse gas emission reductions by Member States from 2021 to 2030 contributing to climate action to meet commitments under the Paris Agreement and amending Regulation (EU) No 525/2013 (OJ L 156, 19.6.2018, p. 26-42).

the binding annual greenhouse gas emission reductions by Member States pursuant to Regulation (EU) 2018/842 of the European Parliament and of the Council⁶³. It shall also consider the continued relevance of the financial envelope of the Fund in relation to possible developments concerning the auctioning of allowances under the emission trading system pursuant to Chapter IVa of Directive 2003/87/EC and other relevant considerations.

⁶³ Regulation (EU) 2018/842 of the European Parliament and of the Council of 30 May 2018 on binding annual greenhouse gas emission reductions by Member States from 2021 to 2030 contributing to climate action to meet commitments under the Paris Agreement and amending Regulation (EU) No 525/2013 (OJ L 156, 19.6.2018, p. 26-42).

PROCEDURE – COMMITTEE ASKED FOR OPINION

Title	Establishing a Social Climate Fund
References	COM(2021)0568 – C9-0324/2021 – 2021/0206(COD)
Committees responsible Date announced in plenary	EMPL ENVI 13.9.2021 13.9.2021
Opinion by Date announced in plenary	ITRE 13.9.2021
Rapporteur for the opinion Date appointed	Beata Szydło 1.10.2021
Rule 58 – Joint committee procedure Date announced in plenary	11.11.2021
Discussed in committee	2.2.2022
Date adopted	20.4.2022
Result of final vote	+: 57 –: 9 0: 10
Members present for the final vote	Matteo Adinolfi, Nicola Beer, François-Xavier Bellamy, Hildegard Bentele, Vasile Blaga, Michael Bloss, Manuel Bompard, Paolo Borchia, Marc Botenga, Markus Buchheit, Cristian-Silviu Buşoi, Jerzy Buzek, Maria da Graça Carvalho, Ignazio Corrao, Ciarán Cuffe, Josianne Cutajar, Nicola Danti, Pilar del Castillo Vera, Christian Ehler, Niels Fuglsang, Lina Gálvez Muñoz, Claudia Gamon, Jens Geier, Bart Groothuis, Christophe Grudler, András Gyürk, Henrike Hahn, Robert Hajšel, Ivo Hristov, Ivars Ijabs, Eva Kaili, Seán Kelly, Izabela-Helena Kloc, Łukasz Kohut, Zdzisław Krasnodębski, Andrius Kubilius, Miapetra Kumpula-Natri, Thierry Mariani, Marisa Matias, Eva Maydell, Georg Mayer, Joëlle Mélin, Iskra Mihaylova, Dan Nica, Angelika Niebler, Niklas Nienä, Ville Niinistö, Aldo Patriciello, Mauri Pekkarinen, Mikuláš Peksa, Tsvetelina Penkova, Morten Petersen, Pina Picierno, Markus Pieper, Clara Ponsatí Obiols, Manuela Ripa, Robert Roos, Sara Skytvedal, Maria Spyrali, Jessica Stegrud, Beata Szydło, Riho Terras, Grzegorz Tobiszowski, Patrizia Toia, Isabella Tovaglieri, Henna Virkkunen, Pernille Weiss, Carlos Zorrinho
Substitutes present for the final vote	Pascal Arimont, Cornelia Ernst, Klemen Grošelj, Alicia Homs Ginell, Nora Mebarek, Jutta Paulus, Ernő Schaller-Baross, Susana Solís Pérez

FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

57	+
ECR	Izabela-Helena Kloc, Zdzisław Krasnodębski, Beata Szydło, Grzegorz Tobiszowski
ID	Matteo Adinolfi, Paolo Borchia, Thierry Mariani, Joëlle Mélin, Isabella Tovaglieri
NI	András Gyürk, Clara Ponsatí Obiols, Ernő Schaller-Baross
PPE	Pascal Arimont, François-Xavier Bellamy, Hildegard Bentele, Vasile Blaga, Cristian-Silviu Buşoi, Jerzy Buzek, Maria da Graça Carvalho, Pilar del Castillo Vera, Christian Ehler, Seán Kelly, Andrius Kubilius, Eva Maydell, Angelika Niebler, Aldo Patriciello, Markus Pieper, Sara Skytvedal, Maria Spyraiki, Riho Terras, Pernille Weiss
Renew	Nicola Danti
S&D	Josianne Cutajar, Niels Fuglsang, Lina Gálvez Muñoz, Jens Geier, Robert Hajšel, Alicia Homs Ginel, Ivo Hristov, Eva Kaili, Łukasz Kohut, Miapetra Kumpula-Natri, Nora Mebarek, Dan Nica, Tsvetelina Penkova, Pina Picierno, Patrizia Toia, Carlos Zorrinho
Verts/ALE	Michael Bloss, Ignazio Corrao, Ciarán Cuffe, Henrike Hahn, Niklas Nienä, Ville Niinistö, Jutta Paulus, Mikuláš Peksa, Manuela Ripa

9	-
ECR	Robert Roos, Jessica Stegrud
ID	Georg Mayer
Renew	Bart Groothuis, Mauri Pekkarinen
The Left	Manuel Bompard, Marc Botenga, Cornelia Ernst, Marisa Matias

10	0
ID	Markus Buchheit
PPE	Henna Virkkunen
Renew	Nicola Beer, Claudia Gamon, Klemen Grošelj, Christophe Grudler, Ivars Ijabs, Iskra Mihaylova, Morten Petersen, Susana Solís Pérez

Key to symbols:

+ : in favour

- : against

0 : abstention

2.5.2022

OPINION OF THE COMMITTEE ON TRANSPORT AND TOURISM

for the Committee on Employment and Social Affairs and the Committee on the Environment, Public Health and Food Safety

on the proposal for a Regulation of the European Parliament and the Council establishing a Social Climate Fund
(COM(2021)0568 – C9-0324/2021 – 2021/0206(COD))

Rapporteur for opinion: Leila Chaibi

SHORT JUSTIFICATION

The European Union's goal of achieving climate neutrality by 2050 is essential if we are to avoid the most disastrous consequences of climate change. However, the means proposed by the European Commission to reach that goal raise questions, particularly in terms of social equity and environmental effectiveness.

In terms of mobility, transport costs are, in most cases, inflexible for vulnerable households and micro-enterprises. Moreover, an increase in the price of petrol, as a direct consequence of the inclusion of road transport in the EU Emissions Trading Scheme (EU ETS), will have the primary effect of reducing the purchasing power of households, without allowing for a real modal shift towards low-carbon transport or a reduction in distances travelled.

At the same time, the depletion of resources, whether fossil fuels or raw materials, the disruptions in the global supply chain due to the disorganisation brought about by the COVID-19 pandemic, price volatility and geopolitical tensions inevitably lead to an increase in the costs of the transition to a decarbonised economy for households and companies.

We therefore need to support the most vulnerable in society to ensure that the necessary ecological transition is socially fair, without burdening the budgets of households and micro-enterprises in the process. This is the rationale behind the creation of the Social Climate Fund. Therefore, if we are to implement a coherent and socially just climate policy, the idea of extending the EU ETS to road transport and buildings must be abandoned. At the same time, the creation and implementation of the Social Climate Fund must be guaranteed by funding that is not dependent on the inclusion of road transport and buildings in the EU ETS. To that end, revenue from the current EU ETS or new own resources could be used as sources of funding.

The Social Climate Fund could thus be a great opportunity to support Member States in putting in place the measures necessary to make the decarbonisation of transport a reality. In order to do so, the budget of the Social Climate Fund will need to be commensurate with the necessary investments and offer the flexibility to make these investments in advance before the costs of the transition put a strain on investment capacities.

While the focus should clearly be on structural measures that drastically reduce our dependence on carbon-based mobility, a balance must be struck to ensure that in areas where the introduction of efficient alternatives is not feasible in the short term, vulnerable households and

micro-enterprises can continue to use transport to meet their basic socio-economic needs. In order to better identify the gaps and to address the different issues at stake, a definition of mobility poverty should be introduced in EU legislation, as is already the case for energy poverty. In addition, account needs to be taken of the inequalities from which women already suffer and the specific issues with regard to women and mobility. Finally, priority must be given to the development of public transport, the main lever for decarbonising mobility, particularly in peripheral and rural areas, where the options available and the services provided do not meet the needs of the people and businesses in those areas. Alongside all of this, active mobility, in particular cycling, must be promoted.

AMENDMENTS

The Committee on Transport and Tourism calls on the Committee on Employment and Social Affairs and the Committee on the Environment, Public Health and Food Safety, as the committees responsible, to take the following amendments into account:

Amendment 1

Proposal for a regulation

Recital 8

Text proposed by the Commission

(8) Those amendments have differing economic and social impacts on the different sectors of the economy, on the citizens, and the Member States. ***In particular, the inclusion of greenhouse gas emissions from buildings and road transport into the scope of Directive 2003/87/EC of the European Parliament and the Council³¹ should provide an additional economic incentive to invest into the reduction of fossil fuel consumption and thereby accelerate the reduction of greenhouse gas emissions. Combined with other measures, this should, in the medium to long term, reduce the costs for buildings and road transport, and provide new opportunities for job creation and investment.***

Amendment

(8) Those amendments have differing economic and social impacts on the different sectors of the economy, on the citizens, and the Member States. ***The costs of the transition, and the increased volatility of energy and commodity prices owing to transition-related adjustments and resource depletion, make it necessary to ensure social compensation and necessary resources to address the green transition and protect the most vulnerable households and micro and small enterprises while maintaining a high level of quality investments to ensure the success of the green transition.***

³¹ ***Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a system for***

greenhouse gas emission allowance trading within the Union (OJ L 275, 25.10.2003, p. 32).

Amendment 2

Proposal for a regulation

Recital 9

Text proposed by the Commission

(9) However, resources are needed to finance those investments. ***In addition, before they have taken place, the cost supported by households and transport users for heating, cooling and cooking, as well as for road transport, is likely to increase as fuel suppliers subject to the obligations under the emission trading for buildings and road transport pass on costs on carbon to the consumers.***

Amendment

(9) However, ***sufficient, stable and equitable*** resources ***for the duration of the Social Climate Fund*** are needed to finance those investments.

Amendment 3

Proposal for a regulation

Recital 10

Text proposed by the Commission

(10) The increase in the price for fossil fuels ***may*** disproportionately affect vulnerable households, vulnerable ***micro-enterprises*** and vulnerable transport users who spend a larger part of their incomes on energy and transport, ***who, in certain*** regions, do not have access to alternative, affordable mobility and transport solutions ***and who may lack*** the financial capacity to invest ***into the reduction of fossil fuel consumption.***

Amendment

(10) The increase in the price for fossil fuels ***will likely*** disproportionately affect vulnerable households, vulnerable ***micro and small enterprises*** and vulnerable transport users who ***already*** spend a larger part of their incomes on energy and transport, ***further exacerbating pre-existing inequalities for those in rural, peripheral, remote, outermost, insular, mountainous, sparsely populated or less developed - including peri-urban areas - regions and territories.***

For the most part, these households and micro and small enterprises do not have access to alternative, ***interconnected, efficient and*** affordable mobility and transport solutions. ***They are, moreover,***

often dependent on fossil fuels, without having the financial capacity to invest in decarbonised modes of transport, and low-carbon alternatives implying low capacities to adapt to the consequences of the green transition. Ambitious climate action would help the Union to reduce its dependence on fossil fuels. The Social Climate Fund comes as a complement to those measures to support Member States and helps providing structural long-lasting solutions to reduce energy and mobility poverty across the Union.

Amendment 4

Proposal for a regulation

Recital 11

Text proposed by the Commission

(11) Therefore, a *part of the revenues generated by the inclusion of building and road transport into the scope of Directive 2003/87/EC* should be *used to address the social impacts arising from that inclusion, for the transition to be just and inclusive, leaving* no one behind.

Amendment

(11) Therefore, a *Social Climate Fund* should be *established at EU level, alongside Member States' Social Climate Plans, in order to ensure an inclusive and just green transition that leaves* no one behind.

Amendment 5

Proposal for a regulation

Recital 12

Text proposed by the Commission

(12) This is even more relevant in view of the existing levels of energy poverty. Energy poverty is a situation in which households are unable to access essential energy services *such as* cooling, *as temperatures rise, and heating*. About 34 million Europeans reported an inability to keep their homes adequately warm in 2018, and 6.9% of the Union population have said that they cannot afford to heat their

Amendment

(12) This is even more relevant in view of the existing levels of energy poverty *and mobility poverty. Energy is essential and access to affordable energy services is a basic social right and essential for social inclusion*. Energy poverty is a situation in which households are unable to access essential energy services *that underpin a decent standard of living and health, including adequate warmth,* cooling,

home sufficiently in a 2019 EU-wide survey³². Overall, the Energy Poverty Observatory estimates that more than 50 million households in the European Union experience energy poverty. Energy poverty is therefore a major challenge for the Union. While social tariffs or direct income support *can provide* immediate relief to households facing energy poverty, only targeted structural measures, in particular energy renovations, can provide lasting solutions.

³² Data from 2018. Eurostat, SILC [ilc_mdcs01]).

lighting, and energy to power appliances. About 34 million Europeans reported an inability to keep their homes adequately warm in 2018, and 6.9% of the Union population have said that they cannot afford to heat their home sufficiently in a 2019 EU-wide *survey*³². Overall, the Energy Poverty Observatory estimates that more than 50 million households in the European Union experience energy poverty. Energy poverty is therefore a major challenge for the Union. While social tariffs or direct income support *provides* immediate relief to households facing energy poverty. Only targeted structural measures *and investments aimed at ending the reliance on fossil fuels*, in particular energy *sustainable* renovations, *the implementation of sustainable and smart mobility solutions that are affordable, efficient, safe and accessible for all users including people with disabilities or reduced mobility* can provide lasting solutions;

³² Data from 2018. Eurostat, SILC [ilc_mdcs01]).

Amendment 6

Proposal for a regulation Recital 12 a (new)

Text proposed by the Commission

Amendment

(12a) Mobility poverty has been underexposed and no clear Union-level or national definitions are available. However, the problem is becoming more pressing to address as a result of the necessary decarbonisation of transport, high fuel prices, or high dependencies on transport availability, accessibility and costs for daily mobility needs especially in rural, remote and other disadvantaged areas. Therefore, a broad Union level definition should be established to target

*support and monitoring practices.
Mobility poverty can determine transport-related social exclusion.*

Amendment 7

Proposal for a regulation

Recital 13

Text proposed by the Commission

(13) A Social Climate ('the Fund') should therefore be established to provide funds to the Member States to support their policies to address the social impacts of the **emissions trading for buildings and road transport** on vulnerable households, vulnerable **micro-enterprises** and vulnerable transport users. This should be achieved notably through **temporary income support and** measures and investments intended to reduce reliance on fossil fuels **through** increased energy efficiency of buildings, **decarbonisation of** heating and cooling of buildings, including the integration **of energy** from renewable sources, **and granting improved** access to zero- and low-emission mobility and transport to **the benefit of** vulnerable households, vulnerable **micro-enterprises** and vulnerable transport users.

Amendment

(13) ***The Union and its Member States will not be able to meet their climate and environmental objectives without properly addressing energy and mobility poverty. Yet, despite data gathered on energy poverty, there is currently no standard Union-level definitions of neither energy nor mobility poverty across the Union. As a result, no transparent and comparable data on mobility and not enough on energy poverty is currently available in the Union, hindering the possibility to effectively monitor and assess progress at national level.*** A Social Climate **Fund** ('the Fund') should therefore be established to provide funds to the Member States to support their policies to address the social impacts of the **green transition** on vulnerable households, vulnerable **micro and small enterprises** and vulnerable transport users. **The Fund should promote fairness and solidarity between and within Member States while mitigating the risk of energy and mobility poverty during the transition.** This should be achieved notably through **adaptive and targeted** measures and investments **with lasting impact** intended to reduce reliance on fossil fuels : **i) increased energy efficiency of buildings and access to renewable energies for** heating and cooling of buildings, including the integration from **sustainable, renewable, low-carbon and zero-emission energy** sources; **ii) granted** access to **and promotion of affordable** zero- and low-emission mobility and transport to

vulnerable households, vulnerable *micro and small enterprises* and vulnerable transport users, *including*:

- *improved public transport (quality, frequency and network);*
- *private zero and low carbon mobility;*
- *attractive and safe active mobility;*
- *zero emission sustainable shared mobility;*
- *renewal of the fleet;*
- *deployment of the refuelling and recharging infrastructure;*
- *other combined multi-modal mobility services.*

Particular attention should be paid to those in rural, remote and other disadvantaged areas for which support to zero and low emission private mobility is often particularly relevant due to the lack of efficient alternative.

Amendment 8

Proposal for a regulation Recital 13 a (new)

Text proposed by the Commission

Amendment

(13a) Access to quality and inclusive education, training and life-long learning for all is essential for ensuring that the workforce has the skills required to deliver on the green transition. Fair transition aspects should thus be integrated in the development and implementation of national skills strategies, in line with the European Skills Agenda and the EU's new updated Industrial Strategy^{1a}. Skills partnerships under the Pact for Skills will also be an important lever. Up-to-date labour market and skills intelligence and foresight, including at regional, sectoral and

occupational levels allows for the identification and forecasting of relevant occupation-specific and transversal skills needs, also as a basis for adapting curricula to meet the skills needs for the green transition. VET should equip young people and adults, in particular women, with the skills needed to master the green transition^{1b}. Apprenticeships and paid traineeships, including strong training components, in particular for young people, contribute to labour market transitions, notably towards activities contributing to climate and environmental objectives, and sectors facing particular skills shortages. Increasing adult participation in lifelong learning should be promoted to meet upskilling and reskilling needs, inter alia by empowering individuals to seek training that is tailored to their needs and via short, quality-assured courses on skills for the green transition, building on the European approach to micro-credentials, which will also make it easier to value and recognise the outcomes of such courses.

^{1a} Communication from the Commission ‘Updating the 2020 New Industrial Strategy: Building a stronger Single Market for Europe’s recovery’, COM(2021) 350 final.

^{1b} Council Recommendation of 24 November 2020 on vocational education and training (VET) for sustainable competitiveness, social fairness and resilience (OJ C 417, 2.12.2020, p. 1).

Amendment 9

Proposal for a regulation Recital 13 b (new)

Text proposed by the Commission

Amendment

(13b) Support should be provided for

accessing to quality employment, notably through tailored job search assistance and flexible and modular learning courses that also target green and digital skills where appropriate; Well-designed, targeted and time-bound employment programmes should also be considered in order to prepare beneficiaries via training, in particular people in vulnerable situations, for continued participation in the labour market.

Amendment 10

Proposal for a regulation Recital 13 c (new)

Text proposed by the Commission

Amendment

(13c) Job creation is crucial in the context of this Regulation, in particular in territories most affected by the green transition and, where appropriate. The Commission and the Member States should facilitate access to finance and markets for micro, small and medium-sized enterprises with a view to promoting competitiveness, innovation and employment across the single market, including in sectors of strategic relevance in national and local contexts.

Amendment 11

Proposal for a regulation Recital 14

Text proposed by the Commission

Amendment

(14) For that purpose, each Member State should submit to the Commission a Social Climate Plan ('the Plan'). Those Plans should pursue *two* objectives. Firstly, they should provide vulnerable households, vulnerable *micro-enterprises* and vulnerable transport users the *necessary* resources to finance and carry out

(14) For that purpose, each Member State should submit to the Commission a Social Climate Plan ('the Plan'). Those Plans should pursue *the following* objectives. Firstly, they should provide vulnerable households, vulnerable *micro and small enterprises*, and vulnerable transport users the *sufficient* resources to

investments in energy efficiency, decarbonisation of heating and cooling, *in* zero- and low-emission vehicles and mobility. Secondly, they should mitigate the impact of the increase in the cost of fossil fuels on the most vulnerable and thereby prevent energy and *transport* poverty during the transition period until such investments have been implemented. The Plans should have an investment component promoting the long-term solution of *reduce* fossil fuels reliance and could envisage other measures, including *temporary* direct income support to mitigate adverse income effects in the shorter term.

finance and carry out investments in energy efficiency, decarbonisation of heating and cooling *of buildings and to access* zero- and low-emission vehicles and *integrated mobility services, including attractive and safe active* mobility. Secondly, they should mitigate the impact of the increase in the cost of fossil fuels on the most vulnerable and thereby prevent energy and *mobility* poverty during the transition period until such investments have been implemented. The Plans should have an investment component promoting the long-term solution of *phasing out* fossil fuels reliance and could envisage other measures, including direct income support to mitigate adverse income effects in the shorter term.

Amendment 12

Proposal for a regulation Recital 15

Text proposed by the Commission

(15) Member States, in consultation with regional *level* authorities, are best placed to design and to implement Plans that are adapted and targeted to their local, regional and national circumstances as their existing policies in the relevant areas and planned use of other relevant EU funds. In that manner, the broad diversity of situations, the specific knowledge of local and regional governments, research and innovation and industrial relations and social dialogue structures, as well as national traditions, can best be respected and contribute to the effectiveness and efficiency of the overall support to the vulnerable.

Amendment

(15) Member States, in consultation with regional, *local, urban and other public* authorities, *civil society, economic and social partners* are best placed to design and to implement Plans that are adapted and targeted to their local, regional and national circumstances as their existing policies in the relevant areas and planned use of other relevant EU funds. In that manner, the broad diversity of situations, the specific knowledge of local and regional governments, research and innovation and industrial relations and social dialogue structures, as well as national traditions, can best be respected and contribute to the effectiveness and efficiency of the overall support to the vulnerable.

