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**TEXTS ADOPTED**

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**P9\_TA(2022)0247**

**Social Climate Fund \*\*\*I**

**Amendments adopted by the European Parliament on 22 June 2022 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))<sup>1</sup>**

**(Ordinary legislative procedure: first reading)**

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<sup>1</sup> The matter was referred back for interinstitutional negotiations to the committees responsible, pursuant to Rule 59(4), fourth subparagraph (A9-0157/2022).

## Amendment 1

### 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')<sup>28</sup> 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.

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<sup>28</sup> 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')<sup>28</sup> 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.***

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<sup>28</sup> Paris Agreement (OJ L 282, 19.10.2016, p. 4).

*Text proposed by the Commission*

(2) The Commission Communication The European Green Deal<sup>29</sup> 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.

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<sup>29</sup> COM(2019)0640.

*Amendment*

(2) The Commission Communication The European Green Deal<sup>29</sup> 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.

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<sup>29</sup> COM(2019)0640.

### **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 Council<sup>30</sup> 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.

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<sup>30</sup> Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework

*Amendment*

(3) Regulation (EU) 2021/1119 of the European Parliament and of the Council<sup>30</sup> 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.

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<sup>30</sup> 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).

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<sup>1a</sup> 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.***

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***<sup>1a</sup> 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

*Amendment*

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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 Council<sup>31</sup> 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***.

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 Council<sup>31</sup> 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.***

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<sup>31</sup> Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a scheme for greenhouse gas emission allowance trading within the Community and amending Council Directive 96/61/EC (OJ L 275, 25.10.2003, p. 32).

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<sup>31</sup> Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a scheme for greenhouse gas emission allowance trading within the Community and amending Council Directive 96/61/EC (OJ L 275, 25.10.2003, p. 32).

## Amendment 8

### Proposal for a regulation Recital 9

*Text proposed by the Commission*

(9) However, resources are needed to finance ***those*** investments. In addition,

*Amendment*

(9) However, resources are needed to finance ***sufficient, stable and equitable***

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*

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*

***(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.***

## **Amendment 10**

### **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<sup>1a</sup> (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.*

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*<sup>1a</sup> 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 433 I, 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*

*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

(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**

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<sup>32</sup>. 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.

*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 survey<sup>32</sup>. 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.*

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<sup>32</sup> Data from 2018. Eurostat, SILC [ilc\_mdcs01]).

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<sup>32</sup> 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**

### **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*

(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 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 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*

(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 **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 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*

(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, *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 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*

(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 *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*

(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 Council<sup>33</sup> 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<sup>34</sup>. 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

#### *Amendment*

(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 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 Council<sup>33</sup> 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 Council<sup>34</sup>. 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.

proposal for a Council Recommendation on how to address the social aspects of the green transition.

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<sup>33</sup> 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).

<sup>34</sup> 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).

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<sup>33</sup> 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).

<sup>34</sup> 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*

*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 Council<sup>35</sup>. 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 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 Council<sup>35</sup> ***and the European Code of Conduct on Partnership as set out in Regulation (EU) No 240/2014<sup>35a</sup>***. The Plans should include the measures to be financed, their

assess the effective implementation of the measures.

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

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<sup>35</sup> 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).

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<sup>35</sup> 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).

<sup>35a</sup> ***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

##### *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]<sup>36</sup>, the European Pillar of Social Rights Action Plan<sup>37</sup>, the European Social Fund Plus (ESF+) *established by Regulation (EU) 2021/1057 of the European Parliament and of the Council*<sup>38</sup>, the Just Transition Plans *pursuant to Regulation (EU) 2021/1056 of the European Parliament and of the Council*<sup>39</sup> and the Member States long-term buildings renovation strategies pursuant to Directive 2010/31/EU of the European Parliament and of the Council<sup>40</sup>. To ensure administrative efficiency, where applicable, the information included in the Plans should be consistent with the legislation and plans listed above.

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<sup>36</sup> [Add ref]

<sup>37</sup> Endorsed by the European Council on 24 and 25 June 2021.

<sup>38</sup> 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).

