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Committee on the Environment, Public Health and Food Safety

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COMPROMISE AMENDMENTS

Draft report
David Casa, Esther de Lange
(PE703.206v01-00)

Establishing a Social Climate Fund

Proposal for a regulation
(COM(2021)0568 – C9-0324/2021 – 2021/0206(COD))

CLUSTER 1

Compromise Amendment 1 SCOPE (ART 1)
EPP, S&D, RE, Greens, ECR, The Left
Compromise amendment replacing Amendments 20-21, 92, 187, 385-426, BUDG 16-17, ITRE 18-19, ECON 24-28, REGI 34-35, TRAN 21-22

Proposal for a regulation
Article 1

Text proposed by the Commission	*Amendment*
Subject matter, scope and objective	*Subject matter, scope and objective*
The Social Climate Fund ('the Fund') is established.	The Social Climate Fund ('the Fund') is established.
It shall provide support to Member States for the financing of the measures and investments included in their Social Climate Plans ('the Plans').	It shall provide support to Member States for the financing of the measures and investments included in their Social Climate Plans ('the Plans').
The measures and investments supported by the Fund shall benefit households, micro-enterprises and transport users, which are vulnerable and particularly affected by the inclusion of greenhouse gas emissions from buildings and road transport into the scope of Directive 2003/87/EC, especially households in energy poverty and citizens ***without public*** transport ***alternative to individual cars (in remote and rural areas)***.	The measures and investments supported by the Fund shall benefit households, micro-enterprises**,** and transport users, which are vulnerable and particularly affected by ***the 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 and the outermost regions and carbon intensive regions with high unemployment.***
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	The general objective of the Fund is to contribute to ***a socially fair*** transition towards climate neutrality ***that leaves no one behind***, ***in particular*** by addressing the social impacts of the inclusion of greenhouse gas emissions from buildings and road transport into the scope of Directive 2003/87/EC. The specific objective of the Fund is to support vulnerable households, vulnerable micro-enterprises**,** and vulnerable transport users**,** ***especially those in energy poverty or***

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

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

Compromise Amendment 2 DEFINITIONS (ART 2)
EPP, S&D, RE, Greens, The Left
Compromise amendment replacing Amendments 22-27, 427-505, ITRE 20-28, BUDG 18, ECON 29-35, REGI 36-45, TRAN 23-30

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

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

Or. en

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

Text proposed by the Commission	*Amendment*
(2) 'energy poverty' means energy ***poverty as defined in point [(49)] of Article 2 of Directive (EU) [yyyy/nnn] of the of the European Parliament and of the Council***[50] ;	(2) 'energy poverty' means ***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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[50] [Directive (EU) [yyyy/nnn] of the of the European Parliament and of the Council (OJ C […], […], p. […]).] [Proposal for recast of Directive 2012/27/EU on energy efficiency]

Or. en

Proposal for a decision
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;

Or. en

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

Text proposed by the Commission	*Amendment*
(11) 'vulnerable households' means	(11) 'vulnerable households' means

households in energy poverty or households, including lower middle-income ones, that are significantly affected by the ***price impacts of the inclusion of buildings into the scope of Directive 2003/87/EC*** and lack the means to renovate the building they occupy;	households in ***or at risk of*** energy poverty or households ***in the lowest income deciles,*** including lower middle-income ones, that are significantly affected by ***the impact of the transition towards climate neutrality, including by carbon pricing,*** and lack the means to renovate the building they occupy;
	Or. en

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

Text proposed by the Commission	*Amendment*
(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;	(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***;
	Or. en

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

Text proposed by the Commission	*Amendment*
(13) 'vulnerable transport users' means transport users, including from lower middle-income households, that are significantly affected by ***the price impacts of the inclusion of road transport into the scope of Directive 2003/87/EC and lack the means to purchase zero- and low-emission vehicles or to switch to alternative sustainable modes of transport, including public transport, particularly in rural and remote areas***.	(13) 'vulnerable transport users' means transport users, including from lower middle-income households ***in the lowest income deciles, including lower middle income ones***, that are ***at risk of mobility poverty and*** significantly affected ***the impact of the transition towards climate neutrality, including by carbon pricing***.