Amendment 13

Proposal for a regulation

Recital 16

Text proposed by the Commission

(16) Ensuring that the measures and investments are particularly targeted towards energy *poor or* vulnerable households, vulnerable *micro-enterprises and* vulnerable transport users is key for a just transition towards climate neutrality. ***Support measures to promote reductions in greenhouse gas emissions should help Member States to address the social impacts arising from the emissions trading for the sectors of buildings and road transport.***

Amendment 14

Proposal for a regulation

Recital 17

Text proposed by the Commission

(17) Pending the impact of those investments on reducing costs and emissions, *well targeted* direct *income* support for *the most vulnerable would help the just transition. Such support should be understood to be a temporary measure accompanying the decarbonisation of the housing and transport sectors.* It would not be permanent as it does not address the root causes of energy and *transport* poverty. Such support *should only concern direct impacts of the inclusion of building and road transport into the scope of Directive 2003/87/EC, not electricity or heating costs related to the inclusion of power and heat production in the scope of that Directive.* Eligibility for such direct *income* support should be *limited in time.*

Amendment

(16) Ensuring that the measures and investments are particularly targeted towards ***addressing energy and mobility poverty, particularly in the case of*** vulnerable households, vulnerable *micro and small enterprises*, vulnerable transport users is key for a just ***and inclusive*** transition towards climate neutrality.

Amendment

(17) Pending the impact of those investments on reducing costs and emissions, ***well-targeted, temporary*** direct support for ***those in energy and mobility poverty may contribute to reduce energy and mobility costs while waiting for more structural investments to take place.*** It would not be permanent as it does not address the root causes of energy and *mobility* poverty. ***However,*** such support ***could be seen as a way of enabling the most vulnerable to make the journeys necessary to meet their basic socio-economic needs.*** Eligibility for such direct support ***should be harmonised with the phasing in of the relevant directives and regulations affecting vulnerable actors in the Fit for 55 package and should be targeted to people facing energy and mobility poverty. Such*** support should be ***given without too much administrative***

burden for its recipients.

Amendment 15

Proposal for a regulation

Recital 17 a (new)

Text proposed by the Commission

Amendment

(17a) The Fund should comply with the Charter of Fundamental Rights of the European Union, the Union's obligation under the UN Convention on the Rights of Persons with disabilities, and align with the UN 2030 Agenda as well as the principles of the European Pillar of Social Rights.

Amendment 16

Proposal for a regulation

Recital 18

Text proposed by the Commission

Amendment

(18) Taking into account the importance of tackling climate change in line with Paris Agreement commitments, and the commitment to the United Nations Sustainable Development Goals, the actions under this Regulation should contribute to the achievement of the target that ***30% of all expenditure under the 2021-2027 multiannual financial framework*** should be spent ***on mainstreaming*** climate objectives and should contribute to the ambition of providing 10% of annual spending to biodiversity objectives in 2026 and 2027, while considering the existing overlaps between climate and biodiversity goals. For this purpose, the methodology set out in Annex II of Regulation (EU) 2021/1060 of the European Parliament and of the Council³³ should be used to tag the expenditures of the Fund. The Fund should support activities that fully respect the

(18) Taking into account the importance of tackling climate change in line with Paris Agreement commitments, and the commitment to the United Nations Sustainable Development Goals, the actions under this Regulation should contribute to the achievement of the target that ***at least 30% of the total amount of the Union budget and the European Union Recovery instrument*** expenditure should be spent ***to supporting*** climate objectives and should contribute to the ambition of providing ***7.5% of annual spending under the MFF to biodiversity objectives in 2024 and*** 10% of annual spending to biodiversity objectives in 2026 and 2027, while considering the existing overlaps between climate and biodiversity goals. For this purpose, the methodology set out in Annex II of Regulation (EU) 2021/1060 of the European Parliament and of the Council³³ should be used to tag the

climate and environmental standards and priorities of the Union and comply with the principle of ‘do no significant harm’ within the meaning of Article 17 of Regulation (EU) 2020/852 of the European Parliament and of the Council³⁴. Only such measures and investments should be included in the Plans. Direct income support measures should as a rule be considered as having an insignificant foreseeable impact on environmental objectives, and as such be considered compliant with the principle of ‘do no significant harm’. The Commission intends to issue technical guidance to the Member States well ahead of the preparation of the Plans. The guidance will explain how the measures and investments must comply with the principle of ‘do no significant harm’ within the meaning of Article 17 of Regulation (EU) 2020/852. The Commission intends to present in 2021 a proposal for a Council Recommendation on how to address the social aspects of the green transition.

³³ Regulation (EU) 2021/1060 of the European Parliament and of the Council of 24 June 2021 laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, the Just Transition Fund and the European Maritime, Fisheries and Aquaculture Fund and financial rules for those and for the Asylum, Migration and Integration Fund, the Internal Security Fund and the Instrument for Financial Support for Border Management and Visa Policy (OJ L 231, 30.6.2021, p. 159).

³⁴ Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (OJ L 198, 22.6.2020, p. 13).

expenditures of the Fund. The Fund should support activities that fully respect the climate and environmental standards and priorities of the Union and comply with the principle of ‘do no significant harm’ within the meaning of Article 17 of Regulation (EU) 2020/852 of the European Parliament and of the Council³⁴. Only such measures and investments should be included in the Plans. Direct income support measures should as a rule be considered as having an insignificant foreseeable impact on environmental objectives, and as such be considered compliant with the principle of ‘do no significant harm’. The Commission intends to issue technical guidance to the Member States well ahead of the preparation of the Plans. The guidance will explain how the measures and investments must comply with the principle of ‘do no significant harm’ within the meaning of Article 17 of Regulation (EU) 2020/852. The Commission intends to present in 2021 a proposal for a Council Recommendation on how to address the social aspects of the green transition.

³³ Regulation (EU) 2021/1060 of the European Parliament and of the Council of 24 June 2021 laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, the Just Transition Fund and the European Maritime, Fisheries and Aquaculture Fund and financial rules for those and for the Asylum, Migration and Integration Fund, the Internal Security Fund and the Instrument for Financial Support for Border Management and Visa Policy (OJ L 231, 30.6.2021, p. 159).

³⁴ Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (OJ L 198, 22.6.2020, p. 13).

Amendment 17

Proposal for a regulation Recital 19

Text proposed by the Commission

(19) Women are **particularly** affected by **carbon pricing as they** represent 85% of single parent families. **Single parent families** have a particularly high risk of child poverty. Gender **equality and** equal opportunities for all, and the mainstreaming of those objectives, as well as questions of accessibility for persons with disabilities should be taken into account and promoted throughout the preparation **and** implementation of Plans to ensure no one is left behind.

Amendment

(19) Women are **not only disproportionately** affected by **climate change, but also by the costs of the green transition due to the employment, income, pay and pension gaps and are therefore more likely to suffer from energy and mobility poverty. They also** represent 85% of single parent families, **which** have a particularly high risk of child poverty. **Women have different and more complex mobility patterns that those of men and use public transport more frequently. They are therefore more affected by public transport security, frequency, affordability and quality^{1a}. As transport is a factor that can directly increase poverty and social exclusion, gender equal rights and** opportunities for all, and the mainstreaming of those objectives, as well as questions of accessibility for persons with disabilities **and reduced mobility** should be taken into account and promoted throughout the preparation, implementation **and monitoring** of Plans to ensure no one is left behind.

^{1a} **IPOL study on "Women and transport", available at: [https://www.europarl.europa.eu/thinktank/nl/document/IPOL_STU\(2021\)701004](https://www.europarl.europa.eu/thinktank/nl/document/IPOL_STU(2021)701004)**

Amendment 18

Proposal for a regulation Recital 20 a (new)

(20a) The execution of the measures included in the Plans will be reliant on an adequate level of workforce. Therefore, Member States should complement the Plans by making use of other relevant Union actions and programmes to provide for reskilling and upskilling of workers to establish better opportunities, in particular in jobs related to building renovation, the manufacturing of zero and low emission vehicles as well as alternative fuel infrastructure deployment.

Amendment 19

Proposal for a regulation Recital 23

Text proposed by the Commission

(23) The financial envelope of the Fund should, ***in principle***, be commensurate ***to amounts corresponding to 25%*** of the ***expected revenues from the inclusion of buildings and road transport into the scope of Directive 2003/87/EC in the period 2026-2032. Pursuant to Council Decision (EU, Euratom) 2020/2053⁴¹***, Member States should make those revenues available ***to the Union budget as own resources***. Member States are to finance 50% of the total costs of their Plan themselves. ***For this purpose, as well as for investment and measures to accelerate and alleviate the required transition for citizens negatively affected, Member States should inter alia use their expected revenues from emissions trading for buildings and road transport under Directive 2003/87/EC for that purpose.***

Amendment

(23) The financial envelope of the Fund should be commensurate ***with stable and sufficient resources matching with the financial needs to reduce fossil fuel consumption and dependencies, and mitigate the social impacts of the green transition. The European Court of Auditors^{1a} estimates that, each year between 2021 and 2030, EUR 736bn are needed in the transport sector, including 31,4bn EUR yearly of public^{1b} expenditure^{1c} to reach the EU's 55% greenhouse gas target emission reduction by 2030. The financial envelope foreseen should be negotiated within the EU budget and the resource allocation between the European Parliament and the Council taking into account the evolution of the costs of the transition and of available resources. Member States are to finance 50% of the total costs of their Plan themselves. This share could be adjusted taking into consideration their different starting points and income levels as GDP***

per capita with reference years up to 2022 to take into account exceptional circumstances.

⁴¹ Council Decision (EU, Euratom) 2020/2053 of 14 December 2020 on the system of own resources of the European Union and repealing Decision 2014/335/EU, Euratom (OJ L 424, 15.12.2020, p. 1).

^{1a} EU action on energy and climate change, 2017, European Court of Auditors, <https://op.europa.eu/webpub/eca/lr-energy-and-climate/en/>

^{1b} Covid-19 recovery : investment opportunities in deep renovation in Europe, May 2020, Buildings Performance Institute Europe, https://www.bpie.eu/wp-content/uploads/2020/05/Recovery-investments-in-deep-renovation_BPIE_2020.pdf

^{1c} Financing the Social Climate Fund, February 2022, WW

Amendment 20

Proposal for a regulation Recital 25 a (new)

Text proposed by the Commission

Amendment

(25a) In order to facilitate investments in equipment and goods allowing better adaptation to the costs of the transition and to ensure that support under the Plans can be effectively implemented from the initial years starting from the entry into force of the Social Climate Fund, it should be possible for an amount of up to 13 % of the financial contribution of Member States to be paid in the form of pre-financing by the Commission.

Amendment 21

Proposal for a regulation Article 1 – paragraph 3

Text proposed by the Commission

The measures and investments supported by the Fund shall benefit households, **micro-enterprises** and transport users, which are **vulnerable and** particularly affected by the **inclusion of greenhouse gas emissions from buildings and road transport into the scope of** Directive 2003/87/EC, especially households in energy poverty and citizens without public transport alternative to individual cars (in remote and rural areas).

Amendment

The measures and investments supported by the Fund shall **directly** benefit **vulnerable** households, **vulnerable micro and small enterprises** and transport users, which are particularly affected by the **costs of the transition to climate neutrality, changes in energy prices and the impact of the emission trading system established by** Directive 2003/87/EC, especially households in energy poverty and **mobility poverty, users with low capacities to adapt to the consequences of the green transition and** citizens without public transport **or reduced mobility services** alternative to individual cars, **in particular** in remote and rural areas **including islands and outermost regions;**

Amendment 22

Proposal for a regulation
Article 1 – paragraph 4

Text proposed by the Commission

The general objective of the Fund is to contribute to **the** transition towards climate neutrality **by addressing** the social impacts of the **inclusion of greenhouse gas emissions from buildings and road transport into the scope of** Directive 2003/87/EC. The specific objective of the Fund is to support vulnerable households, vulnerable **micro-enterprises** and vulnerable transport users through temporary direct income support and through measures and investments intended to increase energy efficiency of buildings, decarbonisation of heating and cooling of buildings, including the integration of energy from renewable sources, and **granting improved** access to zero- and low-emission mobility and transport.

Amendment

The general objective of the Fund is to contribute to **a just, equitable, and inclusive** transition towards **the** climate neutrality **objective set out in Article 2, paragraph 1 of the Regulation EU 2021/1119 ("European Climate Law") in line with the Union's commitments under the Paris Agreement, and sustainable development and well-being for all by preventing and limiting as much as possible** the social impacts of the **costs of the transition;** The specific objective of the Fund is to **contribute to reduce energy and mobility poverty across the Union,** support vulnerable households, vulnerable **micro and small enterprises** and vulnerable transport users through temporary direct income support and through measures and investments intended to increase energy efficiency of

buildings, decarbonisation of heating and cooling of buildings, including the integration **and storage** of energy from **sustainable, renewable, low-carbon and zero-emission energy** sources, and **on the other hand strengthening and improving** access to **efficient and affordable** zero- and low-emission mobility and transport, **especially for private mobility in remote areas where there is a lack of efficient alternative, promoting the use of affordable and accessible public transport and increasing the quality and frequency of its services, and incentivising integrated mobility services and clean urban transport fleet renewal.**

Amendment 23

Proposal for a regulation

Article 2 – paragraph 1 – point 1

Text proposed by the Commission

(1) ‘building renovation’ means all kinds of **energy-related building renovation**, including the insulation of the building envelope, that is to say walls, roof, floor, the replacement of windows, the replacement of heating, cooling **and** cooking appliances, and the installation of on-site production of energy from renewable sources;

Amendment

(1) ‘building renovation’ means all kinds of **measures to increase energy efficiency in buildings**, including the insulation of the building envelope, that is to say walls, roof, floor, the replacement of windows, the **decarbonisation of** replacement of heating **and** cooling, **the replacement of** cooking **and lighting** appliances **for more efficient ones**, and the installation of on-site production **and storage** of energy from **sustainable, renewable, low-carbon and zero-emission energy** sources, **taking into consideration the needs of people with disabilities**;

Amendment 24

Proposal for a regulation

Article 2 – paragraph 1 – point 2

Text proposed by the Commission

(2) ‘energy poverty’ means energy poverty as defined in point [(49)] of Article 2 of Directive (EU) [yyyy/nnn] of the of the European Parliament and of the Council⁵⁰ ;

⁵⁰ [Directive (EU) [yyyy/nnn] of the of the European Parliament and of the Council (OJ C [...], [...], p. [...]).] [Proposal for recast of Directive 2012/27/EU on energy efficiency]

Amendment 25

Proposal for a regulation

Article 2 – paragraph 1 – point 2 a (new)

Text proposed by the Commission

Amendment

(2) ‘energy poverty’ means *a household’s inability to meet its basic energy supply needs and lack of access to essential energy services as to guarantee basic levels of comfort and health and a decent standard of living, including adequate warmth, cooling, lighting, and energy to power appliances;*

Amendment

(2a) ‘mobility poverty’ means *the situation of a household with limited access to available and affordable mobility and transport services and unable to afford the necessary transport required to meet essential services as well as essential socio-economic needs, depending on national, regional and local circumstances and which can be caused by one or the combination of the following factors: low-level incomes, high fuel expenditures, lack of affordable or availability of quality and high-frequency public transport services, lack or limited availability of alternative and active mobility solutions and their accessibility and location, with a particular focus on households in rural, remote and other disadvantaged areas;*

Amendment 26

Proposal for a regulation

Article 2 – paragraph 1 – point 9 a (new)

Text proposed by the Commission

Amendment

(9a) ‘small enterprise’ means an enterprise that employs fewer than 50 persons and whose annual turnover or annual balance sheet does not exceed EUR 10 million, calculated in accordance with Articles 3 to 6 of Annex I to Commission Regulation (EU) No 651/2014.

Amendment 27

Proposal for a regulation

Article 2 – paragraph 1 – point 10

Text proposed by the Commission

Amendment

(10) ‘transport users’ means households or *micro-enterprises* that use various transport and mobility options;

(10) ‘transport users’ means households or ***micro and small enterprises*** that use various transport and mobility options;

Amendment 28

Proposal for a regulation

Article 2 – paragraph 1 – point 11

Text proposed by the Commission

Amendment

(11) ‘vulnerable households’ means households *in* energy poverty or households, including lower middle-income ones, ***that are*** significantly affected by ***the price impacts of the inclusion of buildings into the scope of Directive 2003/87/EC and lack the means to renovate the building they occupy;***

(11) ‘vulnerable households’ means households ***which suffer from or at risk of*** energy ***and mobility*** poverty or households, including lower ***and*** middle-income ones, ***whose economic and social wellbeing is*** significantly affected by ***increased volatility of energy and commodity prices and the measures taken at Union and national level to advance in the green transition to achieve climate neutrality;***

Amendment 29

Proposal for a regulation Article 2 – paragraph 1 – point 12

Text proposed by the Commission

(12) ‘vulnerable **micro-enterprises**’ means **micro-enterprises** that are significantly affected by the **price impacts of the inclusion of buildings into the scope of Directive 2003/87/EC** and lack the means to renovate the building they occupy;

Amendment

(12) ‘vulnerable **micro and small enterprises**’ means **micro and small enterprises** that are significantly affected by the **transition towards climate neutrality** and lack the means to renovate the building they occupy **or to purchase zero and low-emission vehicles**;

Amendment 30

Proposal for a regulation Article 2 – paragraph 1 – point 13

Text proposed by the Commission

(13) ‘vulnerable transport users’ means transport users, including from lower middle-income households, that **are significantly affected by the price impacts of the inclusion of road transport into the scope of Directive 2003/87/EC and lack the means to purchase zero- and low-emission vehicles or to switch to alternative sustainable modes of transport, including public transport, particularly** in rural **and** remote areas.

Amendment

(13) ‘vulnerable transport users’ means transport users, including from lower **and** middle-income households, that **suffer from or are at risk of mobility poverty; particular attention should be taken to** transport **users** in rural, remote **and other disadvantaged** areas.

Amendment 31

Proposal for a regulation Article 3 – paragraph 1

Text proposed by the Commission

1. Each Member State shall submit to the Commission a Social Climate Plan (‘the Plan’) **together** with the update to the integrated national energy and climate plan referred to in Article 14(2) of Regulation

Amendment

1. Each Member State shall submit to the Commission a Social Climate Plan (‘the Plan’). **The Plan shall be coherent and maximize synergies** with the update to the integrated national energy and climate

(EU) 2018/1999 in accordance with the procedure and timeline laid down in that Article. The Plan **shall** contain a coherent set of measures and investments to address the **impact of carbon pricing** on vulnerable households, vulnerable **micro-enterprises** and vulnerable transport users in order to ensure affordable heating, cooling and mobility while accompanying and accelerating necessary measures to meet the climate targets of the Union.

plan referred to in Article 14(2) of Regulation(EU) 2018/1999 in accordance with the procedure and timeline laid down in that Article. The Plan **should** contain a coherent set of measures and investments to address the **cost of the transition to climate neutrality** on vulnerable households, vulnerable **micro and small enterprises**, vulnerable transport users in order to ensure affordable **and efficient** heating, cooling and **to grant access to sustainable and smart** mobility while accompanying and accelerating necessary measures to meet the climate targets of the Union.

Amendment 32

Proposal for a regulation Article 3 – paragraph 2

Text proposed by the Commission

2. The Plan may include national measures providing temporary direct income support to vulnerable households and households that are vulnerable transport users to reduce the impact of the increase in the price of fossil fuels **resulting from the inclusion of buildings and road transport into the scope of Directive 2003/87/EC.**

Amendment

2. The Plan may include national measures providing temporary direct income support to vulnerable households and households that are vulnerable transport users to reduce the impact of the increase in the price of fossil fuels.

Amendment 33

Proposal for a regulation Article 3 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

2a. In accordance with the ‘do-no significant- harm’ principle, this direct aid does not perpetuate a type of mobility dependent on fossil fuels, nor does it indirectly subsidise fossil fuels. However, if that aid is managed with the long-term

goal of decarbonising mobility, it can temporarily enable vulnerable households, for whom alternative, decarbonised transport options are not available to meet their essential socio-economic needs.

Amendment 34

Proposal for a regulation

Article 3 – paragraph 3 – introductory part

Text proposed by the Commission

3. The Plan shall include national projects to:

Amendment

3. The Plan shall include national, **regional and local** projects to:

Amendment 35

Proposal for a regulation

Article 3 – paragraph 3 – point a

Text proposed by the Commission

(a) finance measures and investments to increase energy efficiency of buildings, to implement energy efficiency improvement measures, to carry out building renovation, and to decarbonise heating and cooling of buildings, including the integration of energy production **from** renewable energy sources;

Amendment

(a) finance measures and investments to increase energy efficiency of buildings, to implement energy efficiency improvement measures, to carry out building renovation, and to decarbonise heating and cooling of buildings, including the integration of energy production, **as well as its storage, from sustainable, renewable, low-carbon and zero-emission** energy sources ;

Amendment 36

Proposal for a regulation

Article 3 – paragraph 3 – point b

Text proposed by the Commission

(b) finance measures and investments to increase the uptake of zero- and **low-emission** mobility and transport.

Amendment

(b) Finance measures and investments to increase the uptake of zero- and **low-emission** mobility and transport, **to**

promote the use of affordable, efficient and accessible public transport and increase the quality and frequency of its services, particularly in rural areas, to promote all facets of shared mobility services, as well as to incentivise clean urban transport fleet renewal and infrastructure that supports active mobility, such as cycling routes.

Amendment 37

Proposal for a regulation

Article 3 – paragraph 3 a (new)

Text proposed by the Commission

Amendment

3a. Local and regional authorities, social partners, civil society organisations, including those representing young people, and other relevant stakeholders shall be consulted on the draft plan in accordance with the national legal framework, before it is submitted to the Commission.