##### *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]<sup>36</sup>, the European Pillar of Social Rights Action Plan<sup>37</sup>, the European Social Fund Plus (ESF+)<sup>38</sup>, *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 Plans<sup>39</sup> and the Member States long-term buildings renovation strategies pursuant to Directive 2010/31/EU of the European Parliament and of the Council<sup>40</sup>. To ensure administrative efficiency, where applicable, the information included in the Plans should be consistent with the legislation and plans listed above.

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<sup>36</sup> [Add ref]

<sup>37</sup> Endorsed by the European Council on 24 and 25 June 2021.

<sup>38</sup> 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).

<sup>39</sup> 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).

<sup>40</sup> 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).

<sup>39</sup> 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).

<sup>40</sup> 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 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

(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***

integration with other national spending programmes while guaranteeing the impact and the integrity of EU spending.

***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

#### *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) 2020/2053<sup>41</sup>, 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 **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) 2020/2053<sup>41</sup>, 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.***

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<sup>41</sup> 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).

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<sup>41</sup> 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 Law-Making of 13 April 2016***. In particular, to ensure equal participation in the preparation of delegated acts, the

(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 its preparatory work, including at expert level, and that those consultations be conducted in accordance with the principles laid down in 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.

***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<sup>1a</sup> 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<sup>1b</sup>, a prohibition on entering into such legal commitments, or a suspension of the disbursement of instalments.*

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*<sup>1a</sup> 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 433 I, 22.12.2020, p. 1).*

*<sup>1b</sup> 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

*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. 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*

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*

***(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<sup>1a</sup>. 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<sup>1b</sup>, 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.*

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<sup>1a</sup> 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 433 I, 22.12.2020, p. 1).

*<sup>1b</sup> 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 Fundamental Rights of the European Union.*

## **Amendment 51**

### **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,

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).

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 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 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 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***<sup>50</sup> ;

*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;***

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<sup>50</sup> [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*

*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

(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,**

renovate the building they occupy;

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 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 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 64**

##### **Proposal for a regulation Article 4 – paragraph 1 – point -a (new)**

*Amendment*

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

*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*;

(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*.

*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*

*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 ***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 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 ***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 ***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*

*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

(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;

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*

(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 (EU) 2020/1563<sup>54</sup> on energy poverty;

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<sup>54</sup> 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 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 Recommendation (EU) 2020/1563<sup>54</sup> on energy poverty;

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<sup>54</sup> 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*

(b) building renovation;

*Amendment*

(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 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.***

## Amendment 83

### 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. Member States may include the costs of measures providing temporary direct income support, **including the reduction of electricity taxes and fees, as a 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 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 **quality, cost- and energy efficient** building renovations, especially **to contribute to the achievement of the 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*

(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

*Amendment*

(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**

of energy savings;

*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 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 entities, **strictly excluding financial intermediaries**, other than vulnerable households, vulnerable micro-enterprises and vulnerable transport **users 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

*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.

*[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<sup>1a</sup> 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.*

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*<sup>1a</sup> Council Regulation (EU, Euratom) 2020/2093 of 17 December 2020 laying down the multiannual financial framework for the years 2021 to 2027 (OJ L 433 I, 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*

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, ***and used in synergy, complementarity, coherence and consistency with,*** 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

*Amendment*

1. ***Without prejudice to Article 9(1a),*** the maximum financial allocation shall be

as specified in Annex I and Annex II.

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

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.

#### 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*

(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;

*Amendment*

(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*

*Amendment*

(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.

(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*

*Amendment*

***(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 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

(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;

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*

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.

##### *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 **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*

*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.

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

Member States may request technical support for the preparation of such request.

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*

*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 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*

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 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.

*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 Member State concerned may present its observations within one month of the communication of the Commission's assessment.

***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.

## Amendment 128

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

*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 Chapter 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

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***

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.

***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*

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 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)

*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. The Member States concerned shall include in their progress report:

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 (new)**

*Text proposed by the Commission*

*Amendment*

***(aa) detailed information on the application of the definitions 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

*Amendment*

(b) detailed information on progress towards the national indicative ***targets and objectives*** to reduce the number of

number of households in energy poverty;

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*

*Amendment*

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

(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 2003/87/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 2003/87/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 set out in Article 1.

*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, **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)**

*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**

**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 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

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

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 Council<sup>63</sup>. 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(1)(aa) 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

Council<sup>63</sup>. 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.***

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<sup>63</sup> 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).