Compromise Amendment 3 SCPs - SOC & REG PARTNERS (ART 3)
EPP, S&D, RE, Greens, ECR, The Left
Compromise amendment replacing Amendments 28, 506-574, ITRE 29-36, BUDG 19, ECON 36-41, REGI 46-50, TRAN31-37

Proposal for a regulation
Article 3

Text proposed by the Commission	*Amendment*
1. Each Member State shall submit to the Commission a Social Climate Plan ('the Plan') together with the update to the integrated national energy and climate plan referred to in Article 14(2) of Regulation (EU) 2018/1999 in accordance with the procedure and timeline laid down in that Article. The Plan shall contain a coherent set of measures and investments to address the impact of carbon pricing on vulnerable households, vulnerable ***micro-enterprises,*** and vulnerable transport users in order to ensure affordable heating, cooling and mobility while accompanying and accelerating necessary measures to meet the climate targets of the Union.	1. Each Member State shall submit to the Commission a Social Climate Plan ('the Plan') together with the update to the integrated national energy and climate plan referred to in Article 14(2) of Regulation (EU) 2018/1999 in accordance with the procedure and timeline laid down in that Article ***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.
2. The Plan may include national measures providing temporary direct income support to vulnerable households and households that are vulnerable transport users to reduce the impact of the increase in the price of fossil fuels resulting from ***the inclusion of buildings and road transport into the scope of Directive 2003/87/EC***.	2. The Plan may include national ***or, 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***.
3. The Plan shall include national projects to:	3. The Plan shall include national***, regional or local*** projects to:
(a) finance measures and investments to increase energy efficiency of buildings, to implement energy efficiency improvement measures, to carry out	(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;	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 zero- and low-emission mobility and transport.	(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.***

Or. en

Compromise Amendment 4 CONTENT OF SCPs (ART 4)
EPP, S&D, RE, Greens, The Left
Compromise amendment replacing Amendments 29-35,576-647, ITRE 37-46 BUDG 20, ECON 42-59, REGI 51-62, TRAN 38-47

Proposal for a regulation
Article 4

Text proposed by the Commission	*Amendment*
1. Social Climate Plans shall set out in particular the following elements:	1. Social Climate Plans shall set out in particular the following elements:
	(-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 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;
(a) concrete measures and investments in accordance with Article 3 to reduce the effects referred to in point (c) of this paragraph together with an explanation of how they would contribute effectively to the achievement of the objectives set out in Article 1 within the overall setting of a Member State's relevant policies;	(a) concrete measures and investments in accordance with Article 3 ***and Article 6*** to ***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;
(b) concrete accompanying measures needed to accomplish the measures and investments of the Plan and reduce the effects referred to in point (c) as well as information on existing or planned financing of measures and investments from other Union, international, public or	(b) concrete accompanying measures needed to accomplish the measures and investments of the Plan and reduce the effects referred to in point (c) as well as information on existing or planned financing of measures and investments from other Union, international, public or

private sources;	private sources;
	(ba) the coherence and mutual reinforcement of the accompanying measures to reduce the effects referred to in point (c);
(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***;
(d) where the Plan provides for measures referred to in Article 3(2), the criteria for the identification of eligible final recipients, the indication of the envisaged time limit for the measures in question and their justification on the basis of a quantitative estimate and a qualitative explanation of how the measures in the Plan are expected to reduce energy and transport poverty and the vulnerability of households, micro-enterprises and transport users to an increase of road transport and heating fuel prices;	(d) where the Plan provides for measures referred to in Article 3(2), the criteria for the identification of eligible final recipients, the indication of the envisaged time limit for the measures in question and their justification on the basis of a quantitative estimate and a qualitative explanation of how the measures 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;***
(e) envisaged milestones, targets and an indicative timetable for the implementation of the measures and investments to be completed by 31 July 2032;	(e) envisaged milestones, targets and an indicative timetable for the implementation of the measures and investments to be completed by ***each biennial integrated national energy and climate progress report pursuant to Article 23 and by*** 31 July 2032;
	(ea) an indicative timetable, where