Amendment 38

Proposal for a regulation

Article 4 – paragraph 1 – point b

Text proposed by the Commission

Amendment

(b) concrete accompanying measures needed to accomplish the measures and investments of the Plan and reduce the effects referred to in point (c) ***as well as information on existing or planned financing of measures and investments from other Union, international, public or private sources;***

(b) concrete accompanying measures ***and policy reforms*** needed to ***implement and*** accomplish the measures and investments of the Plan and reduce the effects referred to in point (c);

Amendment 39

Proposal for a regulation

Article 4 – paragraph 1 – point b a (new)

Text proposed by the Commission

Amendment

(ba) (c) as well as information on existing or planned financing of measures and investments from other Union, international, public or private sources;

Amendment 40

Proposal for a regulation

Article 4 – paragraph 1 – point c

Text proposed by the Commission

Amendment

(c) an estimate of the likely effects of that increase in prices on households, and in particular on incidence of energy poverty, **on micro-enterprises** and on transport users, comprising in particular an estimate and the identification of vulnerable households, vulnerable **micro-enterprises and** vulnerable transport users; these impacts are to be analysed with a sufficient level of regional disaggregation, taking into account elements such as access **to** public transport and basic services and identifying the areas mostly affected, particularly **territories which are** remote and **rural**;

(c) an estimate of the likely effects of that increase in prices on households, and in particular on incidence of energy poverty **and mobility poverty, on micro and small enterprises**, and on transport users, comprising in particular an estimate and the identification of vulnerable households, vulnerable **micro and small enterprises**, vulnerable transport users; these impacts are to be analysed with a sufficient level of regional disaggregation **and gender-disaggregated data**, taking into account elements such as **national specificities and** access, **affordability and availability of frequent and quality** public transport and basic services and identifying the areas mostly affected, particularly **in rural**, remote and **other disadvantaged areas; these impacts shall also be analysed and assessed regularly taking into consideration the fact that a household may become vulnerable at any particular moment and for varying socio-economic reasons;**

Amendment 41

Proposal for a regulation

Article 4 – paragraph 1 – point c a (new)

Text proposed by the Commission

Amendment

(ca) a gender impact assessment and an explanation of how the measures and investments contained in the Plan take into account the objectives to contribute to gender equality and equal opportunities for all;

Amendment 42

Proposal for a regulation

Article 4 – paragraph 1 – point d

Text proposed by the Commission

Amendment

(d) where the Plan provides for measures referred to in Article 3(2), the criteria for the identification of eligible final recipients, the indication of the envisaged time limit for the measures in question and their justification on the basis of a quantitative estimate and a qualitative explanation of how the measures in ***the Plan are expected to reduce*** energy and ***transport*** poverty ***and the vulnerability of*** households, ***micro-enterprises and transport users to an increase of road transport and heating fuel prices;***

(d) where the Plan provides for measures referred to in Article 3(2), the criteria for the identification of eligible final recipients, the indication of the envisaged time limit for the measures in question and their justification on the basis of a quantitative estimate and a qualitative explanation of how the measures ***provide a necessary and proportionate immediate relief for households and micro and small enterprises*** in energy and ***mobility*** poverty ***as part of a holistic strategy to effectively lift those micro and small enterprises and households out of mobility poverty through more structural investments on the short to medium term, in particular the phase out of the reliance on fossil fuel dependence;***

Amendment 43

Proposal for a regulation

Article 4 – paragraph 1 – point e

Text proposed by the Commission

Amendment

(e) envisaged milestones, targets and an indicative timetable for the implementation of the measures and

(e) envisaged ***specific*** milestones ***and*** targets ***to reduce the number of vulnerable households and vulnerable micro and***

investments to be completed by 31 July 2032;

small enterprises and an indicative timetable for the implementation of the measures and investments to be completed ***at the end of each multiannual financial framework, that is, by 31 December 2027 and by 31 July 2035 respectively;***

Amendment 44

Proposal for a regulation

Article 4 – paragraph 1 – point i

Text proposed by the Commission

(i) the arrangements for the effective monitoring and implementation of the Plan by the Member State concerned, in particular of the proposed milestones and targets, including indicators for the implementation of measures and investments, which, where relevant, shall be those available with the Statistical office of the European Union European Statistical Office and the European Energy Poverty Observatory as identified by Commission Recommendation 2020/1563⁵⁴ on energy poverty;

⁵⁴ OJ L 357, 27.10.2020, p. 35.

Amendment

(i) the arrangements for the effective monitoring and implementation of the Plan by the Member State ***and regional and local authorities concerned, including the involvement of economic and social partners and civil society in the process,*** in particular of the proposed milestones and targets, including indicators for the implementation of measures and investments, which, where relevant, shall be those available with the Statistical office of the European Union European Statistical Office and the European Energy Poverty Observatory as identified by Commission Recommendation 2020/1563⁵⁴ on energy poverty; ***the Commission shall, by 31 July 2023, develop indicators to monitor mobility poverty. Data related to these indicators shall be regularly collected by European Statistical office and a Mobility Poverty Observatory shall be created by the European Commission;***

⁵⁴ OJ L 357, 27.10.2020, p. 35.

Amendment 45

Proposal for a regulation

Article 4 – paragraph 1 – point j

Text proposed by the Commission

(j) for the preparation and, where available, for the implementation of the Plan, a summary of the consultation process, conducted in accordance with Article 10 of Regulation (EU) 2018/1999 and with the national legal framework, of local and regional authorities, social partners, civil society organisations, youth organisations and other relevant stakeholders, and how the input of the stakeholders is reflected in the Plan;

Amendment

(j) for the preparation and, where available, for the implementation of the Plan, a summary of the consultation process ***provided in Article 3, paragraph 3a (new)***, conducted in accordance with Article 10 of Regulation (EU) 2018/1999 and with the national legal framework, of local and regional authorities, social partners, civil society organisations, youth organisations and other relevant stakeholders, and how the input of the stakeholders is reflected in the Plan;

Amendment 46

Proposal for a regulation
Article 4 – paragraph 1 a (new)

Text proposed by the Commission

Amendment

1a. By 31 July 2023, the Commission shall provide guidance to Member States on how to comply with the provisions of this Article.

Amendment 47

Proposal for a regulation
Article 4 – paragraph 3

Text proposed by the Commission

Amendment

3. ***When preparing their Plans, Member States may request*** the Commission ***to organise an*** exchange of good practices. Member States may also request technical support under the ELENA facility, established by an Agreement of the Commission with the European Investment Bank in 2009, or under the Technical Support Instrument established by Regulation (EU) 2021/240 of the European Parliament and of the

3. The Commission ***shall set up a platform to actively promote the*** exchange of good practices ***among all stakeholders and communities concerned by the implementation of the Fund as well as to provide guidance to enable and encourage the capacity building of stakeholders to participate in the development and implementation of the Fund.*** Member States ***and the stakeholders involved in the preparation of the Plans*** may also request technical support under the ELENA

Council⁵⁸.

facility, established by an Agreement of the Commission with the European Investment Bank in 2009, or under the Technical Support Instrument established by Regulation (EU) 2021/240 of the European Parliament and of the Council⁵⁸.

⁵⁸ Regulation (EU) 2021/240 of the European Parliament and of the Council of 10 February 2021 establishing a Technical Support Instrument (OJ L 57, 18.2.2021, p. 1).

⁵⁸ Regulation (EU) 2021/240 of the European Parliament and of the Council of 10 February 2021 establishing a Technical Support Instrument (OJ L 57, 18.2.2021, p. 1).

Amendment 48

Proposal for a regulation Article 5 – paragraph 2 – introductory part

Text proposed by the Commission

2. Payment of support shall be conditional upon achieving the milestones and targets for measures and investments set out in the Plans. Those milestones and targets shall be compatible with the Union's climate targets and cover in particular:

Amendment

2. Payment of support shall be conditional upon achieving the milestones and targets for measures and investments set out in the Plans. Those milestones and targets shall be compatible with the Union's climate targets and cover in particular:

Amendment 49

Proposal for a regulation Article 5 – paragraph 2 – point c

Text proposed by the Commission

(c) zero- and low-emission mobility **and** transport;

Amendment

(c) zero- and low-emission mobility, **taking into account the carbon footprint of vehicles throughout their life cycle, active mobility, mobility-on-demand services and public** transport;

Amendment 50

Proposal for a regulation
Article 5 – paragraph 2 – point d

Text proposed by the Commission

(d) greenhouse gas emissions reductions;

Amendment

(d) greenhouse gas emissions reductions *relating to measures and investments in accordance with Article 6;*

Amendment 51

Proposal for a regulation
Article 5 – paragraph 2 – point e

Text proposed by the Commission

(e) reductions in the number of vulnerable households, especially households in energy poverty, of vulnerable *micro-enterprises* and of vulnerable transport users, *including* in rural *and* remote areas.

Amendment

(e) reductions in the number of vulnerable households, especially households in energy *and mobility* poverty, of vulnerable *micro and small enterprises* and of vulnerable transport users, *disaggregated per gender, in particular* in rural, remote *and other disadvantaged* areas.

Amendment 52

Proposal for a regulation
Article 5 – paragraph 3 a (new)

Text proposed by the Commission

Amendment

3a. The Social Climate Fund shall not support measures and investments excluded under Article 9 of Regulation (EU) 2021/1056.

Amendment 53

Proposal for a regulation
Article 6 – paragraph 1

Text proposed by the Commission

1. Member States may include the

Amendment

1. Member States may include the

costs of measures providing *temporary* direct income support to vulnerable households **and vulnerable households that are transport users** to absorb the increase **in road transport and heating** fuel prices. Such support shall decrease over time and be **limited to the direct impact of the emission trading for buildings and road transport**. Eligibility for such direct income support shall cease within the time limits identified under Article 4(1) point (d).

costs of measures providing direct income support, **such as reduction of taxes and fees, as a transitional measure**, to vulnerable households **facing energy and mobility poverty** to absorb the increase of fuel prices **and other costs of the transition towards smart and sustainable mobility**. Such support shall decrease over time and be **accompanied with policy reforms and more structural investments which would have long-lasting impacts**. Eligibility for such direct income support shall cease within the time limits identified under Article 4(1) point (d).

Amendment 54

Proposal for a regulation

Article 6 – paragraph 2 – introductory part

Text proposed by the Commission

2. Member States may include the costs of the following measures and investments in the estimated total costs of the Plans, provided they principally benefit vulnerable households, vulnerable **micro-enterprises** or vulnerable transport users and intend to:

Amendment

2. Member States may include the costs of the following measures and investments in the estimated total costs of the Plans, provided they principally benefit vulnerable households, vulnerable **micro and small enterprises** or vulnerable transport users and intend to:

Amendment 55

Proposal for a regulation

Article 6 – paragraph 2 – point a

Text proposed by the Commission

(a) support building renovations, especially for those occupying worst-performing buildings, including in the form of financial support or fiscal incentives such as deductibility of renovation costs from the rent, independently of the ownership of the buildings concerned;

Amendment

(a) support building renovations, **prioritising social housing and deprived areas**, especially for those occupying worst-performing buildings, including in the form of financial support or fiscal incentives such as deductibility of renovation costs from the rent, independently of the ownership of the buildings concerned;

Amendment 56

Proposal for a regulation

Article 6 – paragraph 2 – point b

Text proposed by the Commission

(b) contribute to the decarbonisation, including the electrification, of heating and cooling ***of, and cooking in,*** buildings ***and*** the integration of energy from renewable sources that contribute to the achievements of energy savings;

Amendment

(b) contribute to the decarbonisation, including the electrification, ***digitalisation*** of heating and cooling ***in*** buildings, ***and of cooking appliances, as well as*** the integration ***and storage*** of energy from ***sustainable, renewable, low-carbon and zero-emission energy*** sources that contribute to the achievements of energy savings ***such as vouchers, subsidies or zero- or low-interest loans to invest in products and services to increase the energy performance of buildings or to integrate sustainable, renewable, low-carbon and zero-emission energy sources in buildings;***

Amendment 57

Proposal for a regulation

Article 6 – paragraph 2 – point d

Text proposed by the Commission

(d) provide ***access to zero- and low-emission vehicles and bikes, including*** financial support or fiscal incentives ***for their purchase*** as well as for ***appropriate public and private infrastructure, including for recharging and refuelling; for support concerning low-emission vehicles, a timetable for gradually reducing the support shall be provided;***

Amendment

(d) provide ***investments aimed at accelerating the modal shift towards sustainable and multi-modal mobility solutions, such as*** financial support or fiscal incentives ***to access to zero and low emission vehicles, fostering the development of a second-hand zero and low-emission vehicle market; support for the creation and development of integrated mobility services,*** as well as for ***the provision of digital applications and non-digital initiatives that connect users to facilitate shared mobility;***

Amendment 58

Proposal for a regulation

Article 6 – paragraph 2 – point e

Text proposed by the Commission

(e) **grant** free access to public transport or **adapted** tariffs for access to public transport, **as well as** fostering sustainable mobility on demand and shared mobility services;

Amendment

(e) **help public transport operators and promote the use of affordable and accessible public transport and increase the quality of its services in terms of timing, frequency and punctuality particularly in rural areas and areas inhabited mainly by vulnerable households, granting preferably** free access to public transport or **social** tariffs for access to public transport, fostering sustainable mobility on demand and shared mobility services, **incentivising clean urban transport fleet renewal and paying particular attention to those areas suffering from demographic and accessibility challenges such as depopulated areas;**

Amendment 59

Proposal for a regulation

Article 6 – paragraph 2 – point f

Text proposed by the Commission

(f) support public and private entities in developing and providing affordable zero- and low-emission mobility and transport services and the uptake of attractive active mobility options for rural, **insular, mountainous**, remote and **less accessible areas or for less developed regions or territories, including less developed peri-urban** areas.

Amendment

(f) support public and private entities in developing and providing affordable **and efficient** zero- and low-emission mobility and **public** transport services and the uptake of attractive, **accessible, and safe** active mobility options **such as financial support covering the purchase and leasing of bicycles as well as its corresponding infrastructure**, for rural, remote and **other disadvantaged** areas;

Amendment 60

Proposal for a regulation
Article 6 – paragraph 2 – point f a (new)

Text proposed by the Commission

Amendment

(fa) provide households affected by mobility poverty with targeted information, tailored advice, capacity building, training support and information about sustainable and affordable mobility alternatives.

Amendment 61

Proposal for a regulation
Article 7 – paragraph 1 – introductory part

Text proposed by the Commission

Amendment

1. The Fund shall not support, and the estimated total costs of Plans shall not include measures in the form of direct income support pursuant to Article 3(2) of this Regulation for households already benefiting:

1. The Fund shall not support, and the estimated total costs of Plans shall not include measures in the form of direct income support pursuant to Article 3(2) of this Regulation ***to the extent that these are additional and complementary to the support provided*** for households already benefiting:

Amendment 62

Proposal for a regulation
Article 7 – paragraph 1 – point a

Text proposed by the Commission

Amendment

(a) from public intervention in the price level of the fuels covered by Chapter IVa of Directive 2003/87/EC;

deleted

Amendment 63

Proposal for a regulation
Article 7 – paragraph 2

Text proposed by the Commission

2. Where it is proven by the Member State concerned in its Plan that the public interventions referred to in paragraph 1 do not fully off-set the **price increase resulting from the inclusion of the sectors of buildings and road transport into the scope of Directive 2003/87/EC**, direct income support may be included in the estimated total costs in the limits of the price increase not fully off-set.

Amendment 64

Proposal for a regulation
Article 8 – title

Text proposed by the Commission

Pass-on of benefits to households, **micro-enterprises** and transport users

Amendment 65

Proposal for a regulation
Article 8 – paragraph 1

Text proposed by the Commission

Member States may include into the estimated total costs financial support provided to public or private entities other than vulnerable households, vulnerable **micro-enterprises** and vulnerable transport **uses**, if those entities carry out measures and investments ultimately benefitting vulnerable households, vulnerable **micro-enterprises** and vulnerable transport users.

Amendment 66

Amendment

2. Where it is proven by the Member State concerned in its Plan that the public interventions referred to in paragraph 1 do not fully off-set the **costs of the transition to climate neutrality**, direct income support may be included in the estimated total costs in the limits of the price increase not fully off-set.

Amendment

Pass-on of benefits to households, **micro and small enterprises** and transport users

Amendment

Member States may include into the estimated total costs financial support provided to public or private entities other than vulnerable households, vulnerable **micro and small enterprises** and vulnerable transport **users**, if those entities carry out measures and investments ultimately benefitting vulnerable households, vulnerable **micro and small enterprises** and vulnerable transport users.

Proposal for a regulation
Article 8 – paragraph 2

Text proposed by the Commission

Member States shall provide for the necessary statutory and contractual safeguards to ensure that the entire benefit is passed on to the households, *micro-enterprises* and transport users.

Amendment

Member States shall provide for the necessary statutory and contractual safeguards to ensure that the entire benefit is passed on to the households, *micro and small enterprises* and transport users.

Amendment 67

Proposal for a regulation
Article 9 – paragraph 1

Text proposed by the Commission

1. The financial envelope for the implementation of the Fund for the period **2025-2027** shall be EUR 23 700 000 000 in current prices.

Amendment

1. The financial envelope *foreseen* for the implementation of the Fund for the period **2023-2027** shall be EUR 23 700 000 000 in current prices. *However, its definitive amount shall be negotiated within the EU budget, following an in-depth and updated assessment of the costs of the transition and the resources available.*

Amendment 68

Proposal for a regulation
Article 9 – paragraph 2

Text proposed by the Commission

2. The financial envelope for the implementation of the Fund for the period **2028-2032** shall be EUR 48 500 000 000 in current prices, *subject to the availability of the amounts under the annual ceilings of the applicable* multiannual financial framework *referred to in Article 312 TFEU.*

Amendment

2. The financial envelope *foreseen* for the implementation of the Fund for the period **2028 - 2034** shall be EUR 48 500 000 000 in current prices. *However, its definitive amount shall be determined during the negotiations of the next* multiannual financial framework.

Amendment 69

Proposal for a regulation
Article 10 – paragraph 3

Text proposed by the Commission

3. Member States may include in their Plan, as part of the estimated total costs, the payments for additional technical support pursuant to Article 7 of Regulation (EU) 2021/240 and the amount of the cash contribution for the purpose of the Member State compartment pursuant to the relevant provisions of Regulation (EU) 2021/523. Those costs shall not exceed 4 % of the financial total allocation for the Plan, and the relevant measures, as set out in the Plan, shall comply with this Regulation.

Amendment

3. Member States may include in their Plan, as part of the estimated total costs, the payments for additional technical support pursuant to Article 7 of Regulation (EU) 2021/240 and the amount of the cash contribution for the purpose of the Member State compartment pursuant to the relevant provisions of Regulation (EU) 2021/523. Those costs shall not exceed 4 % of the financial total allocation for the Plan, and the relevant measures, as set out in the Plan, shall comply with this Regulation. ***In addition, where necessary, the Member State may propose additional technical assistance measures to strengthen the capacity and effectiveness of public authorities and bodies, beneficiaries and relevant partners necessary for the effective management and use of the Funds.***

Amendment 70

Proposal for a regulation
Article 12 – paragraph 1

Text proposed by the Commission

1. Support under the Fund shall be additional to the support provided under other Union funds, programmes and instruments. Measures and investments supported under the Fund may receive support from other Union funds, programmes and instruments provided that such support does not cover the same cost.

Amendment

1. Support under the Fund shall be additional to the support provided under other Union, ***national and, where appropriate, regional*** funds, programmes and instruments. Measures and investments supported under the Fund may receive support from other Union funds, programmes and instruments provided that such support does not cover the same cost.

Amendment 71

Proposal for a regulation
Article 12 – paragraph 1 a (new)

Text proposed by the Commission

Amendment

1a. Support under the Fund shall be used in synergy, complementarity, coherence and consistency with other funds, programmes and instruments at Union, national and, where appropriate, regional levels, in particular the Modernisation Fund established by Directive 2003/87/EC, the Invest EU Programme, the Technical Support Instrument, the Recovery and Resilience Facility, and the Funds covered by Regulation (EU) 2021/1060.

Amendment 72

Proposal for a regulation
Article 13 – paragraph 1

Text proposed by the Commission

Amendment

1. The maximum financial allocation shall be calculated for each Member State as specified in Annex I and Annex II.

1. The **minimum and** maximum financial allocation shall be calculated for each Member State as specified in Annex I and Annex II **and shall be adequate, allowing meaningful action by each Member State and leading to tangible results for citizens across the European Union.**

Amendment 73

Proposal for a regulation
Article 13 a (new)

Text proposed by the Commission

Amendment

Article 13a

Pre-financing

1. Subject to the adoption by the Commission of the implementing act referred to in Article 16(1), when a

Member State requests pre-financing together with the submission of the Plan, the Commission shall make a pre-financing payment of an amount of up to 13 % of the financial contribution. By derogation from Article 116(1) of Regulation (EU, Euratom) 2018/1046, the Commission shall make the corresponding payment within, to the extent possible, two months after the adoption by the Commission of the legal commitment referred to in Article 18.