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<sup>63</sup> 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).

## **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

*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

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.

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*

*Amendment*

***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 Council<sup>64</sup> amending Directive 2003/87/EC as regards Chapter IVa of Directive 2003/87/EC.***

***deleted***

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<sup>64</sup> ***[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**

*Text proposed by the Commission*

*Amendment*

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

***For all Member States,  $\alpha_i$  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,  $\alpha_i$  cannot be lower than the share of reference emissions under Article 4(2) of Regulation (EU) 2018/842 for the sectors

capita above the EU-27 value are proportionally adjusted to ensure that the sum of all equals 100%.

covered by [Chapter IVa of Directive 2003/87/EC] for the average of the period 2016-2018. The  $\alpha_i$  of the Member States with a GNI per capita above the EU-27 value are proportionally adjusted to ensure that the sum of all  $\alpha_i$  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*

<i>Member State</i>	<i>Share as % of total</i>	<i>TOTAL [date of entry into force]-2032 (in EUR, current prices)</i>	<i>Amount for [date of entry into force]-2027 (in EUR, current prices)</i>	<i>Amount for 2028-2032 (in EUR, current prices)</i>
<i>Belgium</i>	<i>2.56</i>	<i>[1 844 737 639]</i>	<i>[605 544 073]</i>	<i>[1 239 193 566]</i>
<i>Bulgaria</i>	<i>3.85</i>	<i>[2 778 104 958]</i>	<i>[911 926 420]</i>	<i>[1 866 178 538]</i>
<i>Czechia</i>	<i>2.40</i>	<i>[1 735 707 679]</i>	<i>[569 754 460]</i>	<i>[1 165 953 219]</i>
<i>Denmark</i>	<i>0.50</i>	<i>[361 244 536]</i>	<i>[118 580 270]</i>	<i>[242 664 266]</i>
<i>Germany</i>	<i>8.19</i>	<i>[5 910 983 488]</i>	<i>[1 940 308 984]</i>	<i>[3 970 674 504]</i>
<i>Estonia</i>	<i>0.29</i>	<i>[207 004 992]</i>	<i>[67 950 392]</i>	<i>[139 054 600]</i>
<i>Ireland</i>	<i>1.02</i>	<i>[737 392 966]</i>	<i>[242 052 816]</i>	<i>[495 340 150]</i>
<i>Greece</i>	<i>5.52</i>	<i>[3 986 664 037]</i>	<i>[1 308 641 796]</i>	<i>[2 678 022 241]</i>
<i>Spain</i>	<i>10.53</i>	<i>[7 599 982 898]</i>	<i>[2 494 731 228]</i>	<i>[5 105 251 670]</i>
<i>France</i>	<i>11.20</i>	<i>[8 087 962 701]</i>	<i>[2 654 912 964]</i>	<i>[5 433 049 737]</i>
<i>Croatia</i>	<i>1.94</i>	<i>[1 403 864 753]</i>	<i>[460 825 411]</i>	<i>[943 039 343]</i>
<i>Italy</i>	<i>10.81</i>	<i>[7 806 923 117]</i>	<i>[2 562 660 358]</i>	<i>[5 244 262 759]</i>
<i>Cyprus</i>	<i>0.20</i>	<i>[145 738 994]</i>	<i>[47 839 531]</i>	<i>[97 899 463]</i>
<i>Latvia</i>	<i>0.71</i>	<i>[515 361 901]</i>	<i>[169 170 042]</i>	<i>[346 191 859]</i>
<i>Lithuania</i>	<i>1.02</i>	<i>[738 205 618]</i>	<i>[242 319 573]</i>	<i>[495 886 046]</i>
<i>Luxemburg</i>	<i>0.10</i>	<i>[73 476 421]</i>	<i>[24 118 991]</i>	<i>[49 357 430]</i>
<i>Hungary</i>	<i>4.33</i>	<i>[3 129 860 199]</i>	<i>[1 027 391 783]</i>	<i>[2 102 468 416]</i>
<i>Malta</i>	<i>0.01</i>	<i>[5 112 942]</i>	<i>[1 678 348]</i>	<i>[3 434 594]</i>

<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>		[12 714 118		
	17.61	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>		[72 200 000	[23 700 000	
	100%	000]	000]	[48 500 000 000]