	applicable, for the support for vehicles in accordance with Article 6(2)(d);
	(eb) how the measures and investments, where relevant, promote sustainable and quality jobs;
(f) the estimated total costs of the Plan accompanied by appropriate cost justification and explanations of how it is in line with the principle of cost efficiency and commensurate to the expected impact of the Plan;	(f) the estimated total costs of the Plan accompanied by appropriate cost justification and explanations of how it is in line with the principle of cost efficiency and commensurate to the expected impact of the Plan;
(g) the envisaged national contribution to the total estimated costs, calculated in accordance with Article 14;	(g) the envisaged national contribution to the total estimated costs, calculated in accordance with Article 14;
(h) an explanation of how the Plan ensures that no investment or measure, included in the Plan does significant harm to environmental objectives within the meaning of Article 17 of Regulation (EU) 2020/852; the Commission shall provide technical guidance to the Member States targeted to the scope of the Fund to that effect; no explanation is required for the measures referred to in Article 3(2);	(h) an explanation of how the Plan ensures that no investment or measure, included in the Plan does significant harm to environmental objectives within the meaning of Article 17 of Regulation (EU) 2020/852; the Commission shall provide technical guidance to the Member States targeted to the scope of the Fund to that effect; no explanation is required for the measures referred to in Article 3(2);
(i) the arrangements for the effective monitoring and implementation of the Plan by the Member State concerned**,** in particular of the proposed milestones and targets, including indicators for the implementation of measures and investments, which, where relevant, shall be those available with the Statistical office of the European Union European Statistical Office and the European Energy Poverty Observatory as identified by Commission Recommendation 2020/1563[54] on energy poverty;	(i) the arrangements for the effective monitoring and implementation of the Plan by the Member State concerned***, to be undertaken in close consultation with local and regional level authorities, economic and social partners and relevant civil society organisations in accordance with national law and practices***, in particular of the proposed milestones and targets, including indicators for the implementation of measures and investments, which, where relevant, shall be those available with the Statistical office of the European Union European Statistical Office and the European Energy Poverty Observatory as identified by Commission Recommendation 2020/1563[54] on energy poverty;
(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	(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;	***and Article 8*** 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***;
(k) an explanation of the Member State's system to prevent, detect and correct corruption, fraud and conflicts of interests, when using the funds provided under the Fund, and the arrangements that aim to avoid double funding from the Fund and other Union programmes.	(k) an explanation of the Member State's system to prevent, detect and correct corruption, fraud and conflicts of interests, when using the funds provided under the Fund, and the arrangements that aim to avoid double funding from the Fund and other Union programmes. ***(ka) the proportion of the Fund set aside for community-led local climate transition projects.***
2. The Plans shall be consistent with the information included and the commitments made by the Member States under the European Pillar of Social Rights Action Plan and the European Social Fund Plus (ESF+) established by Regulation (EU) 2021/1057, under their cohesion policy operational programmes under Regulation (EU) 2021/1058 , under their Recovery and Resilience Plans in accordance with Regulation (EU) 2021/241 of the European Parliament and of the Council , under their long-term buildings renovation strategies pursuant to Directive 2010/31/EU and under their updated integrated national energy and climate plans under Regulation (EU) 2018/1999. They shall also be complementary to the Just Transition Plans pursuant to Regulation (EU) 2021/1056 of the European Parliament and of the Council.	2. The Plans shall be consistent with the information included and the commitments made by the Member States under the European Pillar of Social Rights Action Plan and the European Social Fund Plus (ESF+) established by Regulation (EU) 2021/1057, under their cohesion policy operational programmes under Regulation (EU) 2021/1058 , under their Recovery and Resilience Plans in accordance with Regulation (EU) 2021/241 of the European Parliament and of the Council , under their long-term buildings renovation strategies pursuant to Directive 2010/31/EU and under their updated integrated national energy and climate plans under Regulation (EU) 2018/1999. They shall also be complementary to the Just Transition Plans pursuant to Regulation (EU) 2021/1056 of the European Parliament and of the Council . ***2 a. 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 Social Climate Plan.
3. When preparing their Plans, Member States may request the Commission to organise an exchange of good practices. Member States may also request technical support under the ELENA facility, established by an Agreement of the Commission with the European Investment Bank in 2009, or under the Technical Support Instrument established by Regulation (EU) 2021/240 of the European Parliament and of the Council .	3. When preparing their Plans, Member States may request the Commission to organise an exchange of good practices. Member States may also request technical support under the ELENA facility, established by an Agreement of the Commission with the European Investment Bank in 2009, or under the Technical Support Instrument established by Regulation (EU) 2021/240 of the European Parliament and of the Council .