2. In cases of pre-financing under paragraph 1, the financial contributions shall be adjusted proportionally.

Amendment 74

Proposal for a regulation Article 14 – paragraph 1

Text proposed by the Commission

1. Member States *shall contribute at least to 50 percent of the total estimated costs of their Plans.*

Amendment

1. Member States' *contribution of 50% can be tailored following a thorough impact assessment taking into consideration their different starting points and income levels as GDP per capita with reference years up to 2022 to take into account exceptional circumstances.*

Amendment 75

Proposal for a regulation Article 14 – paragraph 2

Text proposed by the Commission

2. *Member States shall inter alia use revenues from the auctioning of their allowances in accordance with Chapter IVa of Directive 2003/87/EC for their national contribution to the total estimated costs of their Plans.*

Amendment

deleted

Amendment 76

Proposal for a regulation

Article 15 – paragraph 2 – point a – point i

Text proposed by the Commission

(i) whether the Plan represents *a* response to the social impact on and challenges faced by vulnerable households, vulnerable *micro-enterprises* and vulnerable transport users in the Member State concerned *from establishing the emission trading system for buildings and road transport established pursuant to Chapter IVa of Directive 2003/87/EC*, especially households in energy poverty, duly taking into account the challenges identified in the assessments of the Commission of the update of the concerned Member State’s integrated national energy and climate plan and of its progress pursuant to Article 9(3), and Articles 13 and 29 of Regulation (EU) 2018/1999, as well as in the Commission recommendations to Member States issued pursuant to Article 34 of Regulation (EU) 2018/1999 in view of the long-term objective of climate neutrality in the Union by 2050. This shall take into account the specific challenges and the financial allocation of the Member State concerned;

Amendment

(i) whether the Plan represents *an adequate and effective* response to the social impact *of the costs of the transition* on and challenges faced by vulnerable households, vulnerable *micro and small enterprises* and vulnerable transport users in the Member State concerned, especially households in energy *poverty and mobility* poverty, duly taking into account the challenges identified in the assessments of the Commission of the update of the concerned Member State’s integrated national energy and climate plan and of its progress pursuant to Article 9(3), and Articles 13 and 29 of Regulation (EU) 2018/1999, as well as in the Commission recommendations to Member States issued pursuant to Article 34 of Regulation (EU) 2018/1999 in view of the *Union’s 2030 climate and energy targets and the* long-term objective of climate neutrality in the Union by 2050. This shall take into account the specific challenges and the financial allocation of the Member State concerned;

Amendment 77

Proposal for a regulation

Article 15 – paragraph 2 – point a – point iii

Text proposed by the Commission

(iii) whether the Plan contains measures and investments that contribute to the green transition, *including to addressing the challenges resulting therefrom* and in particular to the achievement of the *2030* climate and energy objectives *of the Union*

Amendment

(iii) Whether the Plan contains measures and investments *addressing the social impacts* that contribute to the green transition, and in particular to the achievement of the *EU’s 2030 and 2050* climate and energy objectives, the 2030

and the 2030 milestones of the Mobility Strategy.

milestones of the Mobility Strategy *and commitments to achieve the UN sustainable development goals as well as the objectives of the European Pillar of Social rights*;

Amendment 78

Proposal for a regulation

Article 15 – paragraph 2 – point a – point iii a (new)

Text proposed by the Commission

Amendment

(iii a) whether social partners and relevant stakeholders have been involved and the plans have been developed through an adequate consultation process in accordance with the European code of conduct on partnership (Commission Delegated Regulation n°240/2014) and Article 3 paragraph 3a (new);

Amendment 79

Proposal for a regulation

Article 15 – paragraph 2 – point a – point iii b (new)

Text proposed by the Commission

Amendment

(iii b) whether the plan contains a gender impact analysis and an explanation of how the measures and investments are expected to address the gender dimension of energy poverty and mobility poverty.

Amendment 80

Proposal for a regulation

Article 15 – paragraph 2 – point b – point i

Text proposed by the Commission

Amendment

(i) whether the Plan is expected to have a lasting impact on the challenges

(i) whether the Plan is expected to have a lasting impact on the challenges

addressed by that Plan and in particular on vulnerable households, vulnerable *micro-enterprises* and vulnerable transport users, especially households in energy poverty, in the Member State concerned;

addressed by that Plan and in particular on vulnerable households, vulnerable *micro and small enterprises* and vulnerable transport users, especially households in energy *and mobility* poverty, in the Member State concerned;

Amendment 81

Proposal for a regulation

Article 15 – paragraph 2 – point c – point iii a (new)

Text proposed by the Commission

Amendment

(iii a) whether the measures and investments are accompanied by complementary measures required to effectively address energy poverty and mobility poverty.

Amendment 82

Proposal for a regulation

Article 17 – paragraph 1

Text proposed by the Commission

Amendment

1. Where a Social Climate Plan, including relevant milestones and targets, is no longer achievable, either in whole or in part, by the Member State concerned because of objective circumstances, in particular because of the actual direct ***effects*** of the ***emission trading system for buildings and road transport established pursuant to Chapter IVa of Directive 2003/87/EC***, the Member State concerned may submit to the Commission an amendment of its Plan to include the necessary and duly justified changes. Member States may request technical support for the preparation of such request.

1. Where a Social Climate Plan, including relevant milestones and targets, is no longer achievable, either in whole or in part, by the Member State concerned because of objective circumstances, in particular because of the actual direct ***costs*** of the ***transition to climate neutrality***, the Member State concerned may submit to the Commission an amendment of its Plan to include the necessary and duly justified changes. Member States may request technical support for the preparation of such request.

Amendment 83

Proposal for a regulation
Article 17 – paragraph 5

Text proposed by the Commission

5. By 15 March 2027 each Member State concerned shall assess the appropriateness of its Plans in view of the **actual direct effects** of the **emission trading system for buildings and road transport established pursuant to Chapter IVa of Directive 2003/087/EC**. Those assessments shall be submitted to the Commission as part of the biennial progress reporting pursuant to Article 17 of Regulation (EU) 2018/1999.

Amendment

5. By 15 March 2027 each Member State concerned shall assess the appropriateness of its Plans in view of the **objective to reduce energy poverty and mobility poverty, and mitigating the costs of the transition while meeting the Union energy and climate targets**. Those assessments shall be submitted to the Commission as part of the biennial progress reporting pursuant to Article 17 of Regulation (EU) 2018/1999.

Amendment 84

Proposal for a regulation
Article 18 – paragraph 1

Text proposed by the Commission

1. After the Commission has adopted a decision as referred to in Article 16, it shall in due time conclude an agreement with the Member State concerned constituting an individual legal commitment within the meaning of Regulation (EU, Euratom) 2018/1046 covering the period **2025-2027**. **That agreement may be concluded at the earliest one year before the year of the start of the auctions under Chapter IVa of Directive 2003/87/EC.**

Amendment

1. After the Commission has adopted a decision as referred to in Article 16, it shall in due time conclude an agreement with the Member State concerned constituting an individual legal commitment within the meaning of Regulation (EU, Euratom) 2018/1046 covering the period **2023-2027**.

Amendment 85

Proposal for a regulation
Article 18 – paragraph 2

Text proposed by the Commission

2. The individual legal commitment covering the period **2028-2032 shall be**

Amendment

2. The individual legal commitment covering the period **2028-2034 be**

concluded subject to the availability of the amounts referred to in Article 9(2) of this Regulation under the annual ceilings of the multiannual financial framework referred to in Article 312 TFEU.

concluded subject to the availability of the amounts referred to in Article 9(2) of this Regulation under the annual ceilings of the multiannual financial framework referred to in Article 312 TFEU.

Amendment 86

Proposal for a regulation Article 18 – paragraph 3

Text proposed by the Commission

3. Budgetary commitments may be based on global commitments ***and, where appropriate, may be broken down into annual instalments spread over several years.***

Amendment

3. Budgetary commitments may be based on global commitments.

Amendment 87

Proposal for a regulation Article 19 – paragraph 7

Text proposed by the Commission

7. Where, within 12 months of the date of the conclusion of relevant agreements referred to in Article 18, no tangible progress has been made in respect of any relevant milestones and targets by the Member State concerned, the Commission shall terminate the relevant agreements referred to in Article 18 and shall de-commit the amount of the financial allocation. The Commission shall take a decision on the termination of agreements referred to in Article 18 after having given the Member State concerned the possibility to present its observations within a period of two months of the communication of its assessment as to whether no tangible progress has been made.

Amendment

7. Where, within 12 months of the date of the conclusion of relevant agreements referred to in Article 18, no tangible progress has been made in respect of any relevant milestones and targets by the Member State concerned, the Commission shall terminate the relevant agreements referred to in Article 18 and shall de-commit the amount of the financial allocation. ***Any pre-financing in accordance with Article [13a] shall be recovered in full.*** The Commission shall take a decision on the termination of agreements referred to in Article 18 after having given the Member State concerned the possibility to present its observations within a period of two months of the communication of its assessment as to whether no tangible progress has been made.

Amendment 88

Proposal for a regulation

Article 21 – paragraph 1 – introductory part

Text proposed by the Commission

The Commission and the Member States concerned shall, in a manner commensurate to their respective responsibilities, foster synergies and ensure effective coordination between the Fund and other Union programmes and instruments, including InvestEU Programme, the Technical Support Instrument, the Recovery and Resilience Facility, and the Funds covered by Regulation (EU) 2021/1060. For that purpose, they shall:

Amendment

The Commission and the Member States concerned shall, in a manner commensurate to their respective responsibilities, foster synergies and ensure effective coordination between the Fund and other Union programmes and instruments, including ***the Modernisation Fund***, InvestEU Programme, the Technical Support Instrument, the Recovery and Resilience Facility, and the Funds covered by Regulation (EU) 2021/1060. For that purpose, they shall:

Amendment 89

Proposal for a regulation

Article 23 – paragraph 1 – point a

Text proposed by the Commission

(a) detailed quantitative information on the number of households in energy poverty;

Amendment

(a) detailed quantitative information ***as well as disaggregated data*** on the number of households in energy poverty ***and mobility poverty and changes compared to the last report using the definition proposed in their plan;***

Amendment 90

Proposal for a regulation

Article 23 – paragraph 1 – point b

Text proposed by the Commission

(b) when applicable, detailed information on progress towards the national indicative objective to reduce the

Amendment

(b) when applicable, detailed information on progress towards the national indicative objective to reduce the number of households ***facing*** energy

number of households *in* energy poverty;

poverty *and mobility poverty*;

Amendment 91

Proposal for a regulation

Article 23 – paragraph 1 – point c

Text proposed by the Commission

(c) detailed information on the results of the measures and investments, included in its Plan;

Amendment

(c) detailed information on the results of the measures and investments, included in its Plan, *in particular as regards the potential emission reduction and the number of beneficiaries*;

Amendment 92

Proposal for a regulation

Article 23 – paragraph 1 – point f

Text proposed by the Commission

(f) in 2027, an assessment of the Plan referred to in Article 17(5) in view of *the actual direct effects* of the *emission trading system for buildings and road transport established pursuant to Chapter IVa of Directive 2003/087/EC*;

Amendment

(f) in 2027, an assessment of the Plan referred to in Article 17(5) in view of *costs* of the *transition*;

Amendment 93

Proposal for a regulation

Article 24 – paragraph 1

Text proposed by the Commission

1. By 1 July **2028**, the Commission shall provide the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions with an evaluation report on the implementation and functioning of the Fund.

Amendment

1. By 1 July **2024**, the Commission shall provide the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions with an *early* evaluation report on the implementation and functioning of the Fund.

Amendment 94

Proposal for a regulation Article 24 – paragraph 1 a (new)

Text proposed by the Commission

Amendment

1 a. By 1 July 2026, the Commission shall provide the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions with an evaluation report on the implementation and functioning of the Fund.

Amendment 95

Proposal for a regulation Article 24 – paragraph 2

Text proposed by the Commission

Amendment

2. By 31 December 2033, the Commission shall provide the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions with an independent ex post evaluation report.

2. By 31 December 2033, the Commission shall provide the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions with an independent ex post evaluation report **of the Fund's use between 2023-2034.**

Amendment 96

Proposal for a regulation Article 24 – paragraph 3

Text proposed by the Commission

Amendment

3. The evaluation report shall, in particular, assess to which extent the objectives of the Fund laid down in Article 1 have been achieved, the efficiency of the use of the resources and the Union added value. It shall consider the continued relevance of all objectives and actions set out in Article 6 in light of the impact **on greenhouse gas emissions from the**

3. The evaluation report shall, in particular, assess to which extent the objectives of the Fund laid down in Article 1 have been achieved, the efficiency of the use of the resources and the Union added value. It shall consider the continued relevance of all objectives and actions set out in Article 6 in light of the **potential impact of the measures taken at Union**

emission trading system for buildings and road transport pursuant to Chapter IVa of Directive 2003/87/EC and from the national measures taken to meet the binding annual greenhouse gas emission reductions by Member States pursuant to Regulation (EU) 2018/842 of the European Parliament and of the Council⁶³. It shall also consider the continued relevance of the financial envelope of the Fund in relation to possible developments concerning the auctioning of allowances under the emission trading system for buildings and road transport pursuant to Chapter IVa of Directive 2003/87/EC and other relevant considerations.

⁶³ Regulation (EU) 2018/842 of the European Parliament and of the Council of 30 May 2018 on binding annual greenhouse gas emission reductions by Member States from 2021 to 2030 contributing to climate action to meet commitments under the Paris Agreement and amending Regulation (EU) No 525/2013 (OJ L 156, 19.6.2018, p. 26-42).

and national level to advance in the green transition to achieve the climate neutrality objective, as well as the impact of national measures taken to meet the binding annual greenhouse gas emission reductions by Member States pursuant to Regulation (EU) 2018/842 of the European Parliament and of the Council⁶³ and progress towards the implementation of the objectives of the European Pillar of Social rights. It shall also examine to what extent the financial envelope of the Fund remains relevant with regard to the possible evolution of the costs of the transition and other relevant considerations such as the evolution of the prices of energy and raw materials necessary for the green transition.

⁶³ Regulation (EU) 2018/842 of the European Parliament and of the Council of 30 May 2018 on binding annual greenhouse gas emission reductions by Member States from 2021 to 2030 contributing to climate action to meet commitments under the Paris Agreement and amending Regulation (EU) No 525/2013 (OJ L 156, 19.6.2018, p. 26-42).

Amendment 97

Proposal for a regulation Article 24 – paragraph 5

Text proposed by the Commission

5. The *ex post* evaluation report shall consist of a global assessment of the Fund and shall include information on its impact.

Amendment 98

Proposal for a regulation Article 26 – paragraph 2

Amendment

5. The evaluation report shall consist of a global assessment of the Fund and shall include information on its impact.

Text proposed by the Commission

It shall apply from ***the date by which the Member States shall bring into force the laws, regulations and administrative provisions necessary to comply with Directive (EU) [yyyy/nnn] of the European Parliament and the Council⁶⁴ amending Directive 2003/87/EC as regards Chapter IVa of Directive 2003/87/EC.***

⁶⁴ [Directive (EU) yyyy/nnn of the European Parliament and of the Council.... (OJ)] [Directive amending Directive 2003/87/EC]

Amendment

It shall apply from **2023**.

⁶⁴ [Directive (EU) yyyy/nnn of the European Parliament and of the Council.... (OJ)] [Directive amending Directive 2003/87/EC]

PROCEDURE – COMMITTEE ASKED FOR OPINION

Title	Establishing a Social Climate Fund
References	COM(2021)0568 – C9-0324/2021 – 2021/0206(COD)
Committees responsible Date announced in plenary	EMPL ENVI 13.9.2021 13.9.2021
Opinion by Date announced in plenary	TRAN 13.9.2021
Rapporteur for the opinion Date appointed	Leila Chaibi 29.10.2021
Rule 58 – Joint committee procedure Date announced in plenary	11.11.2021
Discussed in committee	7.2.2022
Date adopted	28.4.2022
Result of final vote	+: 44 –: 1 0: 3
Members present for the final vote	Magdalena Adamowicz, Andris Ameriks, José Ramón Bauzá Díaz, Erik Bergkvist, Izaskun Bilbao Barandica, Paolo Borchia, Karolin Braunsberger-Reinhold, Marco Campomenosi, Massimo Casanova, Karima Delli, Anna Deparnay-Grunenberg, Ismail Ertug, Gheorghe Falcă, Giuseppe Ferrandino, Carlo Fidanza, Mario Furore, Søren Gade, Isabel García Muñoz, Jens Gieseke, Elsi Katainen, Elena Kountoura, Julie Lechanteux, Bogusław Liberadzki, Peter Lundgren, Benoît Lutgen, Elżbieta Katarzyna Łukacijewska, Marian-Jean Marinescu, Tilly Metz, Cláudia Monteiro de Aguiar, Caroline Nagtegaal, Jan-Christoph Oetjen, Philippe Olivier, Rovana Plumb, Tomasz Piotr Poreba, Dominique Riquet, Massimiliano Salini, Vera Tax, Barbara Thaler, István Ujhelyi, Henna Virkkunen, Petar Vitanov, Elissavet Vozemberg-Vrionidi, Lucia Vuolo, Roberts Zīle, Kosma Złotowski
Substitutes present for the final vote	Leila Chaibi, Clare Daly, Pär Holmgren

FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

44	+
ECR	Carlo Fidanza, Tomasz Piotr Poręba, Roberts Zīle, Kosma Złotowski
ID	Paolo Borchia, Marco Campomenosi, Massimo Casanova, Julie Lechanteux, Philippe Olivier
NI	Mario Furore
PPE	Magdalena Adamowicz, Karolin Braunsberger-Reinhold, Gheorghe Falcă, Jens Gieseke, Elżbieta Katarzyna Łukacijewska, Benoît Lutgen, Marian-Jean Marinescu, Cláudia Monteiro de Aguiar, Massimiliano Salini, Barbara Thaler, Elissavet Vozemberg-Vrionidi, Lucia Vuolo
Renew	José Ramón Bauzá Díaz, Izaskun Bilbao Barandica, Søren Gade, Jan-Christoph Oetjen, Dominique Riquet
S&D	Andris Ameriks, Erik Bergkvist, Ismail Ertug, Giuseppe Ferrandino, Isabel García Muñoz, Bogusław Liberadzki, Rovana Plumb, Vera Tax, István Ujhelyi, Petar Vitanov
The Left	Leila Chaïbi, Clare Daly, Elena Kountoura
Verts/ALE	Karima Delli, Anna Deparnay-Grunenberg, Pär Holmgren, Tilly Metz

1	-
ECR	Peter Lundgren

3	0
PPE	Henna Virkkunen
Renew	Elsi Katainen, Caroline Nagtegaal

Key to symbols:

+ : in favour

- : against

0 : abstention

27.4.2022

OPINION OF THE COMMITTEE ON REGIONAL DEVELOPMENT

for the Committee on Employment and Social Affairs and the Committee on the Environment, Health and Food Safety

on the proposal for a regulation of the European Parliament and of the Council establishing a social climate fund

(COM(2021)0568 – C9-0324/2021 – 2021/0206(COD))

Rapporteur for opinion: Tom Berendsen

AMENDMENTS

The Committee on Regional Development calls on the Committee on Employment and Social Affairs and the Committee on the Environment, Health and Food Safety, as the committees responsible, to take into account the following amendments:

Amendment 1

Proposal for a regulation Citation 5 a (new)

Text proposed by the Commission

Amendment

Having regard to Article 174 of the TFEU,

Amendment 2

Proposal for a regulation Recital 8

Text proposed by the Commission

Amendment

(8) Those amendments have differing economic and social impacts on the different sectors of the economy, on the

(8) Those amendments have differing economic and social impacts on the different sectors of the economy, on the

citizens, and the Member States. In particular, the inclusion of greenhouse gas emissions from buildings and road transport into the scope of Directive 2003/87/EC of the European Parliament and the Council³¹ should provide an additional economic incentive to invest into the reduction of fossil fuel consumption and thereby accelerate the reduction of greenhouse gas emissions. Combined with other measures, this should, in the medium to long term, reduce the costs for buildings and road transport, and provide new opportunities for job creation and investment.

citizens, and the Member States. In particular, the inclusion of greenhouse gas emissions from buildings and road transport into the scope of Directive 2003/87/EC of the European Parliament and the Council³¹ should provide an additional economic incentive, ***on top of the economic incentive from the other GHG emitting sectors***, to invest into the reduction of fossil fuel consumption and thereby accelerate the reduction of greenhouse gas emissions. Combined with other measures ***to make this SCF sustainable over time, and the proposals resulting from the negotiations on the future revision of the Energy Performance of Buildings Directive***, this should, in the medium to long term, reduce the costs for buildings and road transport, ***in particular for those living in the worst performing buildings and in social housing, increase the energy sustainability of buildings by reducing their energy demand and thus their GHG emissions***, and provide new opportunities for job creation and investment.

³¹ Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a system for greenhouse gas emission allowance trading within the Union (OJ L 275, 25.10.2003, p. 32).

³¹ Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a system for greenhouse gas emission allowance trading within the Union (OJ L 275, 25.10.2003, p. 32).

Amendment 3

Proposal for a regulation

Recital 9

Text proposed by the Commission

(9) However, resources are needed to finance those investments. In addition, before they have taken place, the cost supported by households and transport users for heating, cooling and cooking, as well as for road transport, is likely to

Amendment

(9) However, ***sufficient and stable*** resources are needed to finance those investments. In addition, before they have taken place, the cost supported by ***local and regional authorities***, households and transport users for heating, ***insulation***,

increase as fuel suppliers subject to the obligations under the emission trading for buildings and road transport pass on costs on carbon to the consumers.

cooling and cooking, as well as for road transport, is likely to increase as fuel suppliers subject to the obligations under the emission trading for buildings and road transport pass on costs on carbon to the consumers. *There is a need to avoid reactive-only measures, therefore the Fund should start its operation before inclusion of at least private households and transport into the scope of directive 2003/87/EC (ETS), so that there is a time to prepare the most vulnerable transport users and households and to minimise the need of direct income payments. To that end it is desirable that the measures supporting energy efficiency and aimed at improvement of air quality undertaken by Member States are aligned with the purpose of minimising the impact of broadening of the scope of Directive 2003/87/EC.*

Amendment 4

Proposal for a regulation Recital 9 a (new)

Text proposed by the Commission

Amendment

(9a) In the construction sector, a holistic reform of building structure would lead to less demand for energy, which would take into account in a more efficient way people at risk of exclusion, namely those who suffer most from energy poverty in the EU. It would also counter the trend of families moving between rural, peri-urban, urban areas and sparsely populated areas, thus preventing them from potentially incurring higher housing prices and preventing the consequent emission of GHGs owing to increased use of private transport.

Amendment 5

Proposal for a regulation Recital 9 b (new)

Text proposed by the Commission

Amendment

(9b) As the transition to a cleaner Europe will have an economic and social impact that is difficult to assess ex-ante, additional investment and, thus, financial resources can be needed to achieve the commitment towards climate neutrality, while preserving the economic, social and territorial cohesion.

Amendment 6

Proposal for a regulation Recital 10

Text proposed by the Commission

Amendment

(10) The increase in the price for fossil fuels may disproportionately affect vulnerable households, vulnerable micro-enterprises **and** vulnerable **transport users who** spend a larger part of their incomes on energy and transport, **who**, in certain regions, do not have access to alternative, affordable mobility and transport solutions and who may lack the financial capacity to invest into the reduction of fossil fuel consumption.

(10) The increase in the price for fossil fuels, **energy and transport** may disproportionately affect vulnerable households, vulnerable **transport users, vulnerable** micro-enterprises, **including** vulnerable **self-employed, and, in duly justified cases, vulnerable small enterprises, which** spend a larger part of their incomes on energy and transport, **thus further exacerbating regional disparities, and which**, in certain regions, **including in rural, insular, mountainous, peripheral, remote, sparsely populated and less accessible areas or for less developed regions or territories, including less developed regions and peri-urban areas as well as those suffering from severed demographic handicaps and those in demographic decline**, do not have access to alternative, affordable **energy**, mobility and transport solutions and who may lack the financial capacity to invest into the reduction of fossil fuel consumption **and**

zero- or low energy and transport solutions. Ambitious climate action would allow the Union to reduce its more than 60% dependency rate on fossil fuel imports^{1a} and thus protect EU citizens from rapidly increasing energy prices.

^{1a} Eurostat 2021: EU energy dependency rate in 2019: 60.7%.

Amendment 7

Proposal for a regulation Recital 10 a (new)

Text proposed by the Commission

Amendment

(10a) It is therefore essential to identify and target this sector of the population comprehensively, to ensure that SCF assistance is fast, effective and well targeted. In order to achieve this objective, a definition is needed of people/neighbourhoods at risk of social exclusion that allows for less developed micro-areas (rural and urban) encompassed in more developed areas to be identified more accurately, which renders the creation of this SCF very necessary for the fight against social inequalities that may occur owing to the implementation of various climate measures.

Amendment 8

Proposal for a regulation Recital 12

Text proposed by the Commission

Amendment

(12) This is even more relevant in view of the existing levels of energy poverty. Energy poverty is a situation in which

(12) This is even more relevant in view of the existing levels of energy poverty. Energy ***and access to affordable energy***

households are unable to access essential energy *services* such as cooling, as temperatures rise, and heating. About 34 million Europeans reported an inability to keep their homes adequately warm in 2018, and 6.9% of the Union population have said that they cannot afford to heat their home sufficiently in a 2019 EU-wide survey³². Overall, the Energy Poverty Observatory estimates that more than 50 million households in the European Union experience energy poverty. Energy poverty is therefore a major challenge for the Union. While social tariffs or direct income support can provide immediate relief to households facing energy poverty, *only* targeted structural measures, in particular energy renovations, can provide lasting solutions.

services are essential and constitute basic and fundamental social rights for social inclusion. Energy poverty is a situation in which households are unable to access an adequate level of essential energy supply in order to guarantee basic levels of comfort and health, such as cooling, as temperatures rise, and heating. Households in energy poverty lack access to essential services that underpin a decent standard of living and health, including adequate warmth, cooling, lighting, transport and mobility, and energy to power appliances, due to a combination of factors, such as a high share of energy expenditure as part of their disposable income, high-energy prices and poor energy efficiency of buildings. About 34 million Europeans reported an inability to keep their homes adequately warm in 2018, and 6.9% of the Union population have said that they cannot afford to heat their home sufficiently in a 2019 EU-wide survey¹. Overall, the Energy Poverty Observatory estimates that more than 50 million households in the European Union experience energy poverty. Energy poverty is therefore a major challenge for the Union *and is further exacerbating social inequalities and regional disparities.* While social tariffs or direct income support can provide immediate relief to households facing energy poverty, *they are not a real solution to lift households out of energy poverty. Only* targeted structural measures, in particular energy renovations *aimed at increasing energy efficiency of buildings and reducing reliance on fossil fuels,* can provide lasting solutions *and effectively combat energy poverty.*

³² Data from 2018. Eurostat, SILC [ilc_md01]).

³² Data from 2018. Eurostat, SILC [ilc_md01]).

Amendment 9

Proposal for a regulation
Recital 12 a (new)

Text proposed by the Commission

Amendment

(12a) As regards the buildings sector, a holistic renovation of buildings, based on actions aimed at improving energy efficiency by focusing on all the elements that make up a building, would lead to a reduction in energy consumption for each household, and would be visible in the money they would save and, as a result, would provide one means of combating energy poverty. The future revision of the Energy Performance of Buildings Directive would lay the foundations for these objectives to be achieved and should therefore be taken into account when implementing the SCF.

Amendment 10

Proposal for a regulation
Recital 12 b (new)

Text proposed by the Commission

Amendment

(12b) Transport poverty represents an equally concerning challenge for the Union. Consumer prices for the operation of personal transport equipment and for transport services have increased at a faster pace between 2005 and 2018 than overall consumer price inflation^{1a}. The problem is currently even more pressing to address, especially in light of the high prices for fuels, tickets and other mobility expenditures as well as a limited availability of affordable public transport and other low-and zero-emission transport solutions, in combination with high dependencies on transport services to go to work or for daily mobility needs, in particular for those living in rural, insular, mountainous, remote and less

accessible areas or in less developed regions or territories, including less developed peri-urban areas. In this respect, local and regional governments will be key stakeholders to ensure, in particular, affordable and sustainable public transport.

^{1a} Commission Staff Working Document of 9.12.2020 accompanying the Sustainable and Smart Mobility Strategy, SWD (2020)331 final, paragraph 900.

Amendment 11

Proposal for a regulation Recital 12 c (new)

Text proposed by the Commission

Amendment

(12c) The Union and its Member States will not be able to meet their economic, social and climate objectives properly without addressing energy and transport poverty. Despite the problem having been acknowledged at EU-level for over a decade through various initiatives, legislation and guidelines, there is no standard Union-level definition of energy and transport poverty. Only one third of Member States have put in place a national definition of energy poverty. As a result, no transparent and comparable data on energy and transport poverty in the Union is available. Therefore, a Union-level definition of energy poverty and transport poverty should be established to effectively address energy and transport poverty and measure progress across Member States.

Amendment 12

Proposal for a regulation
Recital 12 d (new)

Text proposed by the Commission

Amendment

(12d) Particular attention needs to be paid to vulnerable tenants on the private rental and social housing markets, as these also include vulnerable households in energy poverty or households, including lower middle-income ones, that are significantly affected by the price impacts of increased heating costs or by higher rental prices following renovation, but are not in a position to renovate the buildings they occupy. As part of their Social Climate Plans, Member States should therefore develop, in consultation with landlords and the private sector where applicable, energy efficient, green social housing projects as well as specific measures and investments to support vulnerable tenants on the private rental market, for example by considering a right to renovate, on condition that these measures and investments also contribute to the Union’s climate targets. As part of the biennial reporting and evaluation of the measures and investments implemented by the Member States, the Commission should assess their impact and effectiveness to support vulnerable tenants in the private rental and social housing markets.

Amendment 13

Proposal for a regulation
Recital 13

Text proposed by the Commission

Amendment

(13) A Social Climate (‘the Fund’) should therefore be established to provide funds to the Member States to support their policies to address the social impacts of the

(13) A Social Climate **Fund** (‘the Fund’) should therefore be established to provide funds to the Member States to support their policies to address the social

emissions trading for buildings and road transport on vulnerable households, vulnerable micro-enterprises *and* vulnerable transport *users*. *This* should be achieved *notably* through temporary income support *and* measures and investments intended to reduce reliance on fossil fuels through increased energy efficiency of buildings, decarbonisation of heating and cooling of buildings, including the integration of energy from renewable sources, and granting improved access to zero- and low-emission mobility and transport to the benefit of vulnerable households, vulnerable micro-enterprises *and* vulnerable transport *users*.

impacts of the emissions trading for buildings and road transport on vulnerable households, vulnerable *transport users*, *vulnerable* micro-enterprises, *including* vulnerable *self-employed*, *and, in duly justified cases, vulnerable small enterprises*. *These groups are particularly vulnerable to rising energy and transport prices as a result of carbon pricing*. *Such support* should be achieved *not only, in a limited manner*, through temporary income support, *but mainly through* measures and investments *with lasting impact* intended to reduce reliance on fossil fuels through increased energy efficiency of buildings, decarbonisation of heating and cooling of buildings, including the integration of energy from renewable sources, and granting improved access to zero- and low-emission mobility and transport to the benefit of vulnerable households, vulnerable *transport users*, *vulnerable* micro-enterprises, *including* vulnerable *self-employed*, *and, in duly justified cases, vulnerable small enterprises*. *In such manner, the Fund contributes to addressing energy and transport poverty and meeting the Union objectives of climate neutrality*.

Amendment 14

Proposal for a regulation

Recital 14

Text proposed by the Commission

(14) For that purpose, each Member State should submit to the Commission a Social Climate Plan ('the Plan'). Those Plans should pursue two objectives. Firstly, they should provide vulnerable households, vulnerable micro-enterprises *and* vulnerable *transport users* the necessary resources to finance and carry out investments in energy efficiency, decarbonisation of heating and cooling, in

Amendment

(14) For that purpose, each Member State should submit to the Commission a Social Climate Plan ('the Plan'), *prepared in consultation with local and regional authorities, economic and social partners, civil society organisations, youth organisations and other relevant stakeholders*. Those *Plans should identify and map vulnerable groups in situation of energy and transport poverty; provide a*

zero- and low-emission vehicles and mobility. Secondly, they should mitigate the impact of the increase in the cost of *fossil* fuels on the most vulnerable and thereby prevent energy and transport poverty during the transition period until such investments have been implemented. The Plans should have an investment component promoting the long-term solution of *reduce* fossil fuels reliance and could envisage other measures, including temporary direct income support to mitigate adverse income effects in the shorter term.

detailed analysis, conducted together with the local and regional authorities, economic and social partners and civil society, on the main causes of energy and transport poverty in their respective territories; and set targets for the progressive and effective eradication of energy and transport poverty. The Plans should pursue two objectives. Firstly, they should provide vulnerable households, vulnerable *transport users, vulnerable micro-enterprises, including vulnerable self-employed, and, in duly justified cases, vulnerable small enterprises* the necessary resources to finance and carry out investments in energy efficiency, decarbonisation of heating and cooling, in zero- and low-emission vehicles, *public transport* and mobility. Secondly, they should mitigate the impact of the increase in the cost of fuels, *energy and transport* on the most vulnerable and thereby prevent energy and transport poverty during the transition period until such investments have been implemented. The Plans should have an investment component promoting the long-term solution of *reducing the reliance on and gradually phasing out of* fossil fuels reliance and could envisage other measures, including temporary direct income support to mitigate adverse income effects in the shorter term.

Amendment 15

Proposal for a regulation Recital 15

Text proposed by the Commission

(15) Member States, in consultation with regional *level* authorities, are best placed to design and to implement Plans that are adapted and targeted to their local, regional and national circumstances as their existing policies in the relevant areas and planned use of other relevant EU funds. In that

Amendment

(15) Member States, in consultation with *local and regional authorities, economic and social partners and civil society organisations, in particular those working with vulnerable people*, are best placed to design and to implement Plans that are adapted and targeted to their local, regional

manner, the broad diversity of situations, the specific knowledge of local and regional governments, research and innovation and industrial relations and social dialogue structures, as well as national traditions, can best be respected and contribute to the effectiveness and efficiency of the overall support to the vulnerable.

and national circumstances as their existing policies in the relevant areas and planned use of other relevant EU funds. In that manner, the broad diversity of situations, the specific knowledge of local and regional governments, ***of economic and social partners and of civil society***, research and innovation and industrial relations and social dialogue structures, as well as national traditions, can best be respected and contribute to the effectiveness and efficiency of the overall support to the vulnerable ***and to the scaling up of projects developed by local and regional authorities and social partners.***

Amendment 16

Proposal for a regulation Recital 15 a (new)

Text proposed by the Commission

Amendment

(15a) The Plans should be designed in a comprehensive manner, while at the same time preventing excessive administrative burdens. The Member States should be therefore required, when designing and implementing the Plans as described, to be comprehensive while avoiding any unnecessary complexity.

Amendment 17

Proposal for a regulation Recital 16

Text proposed by the Commission

Amendment

(16) Ensuring that the measures and investments are particularly targeted towards energy poor or vulnerable

(16) Ensuring that the measures and investments are particularly targeted towards energy poor or vulnerable

households, vulnerable micro-enterprises **and** vulnerable **transport users** is key for a just transition towards climate neutrality. Support measures to promote reductions in greenhouse gas emissions should help Member States to address the social impacts arising from the emissions trading for the sectors of buildings and road transport.

households, vulnerable **transport users**, **vulnerable** micro-enterprises, **including** vulnerable **self-employed**, **and, in duly justified cases, vulnerable small enterprises** is key for a just transition towards climate neutrality. Support measures to promote reductions in greenhouse gas emissions should help Member States to address the social impacts arising from the emissions trading for the sectors of buildings and road transport.

Amendment 18

Proposal for a regulation Recital 17

Text proposed by the Commission

(17) Pending the impact of those investments on reducing costs and emissions, well targeted direct income support for the most vulnerable would help the just transition. Such support should be understood to be a temporary measure accompanying the decarbonisation of the housing and transport sectors. It would not be permanent as it does not address the root causes of energy and transport poverty. Such support should only concern direct impacts of the inclusion of building and road transport into the scope of Directive 2003/87/EC, not electricity or heating costs related to the inclusion of power and heat production in the scope of that Directive. Eligibility for such direct income support should be **limited in time**.

Amendment

(17) **While the targeted structural measures and investments intended to increase energy efficiency and reduce reliance on fossil fuels have long-time impact on reducing costs and emissions and should therefore be prioritized, and while** pending the impact of those investments on reducing costs and emissions, well targeted direct income support for the most vulnerable would help the just transition. Such support should be understood to be a temporary **and transitional** measure accompanying **measures directed at** the decarbonisation of the housing and transport sectors. It would not be permanent as it does not address the root causes of energy and transport poverty. Such support should only concern direct impacts of the inclusion of building and road transport into the scope of Directive 2003/87/EC, not electricity or heating costs related to the inclusion of power and heat production in the scope of that Directive. **Such direct income support should be limited to 25% of the total expenditure of the Plans, with**

the possibility for further increase of this percentage on the basis of a duly-justified request from the respective Member State, and should be limited in time. Eligibility for such direct income support should be targeted to people facing energy and transport poverty, with special attention to particular vulnerable or disadvantaged groups, such as elderly people, tenants and women. The support provided under this Fund should be consistent with and complementary to ongoing Union, national, regional and local programmes, instruments and funds.

Amendment 19

Proposal for a regulation Recital 18 a (new)

Text proposed by the Commission

Amendment

(18a) High fossil gas price fluctuations, causing extreme price spikes in some Member States in the 2021/2022 heating season, aggravated by import dependencies and geopolitical tensions, have exposed once more the EU dependence on imported fossil gas for its industries and households, especially felt by the most vulnerable. Investments in energy efficiency measures, as well as renewable energy based heating systems, including with electric heat pumps, heating and cooling at district level and participation in renewable energy communities, are hence a very cost-effective method of reducing import dependency and emissions while increasing EU resilience. In socially vulnerable groups, notably in the group of poorest households, explicit funding schemes are necessary to ensure compliances with the aforementioned principles.

Amendment 20

Proposal for a regulation

Recital 19

Text proposed by the Commission

(19) Women are particularly affected by carbon pricing *as* they represent 85% of single parent families. Single parent families have a particularly high risk of child poverty. Gender equality *and* equal opportunities for all, and the mainstreaming of those objectives, as well as questions of accessibility for persons with disabilities should be taken into account and promoted throughout the preparation and implementation of Plans to ensure no one is left behind.

Amendment

(19) Women *are disproportionately affected by the consequences of climate change^{1a}, by energy and transport poverty and* are particularly affected by carbon pricing. They represent 85% of single parent families *and are over-represented as tenants*. Single parent *families as well as large* families have a particularly high risk of child poverty. *Women's participation in the energy transition is limited, as they cannot always afford energy efficiency investments to reduce their energy consumption and have limited access to energy efficiency retrofit programmes^{1b}*. Gender equality, equal opportunities for all, *the fight against discrimination and poverty* and the mainstreaming of those objectives, as well as questions of accessibility for persons with disabilities should be taken into account and promoted throughout the *design*, preparation and implementation of Plans to ensure no one is left behind.

^{1a} *EIGE, Area K - Women and the environment: climate change is gendered, 05 March 2020, available at: <https://eige.europa.eu/publications/beijing-25-policy-brief-area-k-women-and-environment>*

^{1b} *European Parliament, Directorate-General for Internal Policies of the Union, Feenstra, M., Clancy, J., Women, gender equality and the energy transition in the EU, Publications Office, 2019, <https://data.europa.eu/doi/10.2861/989050>*

Amendment 21

Proposal for a regulation Recital 19 a (new)

Text proposed by the Commission

Amendment

(19a) Renewable energy communities and citizen energy communities can help Member States to achieve the objectives of this Regulation via a bottom-up approach initiated by citizens, as those communities empower and engage consumers and enable certain groups of household customers, both living in urban and in rural, insular, mountainous, remote and less accessible areas or in less developed regions or territories, including less developed peri-urban areas, to participate in energy efficiency projects, support the use of renewable energy of households and at the same time contribute to fighting energy poverty. Member States should therefore promote the role of renewable energy communities and citizen energy communities and regard them as eligible beneficiaries of the Fund.

Amendment 22

Proposal for a regulation Recital 20

Text proposed by the Commission

Amendment

(20) Member States should submit ***their*** Plans together with the update of their integrated national energy and climate plans in accordance with Article 14 of Regulation (EU) 2018/1999 of the European Parliament and of the Council³⁵. The Plans should include the measures to be financed, their estimated costs and the national contribution. They should also include key milestones and targets to

(20) Member States should ***prepare their Plans after consultation with local and regional authorities, economic and social partners, civil society organisations, youth organisations and other relevant stakeholders, and*** submit ***these*** Plans together with the update of their integrated national energy and climate plans in accordance with Article 14 of Regulation (EU) 2018/1999 of the European

assess the effective implementation of the measures.

Parliament and of the Council³⁵. The Plans should include the measures to be financed, their estimated costs and the national contribution. They should also include key milestones and targets to assess the effective implementation of the measures.

³⁵ Regulation (EU) 2018/1999 of the European Parliament and of the Council of 11 December 2018 on the Governance of the Energy Union and Climate Action, amending Regulations (EC) No 663/2009 and (EC) No 715/2009 of the European Parliament and of the Council, Directives 94/22/EC, 98/70/EC, 2009/31/EC, 2009/73/EC, 2010/31/EU, 2012/27/EU and 2013/30/EU of the European Parliament and of the Council, Council Directives 2009/119/EC and (EU) 2015/652 and repealing Regulation (EU) No 525/2013 of the European Parliament and of the Council (OJ L 328, 21.12.2018, p. 1).

³⁵ Regulation (EU) 2018/1999 of the European Parliament and of the Council of 11 December 2018 on the Governance of the Energy Union and Climate Action, amending Regulations (EC) No 663/2009 and (EC) No 715/2009 of the European Parliament and of the Council, Directives 94/22/EC, 98/70/EC, 2009/31/EC, 2009/73/EC, 2010/31/EU, 2012/27/EU and 2013/30/EU of the European Parliament and of the Council, Council Directives 2009/119/EC and (EU) 2015/652 and repealing Regulation (EU) No 525/2013 of the European Parliament and of the Council (OJ L 328, 21.12.2018, p. 1).

Amendment 23

Proposal for a regulation Recital 20 a (new)

Text proposed by the Commission

Amendment

(20a) The execution of the measures included in the Plans will be reliant on an adequate level of workforce, including craftsmen as well as high-skilled green tech experts, applied scientists and innovators. Therefore, Member States should complement the Plans by making use of other relevant Union actions and programmes to provide for reskilling and upskilling of workers to establish better opportunities for specialized craftsmen and high-skilled experts, in particular in jobs related to building renovation, insulation and installation of heat pumps, and alternative fuel infrastructure deployment, such as the deployment of

Amendment 24

Proposal for a regulation

Recital 21

Text proposed by the Commission

(21) The Fund and the Plans should be coherent with and framed by the reforms planned and the commitments made by the Member States under their updated integrated national energy and climate plans in accordance with Regulation (EU) 2018/1999, under Directive [yyyy/nnn] of the European Parliament and the Council [Proposal for recast of Directive 2012/27/EU on energy efficiency]³⁶, the European Pillar of Social Rights Action Plan³⁷, the European Social Fund Plus (ESF+) established by Regulation (EU) 2021/1057 of the European Parliament and of the Council³⁸, the Just Transition Plans pursuant to Regulation (EU) 2021/1056 of the European Parliament and of the Council³⁹ and the Member States long-term buildings renovation strategies pursuant to Directive 2010/31/EU of the European Parliament and of the Council⁴⁰. To ensure administrative efficiency, where applicable, the information included in the Plans should be consistent with the legislation and plans listed above.