Or. en

Compromise Amendment 5 ELIGIBILITY (ART 5)
EPP, S&D, RE, Greens, The Left
Compromise amendment replacing Amendments 36-38, 648-700, ITRE 47-51, ECON 60-70, REGI 63-66, TRAN 48-52

Proposal for a regulation
Article 5

Text proposed by the Commission	*Amendment*
Principles governing the Fund and eligibility	*Principles governing the Fund and eligibility*
1. The Fund shall provide financial support to Member States to fund the measures and investments set out in their Plans.	1. The Fund shall provide financial support to Member States to fund the measures and investments set out in their Plans.
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*** for achieving 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:
(a) energy efficiency;	(a) energy efficiency;
(b) building renovation;	(b) building renovation***, including by contributing to the achievement of the renovation requirements established in Directive .../... [on the energy performance of buildings (recast)];***
(c) ***zero- and low-emission*** mobility and transport;	(c) mobility and transport ***in accordance with Article 6***;
(d) greenhouse gas emissions reductions;	(d) greenhouse gas emissions reductions***, with the objective to phase out gradually and not prolong fossil fuel dependence and avoid carbon lock-in , relating to measures and investments in accordance with Article 6***;
(e) reductions in the number of vulnerable households, especially households in energy poverty, of	(e) reductions in the number of vulnerable households, ***i.e.*** households in ***or at risk of*** energy poverty, of vulnerable

vulnerable micro-enterprises and of vulnerable transport users, including in rural and remote areas.	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;***
	(ea) contribution to, where relevant, sustainable and quality jobs.
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 ***consistent with the technical criteria established in the framework of Regulation (EU) 2020/852[1] 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.

Or. en

Compromise Amendment 6A DIRECT INCOME SUPPORT (ART 6)
EPP, S&D, RE, Greens, The Left
Compromise amendment replacing Amendments 39, 701-714, ITRE 52, ECON 71-72, REGI 67, TRAN 53

Proposal for a regulation
Article 6 - paragraph 1

Text proposed by the Commission	*Amendment*
Measures and investments to be included in the estimated total costs of the Social	*Measures and investments to be included in the estimated total costs of the Social*

[1] 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

Climate	*Climate*
1. Member States may include the costs of measures providing temporary direct income support to vulnerable households and vulnerable households that are transport users to absorb the increase in road transport and heating fuel prices. Such support shall decrease over time and be limited to the direct impact of the emission trading for buildings and road transport. ***Eligibility for such*** direct income support shall ***cease within the time limits identified under Article 4(1) point (d)***.	1. Member States may include the costs of measures providing temporary direct income support***, 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 by the end of 2032.***

Compromise Amendment 6B STRUCTURAL MEASURES & INVESTMENTS (ART 6(2))
EPP, S&D, RE, Greens, The Left
Compromise amendment replacing Amendments 40-48, 715-797 ITRE 53-65, ECON 73-82, REGI 68-77, TRAN 54-60

Proposal for a regulation
Article 6 - paragraph 2

Text proposed by the Commission	*Amendment*
2. Member States may include the costs of the following measures and investments in the estimated total costs of the Plans, provided they principally benefit vulnerable households, vulnerable micro-enterprises or vulnerable transport users and intend to:	2. Member States may include the costs of the following measures and 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:
(a) support building renovations,	(a) support ***quality, cost- and energy***

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;	***efficient*** building renovations, especially ***to contribute to the achievement of the renovation requirements established in Directive .../... [on the energy performance of buildings (recast)] 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;
	(aa) ensure access to affordable energyefficient housing, including by providing sufficient energy-efficient and affordable housing stock, including social housing;
(b) contribute to the decarbonisation, including the electrification, of heating and cooling of, and cooking in, buildings and the integration of energy from renewable sources that contribute to the achievements of energy savings;	(b) contribute to the ***cost-efficient*** decarbonisation, including the electrification, of heating and cooling of, and cooking in, buildings ***by ensuring access to affordable and energy-efficient systems***, and the integration ***and storage*** of energy from renewable sources***, including through citizen energy communities and peer-to-peer energy sharing, to power any residual demand***, ***smart internal electricity installations or covering 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***;
	(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;
(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;***
(d) provide access to zero- and low-emission vehicles and bikes, including financial support or fiscal incentives for their purchase ***as well as*** for appropriate public and private infrastructure, including for recharging and refuelling; for support concerning low-emission vehicles, a timetable for gradually reducing the support shall be provided;	(d) provide ***financial support or fiscal incentives to improve*** access to zero-emission vehicles, ***while maintaining technological neutrality,*** and ***bicycles***, ***including incentivising access to and the further development of 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 2021/2139;***
(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;	(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;

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

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.