³⁶ [Add ref]

³⁷ Endorsed by the European Council on 24

Amendment

(21) The Fund and the Plans should be coherent with and framed by the reforms planned and the commitments made by the Member States under their updated integrated national energy and climate plans in accordance with Regulation (EU) 2018/1999, under Directive [yyyy/nnn] of the European Parliament and the Council [Proposal for recast of Directive 2012/27/EU on energy efficiency]³⁶, the European Pillar of Social Rights Action Plan³⁷, ***the EU Cohesion Policy in general and in particular*** the European Social Fund Plus (ESF+) established by Regulation (EU) 2021/1057 of the European Parliament and of the Council³⁸, ***the Modernisation Fund established by Directive 2003/87/EC***, the Just Transition Plans pursuant to Regulation (EU) 2021/1056 of the European Parliament and of the Council³⁹, ***the Recovery and Resilience Facility established by Regulation (EU) 2021/241 of the European Parliament and of the Council***, and the Member States long-term buildings renovation strategies pursuant to Directive 2010/31/EU of the European Parliament and of the Council⁴⁰. To ensure administrative efficiency, where applicable, the information included in the Plans should be consistent with the legislation and plans listed above.

³⁶ [Add ref]

³⁷ Endorsed by the European Council on 24

and 25 June 2021.

³⁸ Regulation (EU) 2021/1057 of the European Parliament and of the Council of 24 June 2021 establishing the European Social Fund Plus (ESF+) and repealing Regulation (EU) No 1296/2013 (OJ L 231, 30.6.2021, p. 21).

³⁹ Regulation (EU) 2021/1056 of the European Parliament and of the Council of 24 June 2021 establishing the Just Transition Fund (OJ L 231, 30.6.2021, p. 1).

⁴⁰ Directive 2010/31/EU of the European Parliament and of the Council of 19 May 2010 on the energy performance of buildings (OJ L 153, 18.6.2010, p. 13).

and 25 June 2021.

³⁸ Regulation (EU) 2021/1057 of the European Parliament and of the Council of 24 June 2021 establishing the European Social Fund Plus (ESF+) and repealing Regulation (EU) No 1296/2013 (OJ L 231, 30.6.2021, p. 21).

³⁹ Regulation (EU) 2021/1056 of the European Parliament and of the Council of 24 June 2021 establishing the Just Transition Fund (OJ L 231, 30.6.2021, p. 1).

⁴⁰ Directive 2010/31/EU of the European Parliament and of the Council of 19 May 2010 on the energy performance of buildings (OJ L 153, 18.6.2010, p. 13).

Amendment 25

Proposal for a regulation Recital 21 a (new)

Text proposed by the Commission

Amendment

(21a) It is crucial to ensure that the Fund is consistent both with national energy and climate plans and with cohesion policy programmes with similar priorities, in order to prevent any overlap or duplication of efforts. Furthermore, there is a need for effective coordination and strategic programming in the Member States between the Fund, 2021-2027 cohesion policy and other EU funds, particularly the Just Transition Fund and the European Social Fund Plus.

Amendment 26

Proposal for a regulation Recital 22 a (new)

Text proposed by the Commission

Amendment

(22a) In order to reduce administrative burden, the Member States at the appropriate territorial level, and the Commission shall implement the budget of the Fund under shared management. In doing so, the Commission and Member States shall respect the principles of sound financial management, transparency and non-discrimination and shall ensure the visibility of the Union action.

Amendment 27

Proposal for a regulation Recital 23

Text proposed by the Commission

Amendment

(23) The financial envelope of the Fund should, in principle, be commensurate to amounts corresponding to 25% of the expected revenues from the inclusion of buildings and road transport into the scope of Directive 2003/87/EC in the period 2026-2032. Pursuant to Council Decision (EU, Euratom) 2020/2053⁴¹, Member States should make those revenues available to the Union budget as own resources. Member States are to finance **50%** of the total costs of their Plan themselves. For this purpose, as well as for investment and measures to accelerate and alleviate the required transition for citizens negatively affected, Member States should inter alia use their expected revenues from emissions trading for buildings and road transport under Directive 2003/87/EC for that purpose.

(23) The financial envelope of the Fund should, in principle, be commensurate to amounts corresponding to 25% of the expected revenues from the inclusion of buildings and road transport into the scope of Directive 2003/87/EC in the period 2026-2032. Pursuant to Council Decision (EU, Euratom) 2020/2053⁴¹, Member States should make those revenues available to the Union budget as own resources. Member States are to finance **a significant share** of the total costs of their Plan themselves, **corresponding to at least 50%**. For this purpose, as well as for investment and measures to accelerate and alleviate the required transition for citizens negatively affected, Member States should inter alia use their expected revenues from emissions trading for buildings and road transport under Directive 2003/87/EC for that purpose. ***The support provided under this Fund should be consistent with and complementary to ongoing Union, national, regional and local programmes,***

instruments and funds.

⁴¹ Council Decision (EU, Euratom) 2020/2053 of 14 December 2020 on the system of own resources of the European Union and repealing Decision 2014/335/EU, Euratom (OJ L 424, 15.12.2020, p. 1).

⁴¹ Council Decision (EU, Euratom) 2020/2053 of 14 December 2020 on the system of own resources of the European Union and repealing Decision 2014/335/EU, Euratom (OJ L 424, 15.12.2020, p. 1).

Amendment 28

Proposal for a regulation

Recital 25

Text proposed by the Commission

(25) In order to ensure an efficient and coherent allocation of funds and to respect the principle of sound financial management, actions under this Regulation should be consistent with and be complementary to ongoing Union programmes, whilst avoiding double funding from the Fund and other Union programmes for the same expenditure. In particular, the Commission and the Member State should ensure, in all stages of the process, effective coordination in order to safeguard the consistency, coherence, complementarity and synergy among sources of funding. To that effect, Member States should be required to present the relevant information on existing or planned Union financing when submitting their plans to the Commission. Financial support under the Fund should be additional to the support provided under other Union programmes and instruments. Measures and investment financed under the Fund should be able to receive funding from other Union programmes and instruments provided that such support does not cover the same costs.

Amendment

(25) In order to ensure an efficient and coherent allocation of funds and to respect the principle of sound financial management, actions under this Regulation should be consistent with and be complementary to ongoing Union programmes, whilst avoiding double funding from the Fund and other Union, ***national and regional*** programmes, ***instruments and funds*** for the same expenditure. In particular, the Commission and the Member State should ensure, in all stages of the process, effective coordination in order to safeguard the consistency, coherence, complementarity and synergy among sources of funding. To that effect, Member States should be required to present the relevant information on existing or planned Union financing when submitting their plans to the Commission. Financial support under the Fund should be additional to the support provided under other Union programmes and instruments. Measures and investment financed under the Fund should be able to receive funding from other Union programmes and instruments provided that

such support does not cover the same costs.

Amendment 29

Proposal for a regulation Recital 25 a (new)

Text proposed by the Commission

Amendment

(25a) To ensure that support under the Plan can be effectively implemented already from the initial years following the entry into force of the Social Climate Fund, Member States, upon a request submitted together with the Social Climate Plan, can receive an amount of up to 13% of their financial allocation in the form of pre-financing within two months after the adoption by the Commission of the legal commitments.

Amendment 30

Proposal for a regulation Recital 25 b (new)

Text proposed by the Commission

Amendment

(25b) The Union and Member States should refrain from imposing unnecessary rules resulting in excessive administrative burden for beneficiaries. The Commission should therefore be obliged to present proposals addressing these types of burdens.

Amendment 31

Proposal for a regulation Recital 27

Text proposed by the Commission

(27) In order to ensure transparent rules for monitoring and evaluation, the power to adopt acts in accordance with Article 290 of the Treaty on the Functioning of the European Union should be delegated to the Commission in respect of setting the common indicators for reporting on the progress and for the purpose of monitoring and evaluation of the implementation of the Plans. It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level, and that those consultations be conducted in accordance with the principles laid down in the Interinstitutional Agreement on Better Law-Making of 13 April 2016. In particular, to ensure equal participation in the preparation of delegated acts, the European Parliament and the Council receive all documents at the same time as Member States' experts, and their experts systematically have access to meetings of Commission expert groups dealing with the preparation of delegated acts.

Amendment

(27) In order to ensure transparent rules for monitoring and evaluation, the power to adopt acts in accordance with Article 290 of the Treaty on the Functioning of the European Union should be delegated to the Commission in respect of setting ***out the template based on which Member States shall prepare their Social Climate Plans*** and the common indicators for reporting on the progress and for the purpose of monitoring and evaluation of the implementation of the Plans. It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level, and that those consultations be conducted in accordance with the principles laid down in the Interinstitutional Agreement on Better Law-Making of 13 April 2016. In particular, to ensure equal participation in the preparation of delegated acts, the European Parliament and the Council receive all documents at the same time as Member States' experts, and their experts systematically have access to meetings of Commission expert groups dealing with the preparation of delegated acts.

Amendment 32

Proposal for a regulation
Recital 29 a (new)

Text proposed by the Commission

Amendment

(29a) All Member States which benefit from the Social Climate Fund have an obligation to respect the values enshrined in Article 2 of the Treaty on European Union. Respect for the rule of law is an essential precondition for compliance with the principles of sound financial

management enshrined in Article 317 of the Treaty on the Functioning of the European Union (TFEU). The Commission should ensure the effective implementation of the horizontal rules for the protection of the Union budget in the case of breaches of the principles of the rule of law in the Member States in accordance with Regulation (EU, Euratom) 2020/2092 of the European Parliament and of the Council. Where it is established that breaches of the principles of the rule of law in a Member State affect or seriously risk affecting the sound financial management of the Social Climate Fund or the protection of the financial interests of the Union in a sufficiently direct way, the Commission should take the necessary measures, which may include, among others, a suspension of payments, termination of the legal commitment within the meaning of the Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council, a prohibition on entering into such legal commitments, or a suspension of the disbursement of instalments. When the Commission decides, in accordance with Regulation (EU, Euratom) 2020/2092, on a repayment, reduction or termination of the legal commitment or financial allocation, these amounts should be proportionally allocated to all other Member States.

Amendment 33

Proposal for a regulation Recital 29 b (new)

Text proposed by the Commission

Amendment

(29b) The Fund should be consistent with the principles enshrined in the Charter of Fundamental Rights of the European Union. Its respect should be

ensured throughout the preparation, evaluation, and implementation and monitoring of the eligible projects under the Fund.

Amendment 34

Proposal for a regulation Article 1 – paragraph 3

Text proposed by the Commission

The measures and investments supported by the Fund shall benefit households, **micro-enterprises and** transport users, **which are vulnerable and** particularly affected by the inclusion of greenhouse gas emissions from buildings and road transport into the scope of Directive 2003/87/EC, especially households in energy poverty and citizens **without public** transport **alternative to individual cars** (in remote **and rural** areas).

Amendment

The measures and investments supported by the Fund shall benefit **vulnerable** households, **vulnerable** transport users, **vulnerable micro-enterprises, including** vulnerable **self-employed, and, in cases duly justified by the respective Member State, vulnerable small enterprises, which are** particularly affected by the inclusion of greenhouse gas emissions from buildings and road transport into the scope of Directive 2003/87/EC, especially households in energy poverty and citizens **in** transport **poverty, especially in rural, insular, mountainous, and remote areas, including peri-urban** areas. **Conditions for support from the Fund shall not increase bureaucratic burden or costs on the beneficiaries, in particular vulnerable households and tenants.**

Amendment 35

Proposal for a regulation Article 1 – paragraph 4

Text proposed by the Commission

The general objective of the Fund is to contribute to the transition towards climate neutrality by addressing the social impacts

Amendment

The general objective of the Fund is to contribute to the transition towards climate neutrality **by 2050, in line with the**

of the inclusion of greenhouse gas emissions from buildings and road transport into the scope of Directive 2003/87/EC. The specific objective of the Fund is to support vulnerable households, vulnerable micro-enterprises **and** vulnerable **transport users** through temporary direct income support and through measures and investments intended to increase energy efficiency of buildings, decarbonisation of heating and cooling of buildings, including the integration of energy from renewable sources, and granting improved access to zero- and low-emission mobility and transport.

Union's commitments under the Paris Agreement, by addressing the social impacts of the inclusion of greenhouse gas emissions from buildings and road transport into the scope of Directive 2003/87/EC. The specific objective of the Fund is to support vulnerable households, vulnerable **transport users, vulnerable micro-enterprises, including vulnerable self-employed, and, in cases duly justified by the respective Member State, vulnerable small enterprises** through, **in a limited manner**, temporary direct income support and **mainly** through measures and investments intended to increase energy efficiency of buildings, decarbonisation of heating and cooling of buildings, including the integration **and storage** of energy from renewable sources, and granting improved access to zero- and low-emission mobility and transport.

Amendment 36

Proposal for a regulation Article 2 – paragraph 1 – point 1

Text proposed by the Commission

(1) ‘building renovation’ means all kinds of energy-related building renovation, including the insulation of the building envelope, that is to say walls, roof, floor, the replacement of windows, the replacement of heating, cooling and cooking appliances, and the installation of on-site production of energy from renewable sources;

Amendment

(1) ‘building renovation’ means all kinds of energy-related **and accompanying it safety-related** building renovation **based on a comprehensive approach to energy performance**, including **in particular**, the insulation of the building envelope, that is to say **the** walls, **the** roof, **the** floor, the replacement of windows, the **ventilation**, **the** replacement of **the** heating, **insulation**, cooling and cooking appliances, **the upgrade of electrical installations** and the installation of on-site production of energy from renewable sources **as well as its storage**;

Amendment 37

Proposal for a regulation

Article 2 – paragraph 1 – point 2

Text proposed by the Commission

(2) ‘energy poverty’ means energy poverty as defined in point [(49)] of Article 2 of Directive (EU) [yyyy/nnn] of the of the European Parliament and of the Council⁵⁰ ;

Amendment

(2) ‘energy poverty’ means *a household’s lack of access to essential and affordable energy services that underpin a decent standard of living and health, including adequate warmth, cooling, lighting, and energy to power appliances, due to a combination of low income, high energy prices and poor energy efficiency of buildings, in the relevant national, regional or local context, existing social policy and other relevant policies* ;

⁵⁰ [Directive (EU) [yyyy/nnn] of the of the European Parliament and of the Council (OJ C [...], [...], p. [...]).] [Proposal for recast of Directive 2012/27/EU on energy efficiency]

Amendment 38

Proposal for a regulation

Article 2 – paragraph 1 – point 2 a (new)

Text proposed by the Commission

Amendment

(2a) ‘transport poverty’ means *a household’s lack of access to essential mobility services required to meet essential socio-economic needs and the participation in society, due to a combination of high fuel-, transport ticket- or other mobility expenditures in relation the household’s disposable income and a limited availability of affordable public or alternative modes of transport, in the relevant national, regional or local context, existing social*

policy and other relevant policies.

Amendment 39

Proposal for a regulation

Article 2 – paragraph 1 – point 10 a (new)

Text proposed by the Commission

Amendment

(10a) 'citizen energy community' means citizen energy community as defined in Article 2, point (11) of Directive (EU) 2019/944 of the European Parliament and of the Council^{1a};

^{1a} Directive (EU) 2019/944 of the European Parliament and of the Council of 5 June 2019 on common rules for the internal market for electricity and amending Directive 2012/27/EU Text with EEA relevance.

Amendment 40

Proposal for a regulation

Article 2 – paragraph 1 – point 10 b (new)

Text proposed by the Commission

Amendment

(10b) 'renewable energy community' means renewable energy community as defined in point (16) of Article 2 of Directive (EU) 2018/2001 of the European Union and of the Council^{1a} ;

^{1a} Directive (EU) 2018/2001 of the European Parliament and of the Council of 11 December 2018 on the promotion of the use of energy from renewable sources.

Amendment 41

Proposal for a regulation Article 2 – paragraph 1 – point 12 a (new)

Text proposed by the Commission

Amendment

(12a) ‘vulnerable self-employed’ means natural persons who work in their own enterprise, professional practice or farm for the purpose of earning a profit, who employ no other natural persons, and that are significantly affected by the price impacts of the inclusion of buildings and road transport into the scope of Directive 2003/87/EC and lack the means to renovate the building they occupy;

Amendment 42

Proposal for a regulation Article 2 – paragraph 1 – point 12 b (new)

Text proposed by the Commission

Amendment

(12b) ‘vulnerable small enterprises’ means small enterprises as defined in Article 2 of the Annex to Commission Recommendation 2003/361/EC that are significantly affected by the price impacts of the inclusion of buildings and road transport into the scope of Directive 2003/87/EC and lack the means to renovate the building they occupy;

Amendment 43

Proposal for a regulation Article 2 – paragraph 1 – point 13

Text proposed by the Commission

Amendment

(13) ‘vulnerable transport users’ means transport users, including from lower

(13) ‘vulnerable transport users’ means transport users, including from lower

middle-income households, that are significantly affected by the price impacts of the inclusion of road transport into the scope of Directive 2003/87/EC **and lack the means to purchase zero- and low-emission vehicles or to switch to alternative sustainable modes of transport, including public transport**, particularly in rural and remote areas.

middle-income households, **that are in transport poverty or** that are significantly affected by the price impacts of the inclusion of road transport into the scope of Directive 2003/87/EC, particularly **those** in rural and remote areas.

Amendment 44

Proposal for a regulation

Article 2 – paragraph 1 – point 13 a (new)

Text proposed by the Commission

Amendment

(13a) 'accompanying measure' means a projected initiative in addition to the measures and investments proposed under Article 3, such as technical assistance and administrative support for the planning and implementation of the proposed measures and investments or any other measures necessary to put into effect the plan to mitigate the social impact of climate action;

Amendment 45

Proposal for a regulation

Article 2 – paragraph 1 – point 13 b (new)

Text proposed by the Commission

Amendment

(13b) 'adaptation measure' also means action to reduce vulnerability to the effects of climate change;

Amendment 46

Proposal for a regulation
Article 3 – paragraph 1

Text proposed by the Commission

1. Each Member State shall submit to the Commission a Social Climate Plan ('the Plan') together with the update to the integrated national energy and climate plan referred to in Article 14(2) of Regulation (EU) 2018/1999 in accordance with the procedure and timeline laid down in that Article. The Plan shall contain a coherent set of measures and investments to address the impact of carbon pricing on vulnerable households, vulnerable micro-enterprises **and** vulnerable **transport users** in order to ensure affordable heating, cooling **and** mobility while accompanying and accelerating necessary measures to meet the climate targets of the Union.

Amendment

1. Each Member State shall submit to the Commission a Social Climate Plan ('the Plan') together with the update to the integrated national energy and climate plan referred to in Article 14(2) of Regulation (EU) 2018/1999 in accordance with the procedure and timeline laid down in that Article, **following the consultation of local and regional authorities, economic and social partners, civil society organisations, youth organisations and other relevant stakeholders, in accordance with the national legal framework.** The Plan shall contain a coherent set of measures and investments **at national, regional or local level** to address the impact of carbon pricing on vulnerable households, vulnerable **transport users, vulnerable** micro-enterprises, **including** vulnerable **self-employed, and, in cases duly justified by the respective Member State, vulnerable small enterprises** in order to ensure affordable heating, cooling, mobility **and transport** while accompanying and accelerating necessary measures to meet the climate targets of the Union.

Amendment 47

Proposal for a regulation
Article 3 – paragraph 3 – introductory part

Text proposed by the Commission

3. The Plan shall include national projects to:

Amendment

3. The Plan shall include national, **regional or local** projects **or programmes** to:

Amendment 48

Proposal for a regulation Article 3 – paragraph 3 – point a

Text proposed by the Commission

(a) finance measures and investments to **increase** energy efficiency of buildings, **to implement** energy efficiency improvement measures, to carry out building renovation, and to decarbonise heating and cooling of buildings, including the integration of energy production from renewable energy sources;

Amendment

(a) finance measures and investments to **improve the** energy efficiency, **accessibility, spatiality and general functioning** of buildings **and ensure their safety, by implementing active and passive** energy efficiency improvement measures, to carry out building renovation, and to decarbonise heating and cooling of buildings, including the integration of energy production from renewable energy sources **as well as its storage, rehabilitation of abandoned buildings, information support, capacity building and training necessary to implement those measures and investments;**

Amendment 49

Proposal for a regulation Article 3 – paragraph 3 – point b

Text proposed by the Commission

(b) finance measures and investments to increase the uptake of zero- and low-emission mobility and transport.

Amendment

(b) finance measures and investments to increase the uptake of zero- and low-emission mobility and transport, **including information support, capacity building and the training necessary to implement those measures and investments.**

Amendment 50

Proposal for a regulation Article 3 a (new)

Article 3a

Public consultations ahead of the preparation of the Social Climate Plans

1. The Member States will ensure that at least the following partners have been consulted in the process of preparation of the Social Climate Plans:

- a) local, regional, and other public authorities;***
- b) economic and social partners;***
- c) relevant bodies representing civil society, such as environmental partners, non-governmental organisations, youth organisations, and bodies responsible for promoting social inclusion, fundamental rights, rights of persons with disabilities, gender equality and non-discrimination;***
- d) research organisations and universities, where appropriate;***
- e) businesses and small and medium enterprises, especially micro-enterprises;***
- f) Individuals and households facing energy and transport poverty.***

Involving these groups in the decisions that affect their lives is critical to fostering broader social acceptance and a just transition.

2. The summary of the consultation process to be included in the Social Climate Plan in accordance with Article 3(1) point (j) of this Regulation should provide information on the outcome of each public consultation and on the issues addressed, on the groups consulted, the recommendations made, and the steps that the Member State intends to take in response. Member States shall make this summary available to the public.

Amendment 51

Proposal for a regulation

Article 4 – paragraph 1 – point -a (new)

Text proposed by the Commission

Amendment

(-a) detailed quantitative information on the number of vulnerable households, vulnerable transport users, vulnerable micro-enterprises, including vulnerable self-employed, and, in cases duly justified by the respective Member State, vulnerable small enterprises identified at the start of the Plan, on the basis of the definitions in Article 2;

Amendment 52

Proposal for a regulation

Article 4 – paragraph 1 – point -a a (new)

Text proposed by the Commission

Amendment

(-aa) national targets and objectives to reduce the number of vulnerable households, vulnerable transport users, vulnerable micro-enterprises, including vulnerable self-employed, and, in cases duly justified by the respective Member State, vulnerable small enterprises over the duration of the Plan;

Amendment 53

Proposal for a regulation

Article 4 – paragraph 1 – point a

Text proposed by the Commission

Amendment

(a) concrete measures and investments in accordance with Article 3 to reduce the effects referred to in point (c) of this paragraph together with an explanation of

(a) concrete measures and investments in accordance with Article 3 to reduce the effects referred to in point (c) of this paragraph together with an explanation of

how they would contribute effectively to the achievement of the objectives set out in Article 1 within the overall setting of a Member State's relevant policies;

how they would contribute effectively to the achievement of the objectives set out in Article 1 within the overall setting of a Member State's **and its regions'** relevant policies;

Amendment 54

Proposal for a regulation Article 4 – paragraph 1 – point c

Text proposed by the Commission

(c) an estimate of the likely effects of that increase in prices on households, and in particular on incidence of energy **poverty, on micro-enterprises and on transport users**, comprising in particular an estimate and the identification of vulnerable households, vulnerable micro-enterprises **and vulnerable transport users**; these impacts are to be analysed with a sufficient level of regional disaggregation, taking into account elements such as access to public transport and basic services and identifying the areas mostly affected, particularly territories which are remote and rural;

Amendment

(c) an estimate of the likely effects of that increase in prices on households, and in particular on incidence of energy **and transport poverty**, comprising in particular an estimate and the identification of vulnerable households, vulnerable **transport users, vulnerable** micro-enterprises, **including vulnerable self-employed, and, in cases duly justified by the respective Member State, vulnerable small enterprises**; these impacts are to be analysed with a sufficient level of regional disaggregation **and data disaggregated by gender**, taking into account elements such as access to public transport and basic services, **decent and affordable housing, as well as particular characteristics and needs of certain vulnerable or disadvantaged groups such as elderly people, tenants and women**, and identifying the areas mostly affected, particularly territories which are remote, **outermost** and rural, **including peri-urban areas**;

Amendment 55

Proposal for a regulation Article 4 – paragraph 1 – point d a (new)

Text proposed by the Commission

Amendment

(da) where identified, information about workforce challenges relating to the implementation of the measures referred to in point (a), including estimates of workforce shortages and measures needed to alleviate the challenges;

Amendment 56

Proposal for a regulation

Article 4 – paragraph 1 – point e

Text proposed by the Commission

Amendment

(e) envisaged milestones, targets and an indicative timetable for the implementation of the measures and investments to be completed by 31 July 2032;

(e) envisaged milestones, targets and an indicative timetable for the implementation of the measures and investments to be completed by ***the date of publication of each biennial progress report pursuant to Article 23 and by 31 July 2032;***

Amendment 57

Proposal for a regulation

Article 4 – paragraph 1 – point i

Text proposed by the Commission

Amendment

(i) the arrangements for the effective monitoring and implementation of the Plan by the Member State concerned, in particular of the proposed milestones and targets, including indicators for the implementation of measures and investments, which, where relevant, shall be those available with the Statistical office of the European Union European Statistical Office and the European Energy Poverty Observatory as identified by Commission Recommendation 2020/1563⁵⁴ on energy poverty;

(i) the arrangements for the effective monitoring and implementation of the Plan by the Member State concerned, ***to be undertaken in close consultation with local and regional authorities, economic and social partners, civil society organisations, youth organisations and other relevant stakeholders, in accordance with the national legal framework,*** in particular of the proposed milestones and targets, including indicators for the implementation of measures and investments, which, where relevant, shall be those available with the Statistical office

of the European Union European Statistical Office and the European Energy Poverty Observatory as identified by Commission Recommendation 2020/1563⁵⁴ on energy poverty;

⁵⁴ OJ L 357, 27.10.2020, p. 35.

⁵⁴ OJ L 357, 27.10.2020, p. 35.

Amendment 58

Proposal for a regulation

Article 4 – paragraph 1 – point j

Text proposed by the Commission

(j) for the preparation and, **where available**, for the implementation of the Plan, a summary of the consultation process, conducted in accordance with Article 10 of Regulation (EU) 2018/1999 and with the national legal framework, of local and regional authorities, social partners, civil society organisations, youth organisations and other relevant stakeholders, and how the input of the stakeholders is reflected in the Plan;

Amendment

(j) for the preparation and **the monitoring**, for the implementation of the Plan, a summary of the consultation process, conducted in accordance with Article 10 of Regulation (EU) 2018/1999 and with the national legal framework, of local and regional authorities, social partners, civil society organisations, youth organisations and other relevant stakeholders, and how the input of the stakeholders is reflected in the Plan;

Amendment 59

Proposal for a regulation

Article 4 – paragraph 1 – point k a (new)

Text proposed by the Commission

Amendment

(ka) the proportion of the fund set aside for community-led local development (CLLD), planned use and arrangements to encourage and deliver community-led local development as defined and detailed under chapter 2 [CPR], as well as the arrangements for engaging and building capacity at the local and territorial levels to engage in the transition.

Amendment 60

Proposal for a regulation

Article 4 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

2a. The Commission shall be empowered to adopt, within two months after the entry into force of this Regulation, a delegated act in accordance with Article 25 to supplement this Regulation in order to set out a template based on which Member States shall prepare their Social Climate Plan.

Amendment 61

Proposal for a regulation

Article 4 – paragraph 3

Text proposed by the Commission

Amendment

3. **When preparing their Plans, Member States may request the Commission to organise an** exchange of good practices. Member States may also request technical support under the ELENA facility, established by an Agreement of the Commission with the European Investment Bank in 2009, or under the Technical Support Instrument established by Regulation (EU) 2021/240 of the European Parliament and of the Council⁵⁸.

3. The Commission **shall set up a platform to actively promote the** exchange of good practices **among all stakeholders and communities concerned by the implementation of the Fund as well as to provide guidance to enable and encourage the capacity building of stakeholders to participate in the development and implementation of the Fund.** Member States **and the stakeholders involved in the preparation of the Plans** may also request technical support under the ELENA facility, established by an Agreement of the Commission with the European Investment Bank in 2009, or under the Technical Support Instrument established by Regulation (EU) 2021/240 of the European Parliament and of the Council⁵⁸.

⁵⁸ Regulation (EU) 2021/240 of the

⁵⁸ Regulation (EU) 2021/240 of the

European Parliament and of the Council of 10 February 2021 establishing a Technical Support Instrument (OJ L 57, 18.2.2021, p. 1).

European Parliament and of the Council of 10 February 2021 establishing a Technical Support Instrument (OJ L 57, 18.2.2021, p. 1).

Amendment 62

Proposal for a regulation Article 4 – paragraph 3 a (new)

Text proposed by the Commission

Amendment

3a. When designing and implementing the Plans, the Member States shall be comprehensive while avoiding any unnecessary complexity.

Amendment 63

Proposal for a regulation Article 5 – paragraph 2 – point a a (new)

Text proposed by the Commission

Amendment

(aa) renewable energy generation on-site or as part of energy cooperatives or energy community projects;

Amendment 64

Proposal for a regulation Article 5 – paragraph 2 – point c

Text proposed by the Commission

Amendment

(c) zero- and low-emission mobility and transport;

(c) zero- and low-emission mobility and transport, **including public transport and integrated mobility services;**

Amendment 65

Proposal for a regulation
Article 5 – paragraph 2 – point e

Text proposed by the Commission

(e) reductions in the number of vulnerable households, especially households in energy poverty, *of vulnerable micro-enterprises and* of vulnerable transport users, including in *rural and* remote areas.

Amendment

(e) reductions in the number of vulnerable households, especially households in energy *and transport* poverty, of vulnerable transport users, *vulnerable micro-enterprises, including vulnerable self-employed, and, in cases duly justified by the respective Member State, vulnerable small enterprises,* including in remote *and rural* areas, *peri-urban, mountain and sparsely populated areas, as well as islands and outermost regions;*

Amendment 66

Proposal for a regulation
Article 5 – paragraph 2 – point e a (new)

Text proposed by the Commission

Amendment

(ea) Technical assistance for Member States: actions necessary for effective fund management and implementation of the plan and for functions such as programming (plan and projects, investments and other measures), training, management, monitoring, evaluation, visibility and communication. Technical assistance may be included in the cost of the investment or proposed measure or in a separate initiative under the plan. Technical assistance for drawing up the plan shall be eligible from 1 January 2023.

Amendment 67

Proposal for a regulation
Article 6 – paragraph 1

Text proposed by the Commission

1. Member States may include the costs of measures providing temporary direct income support to vulnerable households and **vulnerable households that are transport users** to absorb the increase in road transport and heating fuel prices. Such support shall decrease over time and be limited to the direct impact of the emission trading for buildings and road transport. **Eligibility for** such direct income support shall **cease within the time limits identified** under **Article 4(1) point (d)**.

Amendment

1. **While the targeted structural measures and investments intended to increase energy efficiency and reduce reliance on fossil fuels have long-time impact on reducing costs and emissions and should therefore be prioritized,** Member States may include the costs of measures providing temporary direct income support **as a transitional measure** to vulnerable households **facing energy and transport poverty** to absorb the increase in road transport and heating fuel prices. Such **direct income** support shall decrease over time and be limited to the direct impact of the emission trading for buildings and road transport. Such direct income support shall **not exceed 25% of the total estimated costs of the Plans, with the possibility for further increase of this percentage on the basis of a duly-justified request from the respective Member State. The support provided under this Fund should be consistent with and complementary to ongoing Union, national, regional and local programmes, instruments and funds.**

Amendment 68

Proposal for a regulation

Article 6 – paragraph 2 – introductory part

Text proposed by the Commission

2. Member States may include the costs of the following measures and investments in the estimated total costs of the Plans, provided they principally benefit vulnerable households, vulnerable micro-enterprises **or vulnerable transport users** and intend to:

Amendment

2. Member States may include the costs of the following measures and investments in the estimated total costs of the Plans, provided they principally benefit vulnerable households, vulnerable **transport users, vulnerable micro-enterprises, including vulnerable self-employed, and, in cases duly justified by the respective Member State, vulnerable**

small enterprises and intend to:

Amendment 69

Proposal for a regulation

Article 6 – paragraph 2 – point a

Text proposed by the Commission

(a) support building renovations, especially for those occupying worst-performing buildings, including in the form of financial support or fiscal incentives such as deductibility of renovation costs from the rent, independently of the ownership of the buildings concerned;

Amendment

(a) support building renovations, ***prioritising deprived areas***, especially ***for the achievement of the renovation requirements established in Directive 2021/0426 revising Directive 2010/31/EU*** and for those occupying worst-performing buildings, ***with a special attention to tenants***, including in the form of financial support or fiscal incentives such as deductibility of renovation costs from the rent, independently of the ownership of the buildings concerned, ***and support for renovation of social housing***;

Amendment 70

Proposal for a regulation

Article 6 – paragraph 2 – point b

Text proposed by the Commission

(b) contribute to the decarbonisation, including ***the*** electrification, of heating and cooling of, and cooking in, buildings ***and the*** integration of energy from renewable sources that contribute to the achievements of energy savings;

Amendment

(b) contribute to the decarbonisation, including ***energy-efficient*** electrification, of heating, ***insulation*** and cooling of, and cooking in buildings, ***and support the installations of on-site and nearby production, distribution, storage and*** integration of energy from renewable sources, that contribute to the achievements of energy savings ***as well as connection to district heating networks, such as vouchers, subsidies or zero- and low-interest loans to invest in products and services to increase the energy performance of buildings or to integrate renewable energy sources in buildings***;

Amendment 71

Proposal for a regulation

Article 6 – paragraph 2 – point c

Text proposed by the Commission

(c) support public and private entities in developing and providing affordable energy efficiency renovation solutions and appropriate funding instruments in line with the social goals of the Fund;

Amendment

(c) support public and private entities, ***in particular those engaged in public and private cooperation, local and regional authorities and social housing providers,*** in developing and providing affordable energy efficiency renovation solutions and appropriate funding instruments in line with the social goals of the Fund;

Amendment 72

Proposal for a regulation

Article 6 – paragraph 2 – point c a (new)

Text proposed by the Commission

Amendment

(ca) support in inclusion of adequate safety measures within building renovations;

Amendment 73

Proposal for a regulation

Article 6 – paragraph 2 – point d

Text proposed by the Commission

(d) provide access to zero- and low-emission vehicles and bikes, including financial support or fiscal incentives for their purchase ***as well as*** for appropriate public and private infrastructure, including for recharging and refuelling; for support concerning low-emission vehicles, a timetable for gradually reducing the

Amendment

(d) provide ***financial support or fiscal incentives to improve*** access to and ***accelerate the modal shift to*** zero- and low-emission vehicles and bikes, including financial support or fiscal incentives for their purchase, for appropriate public and private infrastructure, including for recharging and refuelling, ***as well as for***

support shall be provided;

*the purchase of zero- and low-emission vehicles, while taking appropriate measures to avoid abuse with regard to second-hand sales outside the Union; for support concerning low-emission vehicles, a timetable for gradually reducing the support shall be provided; **for support concerning the purchase of zero- and low-emission vehicles, support shall be limited to vehicles falling within the lowest 50% of the market price range for such vehicles in a Member State in a given year.***

Amendment 74

Proposal for a regulation

Article 6 – paragraph 2 – point e

Text proposed by the Commission

(e) **grant** free access to public transport or adapted tariffs for access to public transport, as well as fostering sustainable mobility on demand and shared mobility services;

Amendment

(e) **provide support to the development and incentivize the use of public transport, including by granting** free access to public transport or adapted tariffs for access to public transport, as well as fostering sustainable mobility on demand and shared **and integrated** mobility services, **including in rural, insular, mountainous, remote and less accessible areas or for less developed regions or territories, including less developed peri-urban areas;**

Amendment 75

Proposal for a regulation

Article 6 – paragraph 2 – point f

Text proposed by the Commission

(f) support public and private entities in developing and providing affordable zero- and low-emission mobility and

Amendment

(f) support public and private entities, **in particular local and regional governments,** in developing and providing

transport services and the uptake of attractive active mobility options for rural, insular, mountainous, remote and less accessible areas or for less developed regions or territories, including less developed peri-urban areas.

affordable zero- and low-emission mobility and transport services and the uptake of attractive active mobility options, ***including through recharging and refuelling infrastructure as well as bicycle infrastructure***, for rural, insular, mountainous, remote, ***sparsely populated*** and less accessible areas or for less developed regions or territories, including less developed peri-urban areas, ***and the outermost regions***;

Amendment 76

Proposal for a regulation Article 6 – paragraph 2 – point f a (new)

Text proposed by the Commission

Amendment

(fa) support capacity building and training of people affected by energy poverty or transport poverty in order to engage in peer-to-peer and community work initiatives aimed at combatting energy poverty and transport poverty;

Amendment 77

Proposal for a regulation Article 6 – paragraph 2 – point f b (new)

Text proposed by the Commission

Amendment

(fb) support initiatives by renewable energy communities and citizen energy communities to participate in projects advancing the energy efficiency and use of renewable energy of households, including those facilitating locally owned energy systems and building capacity at the local level.

Amendment 78

Proposal for a regulation Article 8 – paragraph 1

Text proposed by the Commission

Member States may include into the estimated total costs financial support provided to public *or* private entities other than vulnerable households, vulnerable micro-enterprises *and* vulnerable *transport users*, if those entities carry out measures and investments ultimately benefitting vulnerable households, vulnerable micro-enterprises *and* vulnerable *transport users*.

Amendment

Member States may include into the estimated total costs financial support provided to public *entities, in particular local and regional authorities*, private entities *and renewable- or citizen energy communities* other than vulnerable households, vulnerable *transport users, vulnerable* micro-enterprises, *including vulnerable self-employed, and, in cases duly justified by the respective Member State, vulnerable small enterprises*, if those entities carry out measures and investments ultimately benefitting vulnerable households, vulnerable *transport users, vulnerable* micro-enterprises, *including vulnerable self-employed, and, in cases duly justified by the respective Member State, vulnerable small enterprises*.

Amendment 79

Proposal for a regulation Article 9 – paragraph 1

Text proposed by the Commission

1. The financial envelope for the implementation of the Fund for the period **2025-2027** shall be EUR 23 700 000 000 in current prices.

Amendment

1. The financial envelope for the implementation of the Fund for the period ***from the entry into force of this Regulation until 2027*** shall be EUR 23 700 000 000 in current prices.

Amendment 80

Proposal for a regulation Article 11 – paragraph 1

Text proposed by the Commission

The Fund shall be implemented by the Commission in *direct* management in accordance with the relevant rules adopted pursuant to Article 322 TFEU, in particular Regulation (EU, Euratom) 2018/1046 and Regulation (EU, Euratom) 2020/2092 of the European Parliament and of the Council⁵⁹.

⁵⁹ Regulation (EU, Euratom) 2020/2092 of the European Parliament and of the Council of 16 December 2020 on a general regime of conditionality for the protection of the Union budget (OJ L 433I, 22.12.2020, p. 1).

Amendment

The Fund shall be implemented by the ***Member States and the Commission*** in ***shared*** management in accordance with the relevant rules adopted pursuant to Article 322 TFEU, in particular Regulation (EU, Euratom) 2018/1046, ***including in particular its Article 63***, and Regulation (EU, Euratom) 2020/2092 of the European Parliament and of the Council⁵⁹. ***Member States shall prepare and implement programmes at the appropriate territorial level in accordance with their institutional, legal and financial framework. In accordance with the principle and rules of shared management, Member States and the Commission should be responsible for the management and control of programmes and guarantee the legal and admissible use of the fund.***

⁵⁹ Regulation (EU, Euratom) 2020/2092 of the European Parliament and of the Council of 16 December 2020 on a general regime of conditionality for the protection of the Union budget (OJ L 433I, 22.12.2020, p. 1).

Amendment 81

Proposal for a regulation
Article 13 a (new)

Text proposed by the Commission

Amendment

Article 13a

Pre-financing

Subject to the adoption by the Commission of the implementing act referred to in Article 16(1), when requested by a Member State simultaneously with the submission of its

Social Climate Plan, the Commission shall make a pre-financing payment of an amount of up to 13% of the financial allocation. By way of derogation from Article 116(1) of Regulation 2018/1046 (the Financial Regulation), the Commission shall make the corresponding payment within two months after the adoption by the Commission of the legal commitment referred to in Article 18.

Amendment 82

Proposal for a regulation Article 15 – paragraph 2 – point a – point i

Text proposed by the Commission

(i) whether the Plan represents ***a*** response to the social impact on and challenges faced by vulnerable households, vulnerable micro-enterprises ***and*** vulnerable ***transport users*** in the Member State concerned from establishing the emission trading system for buildings and road transport established pursuant to Chapter IVa of Directive 2003/87/EC, especially households in energy poverty, duly taking into account the challenges identified in the assessments of the Commission of the update of the concerned Member State's integrated national energy and climate plan and of its progress pursuant to Article 9(3), and Articles 13 and 29 of Regulation (EU) 2018/1999, as well as in the Commission recommendations to Member States issued pursuant to Article 34 of Regulation (EU) 2018/1999 in view of the long-term objective of climate neutrality in the Union by 2050. This shall take into account the specific challenges and the financial allocation of the Member State concerned;

Amendment

(i) whether the Plan represents ***an adequate*** response to the social impact on and challenges faced by vulnerable households, vulnerable ***transport users, vulnerable*** micro-enterprises, ***including vulnerable self-employed, and, in cases duly justified by the respective Member State, vulnerable small enterprises*** in the Member State concerned from establishing the emission trading system for buildings and road transport established pursuant to Chapter IVa of Directive 2003/87/EC, especially households in energy ***and transport*** poverty, duly taking into account ***the impact of the measures in the Plan on the gender dimension of energy and transport poverty as well as*** the challenges identified in the assessments of the Commission of the update of the concerned Member State's integrated national energy and climate plan and of its progress pursuant to Article 9(3), and Articles 13 and 29 of Regulation (EU) 2018/1999, as well as in the Commission recommendations to Member States issued pursuant to Article 34 of Regulation (EU) 2018/1999 in view of the long-term objective of climate neutrality in the Union

by 2050. This shall take into account the specific challenges and the financial allocation of the Member State concerned;

Amendment 83

Proposal for a regulation

Article 15 – paragraph 2 – point a – point iii

Text proposed by the Commission

(iii) whether the Plan contains measures and investments that *contribute to* the green transition, *including to addressing the challenges resulting therefrom* and in particular to the achievement of the 2030 climate and energy objectives of the Union and the 2030 milestones of the Mobility Strategy.