Compromise Amendment 7 EXCLUSIONS (ART 7)
EPP, S&D, RE, Greens, The Left
Compromise amendment replacing Amendments 49, 798-812, ITRE 66, ECON 83, TRAN 61-63

Proposal for a regulation
Article 7

Text proposed by the Commission	*Amendment*
Exclusions from the estimated total costs of Social Climate Plans	*Exclusions from the estimated total costs of Social Climate Plans*
1. The Fund shall not support, and the estimated total costs of Plans shall not include measures in the form of direct income support pursuant to Article 3(2) of this Regulation for households already benefiting:	1. The Fund shall not ***replace***, 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:
(a) from public intervention in the price level of the fuels ***covered by Chapter IVa of Directive 2003/87/EC***;	(a) from public intervention in the price level of the fuels u***sed for combustion in the heating and cooling of buildings or road transport***;
(b) from public interventions in the price setting for the supply of gas in accordance with Article 3(3) of Directive 2009/73/EC;	(b) from public interventions in the price setting for the supply of gas in accordance with Article 3(3) of Directive 2009/73/EC;
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.	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.

Or. en

Compromise Amendment 8 INTERMEDIARIES (ART 8)
EPP, S&D, RE, Greens, ECR, The Left
Compromise amendment replacing Amendments 50, 813-825, ITRE 67-69, REGI 78, TRAN 64-66, BUDG 21

Proposal for a regulation
Article 8

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

Or. en

CLUSTER 2A

Cluster 2: Budget, Financial Management, Link with ETS 2

Compromise Amendment 10 RESOURCES FROM SHARED MANAGEMENT (ART 10 + ART 10a)
EPP, S&D, RE, Greens, ECR, The Left
Compromise amendment replacing Amendments 862-876, ITRE 72-73, TRAN 69

Text proposed by the Commission	*Amendment*
Resources from shared management programmes and use of resources	Resources from shared management programmes and use of resources
1. Resources allocated to Member States under shared management may, at their request, be transferred to the Fund subject to the conditions set out in the relevant provisions of Regulation (EU) 2021/1060. The Commission shall implement those resources directly in accordance with Article 62(1), first subparagraph, point (a) of Regulation (EU, Euratom) 2018/1046. Those resources shall be used exclusively for the benefit of the Member State concerned.	1. Resources allocated to Member States under shared management may, at their request, be transferred to the Fund subject to the conditions set out in the relevant provisions of Regulation (EU) 2021/1060. The Commission shall implement those resources directly in accordance with Article 62(1), first subparagraph, point (a) of Regulation (EU, Euratom) 2018/1046. Those resources shall be used exclusively for the benefit of the Member State concerned.
2. Member States may entrust the managing authorities of the European Social Fund Plus (ESF+) established by Regulation (EU) 2021/1057 and of the cohesion policy operational programmes under Regulation (EU) 2021/1058 with the implementation of measures and investments benefitting from this Fund, where applicable in view of the synergies with those Union funds and in conformity with the objectives of the Fund. Member States shall state their intention to entrust those authorities in their Plans.	2. Member States may entrust the managing authorities of the European Social Fund Plus (ESF+) established by Regulation (EU) 2021/1057 and of the cohesion policy operational programmes under Regulation (EU) 2021/1058 with the implementation of measures and investments benefitting from this Fund, where applicable in view of the synergies with those Union funds and in conformity with the objectives of the Fund. Member States shall state their intention to entrust those authorities in their Plans.
3. Member States may include in their Plan, as part of the estimated total costs, the payments for additional technical support pursuant to Article 7 of Regulation (EU) 2021/240 and the amount of the cash contribution for the purpose of the Member State compartment pursuant to the relevant provisions of Regulation (EU) 2021/523. Those costs shall not exceed 4 % of the financial total allocation for the Plan, and the relevant measures, as set out in the Plan, shall comply with this Regulation.	3. Member States may include in their Plan, as part of the estimated total costs, the payments for additional technical support pursuant to Article 7 of Regulation (EU) 2021/240 and the amount of the cash contribution for the purpose of the Member State compartment pursuant to the relevant provisions of Regulation (EU) 2021/523. Those costs shall not exceed 4 % of the financial total allocation for the Plan, and the relevant measures, as set out in the Plan, shall comply with this Regulation.

Proposal for a regulation
Article 10 a (new)

Text proposed by the Commission	*Amendment*
	Article 10 a
	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 for those territories with the corresponding justification, taking into account the particular challenges of those territories.

Compromise Amendment 11 IMPLEMENTATION (ART 11)
EPP, S&D, RE, Greens, ECR, The Left
Compromise amendment replacing Amendments 322, 877-883, REGI 26, REGI 80

Text proposed by the Commission	*Amendment*
Implementation	Implementation
The Fund shall be implemented by the Commission in direct management in accordance with the relevant rules adopted pursuant to Article 322 TFEU, in particular Regulation (EU, Euratom) 2018/1046 and Regulation (EU, Euratom) 2020/2092 of the European Parliament and of the Council59 .	The Fund shall be implemented by the Commission in direct management in accordance with the relevant rules adopted pursuant to Article 322 TFEU, in particular Regulation (EU, Euratom) 2018/1046 and Regulation (EU, Euratom) 2020/2092 of the European Parliament and of the Council59 .
[59] Regulation (EU, Euratom) 2020/2092 of European Parliament and of the Council of December 2020 on a general regime conditionality for the protection of the Un budget (OJ L 433I, 22.12.2020, p. 1).	[59] Regulation (EU, Euratom) 2020/2092 of European Parliament and of the Council of December 2020 on a general regime conditionality for the protection of the Un budget (OJ L 433I, 22.12.2020, p. 1).

Compromise Amendment 12 ADDITIONALITY (ART 12)
EPP, S&D, RE, Greens, ECR, The Left
Compromise amendment replacing Amendments 56-57, 884-888, ITRE 74, ECON 88-91, TRAN 70-71

Proposal for a regulation
Article 12

Text proposed by the Commission	*Amendment*
1. Support under the Fund shall be additional to the support provided under other Union funds, programmes and instruments. Measures and investments supported under the Fund may receive support from other Union funds, programmes and instruments provided that such support does not cover the same cost.	1. Support under the Fund shall be additional ***and used in synergy, complementarity, coherence and consistency*** to the support provided under other Union***, national and, where appropriate, regional (Rapp; RE 886)*** 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.
2. Support from the Fund shall be additional and shall not substitute recurring national budgetary expenditure.	2. Support from the Fund shall be additional and shall not substitute recurring national budgetary expenditure.

Or. en

Compromise Amendment 13 MAXIMUM FINANCIAL ALLOCATION (Article 13 + Annex I)
EPP, S&D, RE, Greens, The Left
Compromise amendment replacing Amendments 889-892, 894-895,1108-1113, BUDG 24-26, TRAN 72

Proposal for a regulation
Article 13

Text proposed by the Commission	*Amendment*
Maximum financial allocation	Maximum financial allocation
1. The maximum financial allocation shall be calculated for each Member State as specified in Annex I and Annex II.	1. ***Without prejudice to Article 9(1a),*** the maximum financial allocation shall be calculated for each Member State as specified in Annex I and Annex II.
2. Each Member State may submit a request up to its maximum financial allocation to implement its Plan.	2. Each Member State may submit a request up to its maximum financial allocation to implement its Plan.
	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.