Amendment

(iii) whether the Plan contains measures and investments that, *by contributing to and mitigating the social impact of* the green transition, and *contribute* in particular to the achievement of the 2030 *and 2050* climate and energy objectives of the Union and the 2030 milestones of the Mobility Strategy;

Amendment 84

Proposal for a regulation

Article 15 – paragraph 2 – point a – point iii a (new)

Text proposed by the Commission

Amendment

(iiia) whether a meaningful involvement of local and regional authorities, economic and social partners, civil society organisations, youth organisations and other relevant stakeholders has been ensured during preparation, and whether such involvement is foreseen during the implementation and monitoring;

Amendment 85

Proposal for a regulation

Article 15 – paragraph 2 – point b – point i

Text proposed by the Commission

(i) whether the Plan is expected to have a lasting impact on the challenges addressed by that Plan and in particular on vulnerable households, ***vulnerable micro-enterprises and vulnerable transport users***, especially households in energy poverty, in the Member State concerned;

Amendment

(i) whether the Plan is expected to have a lasting impact on the challenges addressed by that Plan and in particular on vulnerable households, especially households in energy ***and transport*** poverty, ***vulnerable transport users, vulnerable micro-enterprises, including vulnerable self-employed, and, in cases duly justified by the respective Member State, vulnerable small enterprises*** in the Member State concerned, ***and whether the Plan duly takes into consideration regional specificities, including, in particular, of less developed regions***;

Amendment 86

**Proposal for a regulation
Article 15 – paragraph 2 a (new)**

Text proposed by the Commission

Amendment

2a. The Member State concerned and the Commission may agree to extend the deadline for assessment and approval by a reasonable period if necessary.

Amendment 87

**Proposal for a regulation
Article 16 – paragraph 1 – introductory part**

Text proposed by the Commission

Amendment

1. On the basis of the assessment in accordance with Article 15, the Commission shall decide on the Plan of a Member State, by means of an implementing act, within ***six*** months from the date of the submission of that Plan

1. On the basis of the assessment in accordance with Article 15, the Commission shall decide on the Plan of a Member State, by means of an implementing act, within ***four*** months from the date of the submission of that Plan

pursuant to Article 3(1) of this Regulation.

pursuant to Article 3(1) of this Regulation.
The Member State concerned and the Commission may agree to extend the deadline for approval by a reasonable period if necessary.

Amendment 88

Proposal for a regulation Article 17 – paragraph 1

Text proposed by the Commission

1. Where a Social Climate Plan, including relevant milestones and targets, is no longer achievable, either in whole or in part, by the Member State concerned because of objective circumstances, in particular because of the actual direct effects of the emission trading system for buildings and road transport established pursuant to Chapter IVa of Directive 2003/87/EC, the Member State concerned may submit to the Commission an amendment of its Plan to include the necessary and duly justified changes. Member States may request technical support for the preparation of such request.

Amendment

1. Where a Social Climate Plan, including relevant milestones and targets, is no longer achievable, either in whole or in part, by the Member State concerned because of objective circumstances, in particular because of the actual direct effects of the emission trading system for buildings and road transport established pursuant to Chapter IVa of Directive 2003/87/EC, the Member State concerned may, ***following the consultation of local and regional authorities, economic and social partners, civil society organisations, youth organisations and other relevant stakeholders***, submit to the Commission an amendment of its Plan to include the necessary and duly justified changes. Member States may request technical support for the preparation of such request.

Amendment 89

Proposal for a regulation Article 17 – paragraph 5

Text proposed by the Commission

5. By 15 March 2027 each Member State concerned shall assess the appropriateness of its Plans in view of the actual direct effects of the emission trading system for buildings and road transport

Amendment

5. By 15 March 2027 each Member State concerned shall assess the appropriateness of its Plans in view of the actual direct effects of the emission trading system for buildings and road transport

established pursuant to Chapter IVa of Directive 2003/087/EC. Those assessments shall be submitted to the Commission as part of the biennial progress reporting pursuant to Article 17 of Regulation (EU) 2018/1999.

established pursuant to Chapter IVa of Directive 2003/087/EC ***with a view to address energy and transport poverty***. Those assessments shall be submitted to the Commission as part of the biennial progress reporting pursuant to Article 17 of Regulation (EU) 2018/1999.

Amendment 90

Proposal for a regulation Article 18 – paragraph 1

Text proposed by the Commission

1. After the Commission has adopted a decision as referred to in Article 16, it shall in due time conclude an agreement with the Member State concerned constituting an individual legal commitment within the meaning of Regulation (EU, Euratom) 2018/1046 covering the period **2025-2027**. That agreement may be concluded at the earliest one year before the year of the start of the auctions under Chapter IVa of Directive 2003/87/EC.

Amendment

1. After the Commission has adopted a decision as referred to in Article 16, it shall in due time conclude an agreement with the Member State concerned constituting an individual legal commitment within the meaning of Regulation (EU, Euratom) 2018/1046 covering the period ***from the entry into force of this Regulation until 2027***. That agreement may be concluded at the earliest one year before the year of the start of the auctions under Chapter IVa of Directive 2003/87/EC.

Amendment 91

Proposal for a regulation Article 20 – paragraph 1

Text proposed by the Commission

1. In implementing the Fund, the Member States, as beneficiaries of funds under the Fund, shall take all the appropriate measures to protect the financial interests of the Union and to ensure that the use of funds in relation to measures and investments supported by the Fund complies with the applicable Union and national law, in particular regarding

Amendment

1. In implementing the Fund, the Member States, as beneficiaries of funds under the Fund, shall take all the appropriate measures to protect the financial interests of the Union and to ensure that the use of funds in relation to measures and investments supported by the Fund complies with the applicable Union and national law, in particular regarding

the prevention, detection and correction of fraud, corruption and conflicts of interests. To this effect, the Member States shall provide an effective and efficient internal control system as further detailed in Annex III and the recovery of amounts wrongly paid or incorrectly used. Member States may rely on their regular national budget management systems.

the ***protection of the Union budget in the case of breaches of the principles of the rule of law***, prevention, detection and correction of fraud, corruption and conflicts of interests. To this effect, the Member States shall provide an effective and efficient internal control system as further detailed in Annex III and the recovery of amounts wrongly paid or incorrectly used. Member States may rely on their regular national budget management systems.

Amendment 92

Proposal for a regulation

Article 21 – paragraph 1 – introductory part

Text proposed by the Commission

The Commission and the Member States concerned shall, in a manner commensurate to their respective responsibilities, foster synergies and ensure effective coordination between the Fund and other Union programmes and instruments, including InvestEU Programme, the Technical Support Instrument, the Recovery and Resilience Facility, and the Funds covered by Regulation (EU) 2021/1060. For that purpose, they shall:

Amendment

The Commission and the Member States concerned shall, in a manner commensurate to their respective responsibilities, foster synergies and ensure effective coordination between the Fund and other Union programmes and instruments, including ***the Modernisation Fund established by Directive 2003/87/EC***, InvestEU Programme, the Technical Support Instrument, the Recovery and Resilience Facility, and the Funds covered by Regulation (EU)2021/1060. For that purpose, they shall:

Amendment 93

Proposal for a regulation

Article 21 – paragraph 1 – point a

Text proposed by the Commission

(a) ensure complementarity, synergy, coherence and consistency among different instruments at Union, national and, ***where***

Amendment

(a) ensure complementarity, synergy, coherence and consistency among different instruments at Union, national and regional

appropriate, regional levels, both in the planning phase and during implementation;

levels, both in the planning phase and during implementation;

Amendment 94

Proposal for a regulation Article 22 a (new)

Text proposed by the Commission

Amendment

Article 22a

Visibility of Union funding

1. Each Member State shall ensure:

(a) the visibility for intermediary entities and final beneficiaries of Union support in all activities relating to operations supported by the Fund;

(b) communication to Union citizens of the role and achievements of the Fund through a single website portal providing access to all programmes involving that Member State.

2. Member States shall acknowledge, and where applicable shall ensure that intermediary entities acknowledge, support from the Fund and the origin of those funds by:

(a) ensuring the visibility of the Union funding to the final beneficiaries and the public, including by displaying the emblem of the Union and an appropriate funding statement that reads ‘co-funded by the European Union – Social Climate Fund’ on documents and communication material relating to the implementation of the operation intended for the final beneficiaries or for the public;

(b) providing on their official website, where such a site exists, and social media sites, a short description of the operation, proportionate to the level of support, including its aims and results, and

highlighting the financial support from the Union;

(c) displaying for operations involving physical investment or equipment durable plaques or billboards clearly visible to the final beneficiaries and the public, that present the emblem of the Union, as soon as the physical implementation of operations involving physical investment starts or purchased equipment is installed;

(d) communicating for operations involving financial instruments, including for direct support in accordance with Article 6(1), the amount of support from the Fund to the final recipients.

3. Where a Member State does not comply with the obligations under paragraphs 1 and 2, and where remedial actions have not been put into place, the Commission shall apply measures, taking into account the principle of proportionality, that cancel up to 5 % per year of the support from the Fund to the Member State concerned.

Amendment 95

Proposal for a regulation

Article 23 – paragraph 1 – introductory part

Text proposed by the Commission

1. Each Member State concerned shall, on a biennial basis, report to the Commission on the implementation of its Plan as part of its integrated national energy and climate progress report pursuant to Article 17 of Regulation (EU) 2018/1999 and in accordance with Article 28 thereof. The Member States concerned shall include in their progress report:

Amendment

1. Each Member State concerned shall, on a biennial basis *and in consultation with local and regional authorities, economic and social partners, civil society organisations and other relevant stakeholders, in accordance with national legal framework*, report to the Commission on the implementation of its Plan as part of its integrated national energy and climate progress report pursuant to Article 17 of Regulation (EU) 2018/1999 and in accordance with Article 28 thereof. The Member States concerned shall include in their progress report:

Amendment 96

Proposal for a regulation

Article 23 – paragraph 1 – point a

Text proposed by the Commission

(a) detailed quantitative information on the number of households ***in energy poverty***;

Amendment

(a) detailed quantitative information, ***as well as disaggregated data***, on the number of ***vulnerable*** households, ***vulnerable transport users, vulnerable micro-enterprises, including vulnerable self-employed, and, in cases duly justified by the respective Member State, vulnerable small enterprises as defined in Article 2, as well as changes in that number in comparison to the last previous report***;

Amendment 97

Proposal for a regulation

Article 23 – paragraph 1 – point b

Text proposed by the Commission

(b) ***when applicable***, detailed information on progress towards the national ***indicative objective*** to reduce the number of households ***in energy poverty***;

Amendment

(b) detailed information on progress towards the national ***targets and objectives*** to reduce the number of ***vulnerable*** households, ***vulnerable transport users, vulnerable micro-enterprises, including vulnerable self-employed, and, in cases duly justified by the respective Member State, vulnerable small enterprises***;

Amendment 98

Proposal for a regulation

Article 24 – paragraph 3 a (new)

Text proposed by the Commission

Amendment

3a. The Commission shall consider possible amendments to this Regulation with regards to regulatory simplification. The Commission and the competent authorities shall continuously adapt to best practice administrative procedures and take all measures to simplify the enforcement of this Regulation, keeping administrative burdens to a minimum.

Amendment 99

Proposal for a regulation Article 25 – paragraph 2

Text proposed by the Commission

2. The power to adopt delegated acts referred to in Article 23(4) shall be conferred on the Commission for an indeterminate period of time.

Amendment

2. The power to adopt delegated acts referred to in ***Article 4(2a) and*** Article 23(4) shall be conferred on the Commission for an indeterminate period of time.

PROCEDURE – COMMITTEE ASKED FOR OPINION

Title	Establishing a Social Climate Fund	
References	COM(2021)0568 – C9-0324/2021 – 2021/0206(COD)	
Committees responsible Date announced in plenary	EMPL 13.9.2021	ENVI 13.9.2021
Opinion by Date announced in plenary	REGI 13.9.2021	
Rapporteur for the opinion Date appointed	Tom Berendsen 6.9.2021	
Rule 58 – Joint committee procedure Date announced in plenary	11.11.2021	
Discussed in committee	10.2.2022	15.3.2022
Date adopted	21.4.2022	
Result of final vote	+: 28	–: 5
	0: 7	
Members present for the final vote	Matteo Adinolfi, François Alfonsi, Pascal Arimont, Adrian-Dragoş Benea, Isabel Benjumea Benjumea, Tom Berendsen, Erik Bergkvist, Stéphane Bijoux, Rosanna Conte, Rosa D’Amato, Christian Doleschal, Raffaele Fitto, Chiara Gemma, Mircea-Gheorghe Hava, Krzysztof Hetman, Ondřej Knotek, Elżbieta Kruk, Joachim Kuhs, Nora Mebarek, Martina Michels, Alin Mituța, Dan-Ștefan Motreanu, Andželika Anna Możdżanowska, Niklas Nienaß, Andrey Novakov, Younous Omarjee, Alessandro Panza, Tsvetelina Penkova, Caroline Roose, André Rougé, Susana Solís Pérez, Irène Tolleret, Valdemar Tomaševski	
Substitutes present for the final vote	Álvaro Amaro, Josianne Cutajar, Mónica Silvana González, Stelios Kypourouopoulos, Jan Olbrycht, Bronis Ropè, Yana Toom	

FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

28	+
ID	Matteo Adinolfi, Rosanna Conte, Alessandro Panza
NI	Chiara Gemma
PPE	Álvaro Amaro, Pascal Arimont, Isabel Benjumea Benjumea, Tom Berendsen, Christian Doleschal, Mircea-Gheorghe Hava, Krzysztof Hetman, Stelios Kympouropoulos, Dan-Ștefan Motreanu, Andrey Novakov, Jan Olbrycht
Renew	Stéphane Bijoux, Ondřej Knotek, Alin Mituța, Susana Solís Pérez, Irène Tolleret, Yana Toom
S&D	Adrian-Dragoș Benea, Erik Bergkvist, Josianne Cutajar, Mónica Silvana González, Nora Mebarek, Tsvetelina Penkova
The Left	Younous Omarjee

5	-
ECR	Raffaele Fitto, Elżbieta Kruk, Anđželika Anna Moždžanowska, Valdemar Tomaševski
ID	Joachim Kuhs

7	0
ID	André Rougé
The Left	Martina Michels
Verts/ALE	François Alfonsi, Rosa D'Amato, Niklas Nienaaß, Caroline Roose, Bronis Ropé

Key to symbols:

+ : in favour

- : against

0 : abstention

PROCEDURE – COMMITTEE RESPONSIBLE

Title	Establishing a Social Climate Fund			
References	COM(2021)0568 – C9-0324/2021 – 2021/0206(COD)			
Date submitted to Parliament	15.7.2021			
Committees responsible Date announced in plenary	EMPL 13.9.2021	ENVI 13.9.2021		
Committees asked for opinions Date announced in plenary	BUDG 13.9.2021	ECON 13.9.2021	ITRE 13.9.2021	IMCO 13.9.2021
	TRAN 13.9.2021	REGI 13.9.2021	FEMM 13.9.2021	
Not delivering opinions Date of decision	IMCO 1.9.2021	FEMM 6.9.2021		
Associated committees Date announced in plenary	BUDG 11.11.2021			
Rapporteurs Date appointed	David Casa 29.11.2021	Esther de Lange 29.11.2021		
Rule 58 – Joint committee procedure Date announced in plenary	11.11.2021			
Discussed in committee	10.2.2022	16.3.2022		
Date adopted	18.5.2022			
Result of final vote	+: –: 0:	107 16 15		
Members present for the final vote	Atidzhe Alieva-Veli, Mathilde Androuët, Nikos Androulakis, Marc Angel, Bartosz Arłukowicz, Margrete Auken, Simona Baldassarre, Marek Paweł Balt, Traian Băsescu, Aurélie Beigneux, Monika Beňová, Hildegard Bentele, Sergio Berlato, Alexander Bernhuber, Dominique Bilde, Gabriele Bischoff, Malin Björk, Vilija Blinkevičiūtė, Simona Bonafè, Milan Brglez, Sylvie Brunet, Delara Burkhardt, Jordi Cañas, Pascal Canfin, David Casa, Sara Cerdas, Mohammed Chahim, Leila Chaibi, Tudor Ciuhodaru, Nathalie Colin-Oesterlé, Ilan De Basso, Esther de Lange, Margarita de la Pisa Carrión, Özlem Demirel, Klára Dobrev, Christian Doleschal, Marco Dreosto, Jarosław Duda, Estrella Durá Ferrandis, Bas Eickhout, Cyrus Engerer, Eleonora Evi, Agnès Evren, Pietro Fiocchi, Raffaele Fitto, Loucas Furlas, Cindy Franssen, Malte Gallée, Helmut Geuking, Catherine Griset, Elisabetta Gualmini, Jytte Guteland, Teuvo Hakkarainen, Martin Hojsík, Pär Holmgren, Alicia Homs Ginel, Jan Huitema, Yannick Jadot, France Jamet, Adam Jarubas, Agnes Jongerius, Radan Kanev, Petros Kokkalis, Athanasios Konstantinou, Ewa Kopacz, Joanna Kopcińska, Ádám Kósa, Stelios Kypourouopoulos, Katrin Langensiepen, Miriam Lexmann, Peter Liese, Sylvia Limmer, Elena Lizzi, Javi López, César Luena, Marian-Jean Marinescu, Fulvio Martusciello, Sara Matthieu, Liudas Mažylis, Joëlle Mélin, Tilly Metz, Silvia Modig, Dolores Montserrat, Alessandra			

	Moretti, Ville Niinistö, Grace O’Sullivan, Jutta Paulus, Sandra Pereira, Kira Marie Peter-Hansen, Dragoş Pîslaru, Manuel Pizarro, Stanislav Polčák, Nicola Procaccini, Dennis Radtke, Elżbieta Rafalska, Luisa Regimenti, Guido Reil, Frédérique Ries, María Soraya Rodríguez Ramos, Sándor Rónai, Daniela Rondinelli, Rob Rooker, Silvia Sardone, Mounir Satouri, Christine Schneider, Monica Semedo, Günther Sidl, Michal Šimečka, Linea Søgaaard-Lidell, Maria Spyraiki, Nicolae Ştefănuţă, Beata Szydło, Eugen Tomac, Romana Tomc, Nils Torvalds, Edina Tóth, Véronique Trillet-Lenoir, Marie-Pierre Vedrenne, Nikolaj Villumsen, Petar Vitanov, Alexandr Vondra, Mick Wallace, Maria Walsh, Pernille Weiss, Emma Wiesner, Michal Wiezik, Tiemo Wölken, Anna Zalewska, Stefania Zambelli, Tomáš Zdechovský
Substitutes present for the final vote	Maria Arena, Manuel Bompard, Lina Gálvez Muñoz, Ondřej Knotek, Jeroen Lenaers, Norbert Lins, Samira Rafaela, Idoia Villanueva Ruiz
Date tabled	23.5.2022

FINAL VOTE BY ROLL CALL IN COMMITTEE RESPONSIBLE

107	+
NI	Athanasios Konstantinou, Daniela Rondinelli
PPE	Bartosz Arłukowicz, Hildegard Bentele, Alexander Bernhuber, Traian Băsescu, David Casa, Nathalie Colin-Oesterlé, Christian Doleschal, Jarosław Duda, Agnès Evren, Loucas Fourlas, Cindy Franssen, Helmut Geuking, Adam Jarubas, Radan Kanev, Ewa Kopacz, Stelios Kypourouopoulos, Esther de Lange, Jeroen Lenaers, Miriam Lexmann, Peter Liese, Norbert Lins, Fulvio Martusciello, Liudas Mažylis, Dolores Montserrat, Stanislav Polčák, Dennis Radtke, Luisa Regimenti, Christine Schneider, Maria Spyrali, Eugen Tomac, Romana Tomc, Maria Walsh, Pernille Weiss, Tomáš Zdechovský
Renew	Atidzhe Alieva-Veli, Sylvie Brunet, Pascal Canfin, Jordi Cañas, Martin Hojsík, Ondřej Knotek, Dragoș Pîslaru, Samira Rrafaela, Frédérique Ries, María Soraya Rodríguez Ramos, Monica Semedo, Nils Torvalds, Véronique Trillet-Lenoir, Marie-Pierre Vedrenne, Emma Wiesner, Michal Wiezik, Nicolae Ștefănuță, Michal Šimečka
S&D	Nikos Androulakis, Marc Angel, Maria Arena, Marek Paweł Balt, Monika Beňová, Gabriele Bischoff, Vilija Blinkevičiūtė, Simona Bonafè, Milan Brglez, Delara Burkhardt, Sara Cerdas, Mohammed Chahim, Tudor Ciuhodaru, Ilan De Basso, Klára Dobrev, Estrella Durá Ferrandis, Cyrus Engerer, Elisabetta Gualmini, Jytte Guteland, Lina Gálvez Muñoz, Alicia Homs Ginell, Agnes Jongerius, César Luena, Javi López, Alessandra Moretti, Manuel Pizarro, Sándor Rónai, Günther Sidl, Petar Vitanov, Tiemo Wölken
The Left	Malin Björk, Manuel Bompard, Leila Chaibi, Özlem Demirel, Petros Kokkalis, Silvia Modig, Idoia Villanueva Ruiz, Nikolaj Villumsen, Mick Wallace
Verts/ALE	Margrete Auken, Bas Eickhout, Eleonora Evi, Malte Gallée, Pär Holmgren, Yannick Jadot, Katrin Langensiepen, Sara Matthieu, Tilly Metz, Ville Niinistö, Grace O'Sullivan, Jutta Paulus, Kira Marie Peter-Hansen, Mounir Satouri

16	-
ECR	Rob Rooken, Alexandr Vondra, Anna Zalewska
ID	Mathilde Androuët, Aurélia Beigneux, Dominique Bilde, Catherine Griset, Teuvo Hakkarainen, France Jamet, Sylvia Limmer, Joëlle Mélin, Guido Reil
NI	Ádám Kósa, Edina Tóth
PPE	Marian-Jean Marinescu
The Left	Sandra Pereira

15	0
ECR	Sergio Berlato, Pietro Fiocchi, Raffaele Fitto, Joanna Kopcińska, Nicola Procaccini, Elżbieta Rafalska, Beata Szydło, Margarita de la Pisa Carrión
ID	Simona Baldassarre, Marco Dreosto, Elena Lizzi, Silvia Sardone, Stefania Zambelli
Renew	Jan Huitema, Linea Søgaard-Lidell

Key to symbols:

+ : in favour

- : against

0 : abstention