Proposal for a regulation
Annex I

Text proposed by the Commission	*Amendment*

Methodology for the calculation of the maximum financial allocation per Member State under the Fund pursuant to Article 13 This Annex sets out the methodology for calculating the maximum financial allocation available for each Member State in accordance with Articles 9 and 13.	Methodology for the calculation of the maximum financial allocation per Member State under the Fund pursuant to Article 13 This Annex sets out the methodology for calculating the maximum financial allocation available for each Member State in accordance with Articles 9 and 13.
The methodology takes into account the following variables with regard to each Member State:	The methodology takes into account the following variables with regard to each Member State:
- population at risk of poverty living in rural areas (2019); - carbon dioxide emissions from fuel combustion by households (2016-2018 average); - the percentage of households at risk of poverty with arrears on their utility bills (2019); - total population (2019); - the Member State's GNI per capita, measured in purchasing power standard (2019); - 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] (2016-2018 average).	- population at risk of poverty living in rural areas (2019); - carbon dioxide emissions from fuel combustion by households (2016-2018 average); - the percentage of households at risk of poverty with arrears on their utility bills (2019); - total population (2019); - the Member State's GNI per capita, measured in purchasing power standard (2019); - 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] (2016-2018 average).
[...]	[...]
For the Member States with a GNI per capita below 90% of the EU-27 value, cannot be lower than the share of reference emissions under Article 4(2) of Regulation (EU) 2018/842 for the sectors covered by [Chapter IVa of Directive 2003/87/EC] for the average of the period 2016-2018. The of the Member States with a GNI per capita above the EU-27 value are proportionally adjusted to ensure that the sum of all equals 100%.	***For all Member States, α_i cannot be lower than 0,07% of the sum of the financial envelopes as referred to in Article 9(1) and (2) (Rapp).*** For the Member States with a GNI per capita below 90% of the EU-27 value, α_i cannot be lower than the share of reference emissions under Article 4(2) of Regulation (EU) 2018/842 for the sectors covered by [Chapter IVa of Directive 2003/87/EC] for the average of the period 2016-2018. The α_i of the Member States with a GNI per capita above the EU-27 value are proportionally adjusted to ensure that the sum of all α_i equals 100%.
[...]	[...]

Compromise Amendment 13a PRE-FINANCING (ART 13A NEW)
EPP, S&D, RE, Greens, ECR, The Left
Compromise amendment replacing Amendments 58, 893, 896-899, 913, ECON 93, REGI 81, TRAN 73

Proposal for a regulation
Article 13 a (new)

Text proposed by the Commission	*Amendment*
	Article 13a
	Pre-financing (Rapp)
	1. Subject to the adoption by the Commission of the implementing act referred to in Article 16(1), when a Member State requests pre-financing together with the submission of the Plan, the Commission shall make a pre-financing payment of an amount of up to 13 % of the financial contribution referred to in Article [ ]. 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, the financial contributions referred to in Article [ ] shall be adjusted proportionally. (AM 58 Rapp., AM 898 Renew, AM 897 Greens).

Or. en

CLUSTER 2B

Compromise covering

- *CA 9 on Union budget for the Fund, with corresponding recitals +Annex II*
- *CA 14 on national co-financing*
- *CA 26 on entry into force and suspension of payments conditional on ETS 2*
- *CA 27 on horizontal language on objective of the Fund in context of ETS 2*

Compromise Amendment 9 BUDGET (Article 9, recital 9a (new), recital 11, recital 23, recital 22a (new), recital 23a (new) and Annex II)
EPP, RE, Greens, the Left
Compromise amendment replacing Amendments 1, 3, 15, 51-55, 82, 117, 137-147, 323-346, 381-382, 826-856, BUDG 3, BUDG 9, BUDG 10, BUDG 11, BUDG 23, ECON 5, ECON 18-19, ECON 84-87, ITRE 4, ITRE 17, ITRE 70, REGI 27, REGI 79, TRAN 4, TRAN 19, TRAN 67-68, 1114-1116, BUDG 37

NB: On Recital 23, amendment parts touching upon the 2nd sentence on EU own resources will not be submitted to the vote (no vote, BUDG exclusive competence). Split vote have been introduced on the corresponding parts in the Voting list where necessary.

Proposal for a regulation
Article 9

Text proposed by the Commission	*Amendment*
1. The financial envelope for the implementation of the Fund for the period ***2025***-2027 shall be EUR 23 700 000 000 in current prices.	1. The financial envelope for the implementation of the Fund for the period ***[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) [ETS Directive] [5 250 000 000 indicative amount] for this period. This funding shall be implemented in accordance with this Regulation***.
2. The financial envelope for the implementation of the Fund for the period 2028-2032 shall be EUR 48 500 000 000 in current prices, subject to the availability of the amounts under the annual ceilings of the applicable multiannual financial framework referred to in Article 312 TFEU.	2. The financial envelope for the implementation of the Fund for the period 2028-2032 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.
	2a. Additional allocations shall be made available subject to the specific technical adjustment based on carbon-price fluctuation provided for in Article 4b of ... [Council Regulation (EU, Euratom) 2020/2093[2] 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.
	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 Social Climate 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.

Proposal for a regulation
Recital 23

Text proposed by the Commission	*Amendment*
(23) The financial envelope of the Fund ***should, in principle, be commensurate to amounts corresponding to*** 25% of the expected revenues from the inclusion of	(23) The financial envelope of the Fund ***has been set on the basis of an assessment of the estimated amount generated by allocating to the Union budget*** 25% of the

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

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[41] , 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.

expected revenues ***linked to commercial road transport, commercial buildings and other fuels covered by Chapter IVa [ETS Directive] in the first period. This amount should be complemented by the revenues from the 150 million allowances auctionned according to Article 30d(3) of Directive 2003/87/EC. Assuming a carbon price of 35 euros per ton there would be additional availabilites of 5,25 billion euros over the three years period. Together with the finantial envelope this would amount to 16.39 billion euros for this period. A Comission 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[41] , 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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[41] Council Decision (EU, Euratom) 2020/2053 of 14 December 2020 on the system of own resources of the European Union and repealing Decision 2014/335/EU, Euratom (OJ L 424, 15.12.2020, p. 1).

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

Or. en

Proposal for a regulation
Recital 23 a (new)

Text proposed by the Commission	*Amendment*
	(23 a) 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 the payment ceiling, the mechanism for which is to be provided for in the Council Regulation (EU, Euratom) 2020/2093 pursuant to Article 312 TFEU.

Proposal for a regulation
Recital 11

Text proposed by the Commission	*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 ***to address*** the	(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***

social impacts arising from that inclusion, for the transition to be just and inclusive, leaving no one behind.	***resource to finance the Union budget as general income, in accordance with the legally binding Interinstitutional Agreement of 16 December 2020[1a] that sets out a roadmap towards the introduction of new own resources, thereby providing the Union budget with the means of contributing to addressing*** the social impacts arising from that inclusion, for the transition to be just and inclusive, leaving no one behind. ***Under that Agreement, a basket of new own resources is envisaged to be introduced by 1 January 2023. Green own resources are means of aligning the Union budget with the Union's policy priorities, thus providing Union added value, and should be used to contribute to the climate mainstreaming objectives, the repayment of NextGenerationEU debts and the resilience of the Union budget as regards its functioning as a tool for investments and guarantees.***
	[1a] Interinstitutional Agreement of 16 December 2020 between the European Parliament, the Council of the European Union and the European Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management, as well as on new own resources, including a roadmap towards the introduction of new own resources (OJ L 433I, 22.12.2020, p. 28).
Proposal for a regulation **Recital 22a**	

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 by way of 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.

Proposal for a regulation
ANNEX II – Table A – Maximum financial allocation per Member State under the Fund pursuant to Article 9 and Article 13 - between brackets

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.

Amendment

Maximum financial allocation per EU Member State

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

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

Compromise Amendment 14 NATIONAL CO-FINANCING (Article 14)
EPP, S&D, RE, Greens, The Left
Compromise amendment replacing Amendments 59-61, 900-921, ECON 94, TRAN 74-75

Proposal for a regulation
Article 14

Text proposed by the Commission	*Amendment*
National contribution to the total estimated costs	**National contribution to the total estimated costs**
1. Member States shall contribute at least to 50 percent of the total estimated costs of their Plans.	1. Member States shall contribute at least to 50 percent of the total estimated costs of their Plans.
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.	***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.***
	[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.

EPP F

Compromise Amendment 26
EPP, RE, Greens, ID, The Left
Compromise amendment replacing Amendments 80, 1104-1107, ECON 121, TRAN 98

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[64]	***deleted***

amending Directive 2003/87/EC as regards Chapter IVa of Directive 2003/87/EC.

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

Or. en

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 Directive IVa of Directive ..../..../EC [(COD)2021/0211], the payment of the financial allocation shall be suspended. The suspension shall only be lifted where the Member State concerned has brought these laws, regulations and administrative provisions into force.

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

Text proposed by the Commission	*Amendment*
	2a (new). 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.

Proposal for a regulation
Recital 9 a (new)

Text proposed by the Commission	*Amendment*
	(9a) 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 Parliament.

Compromise Amendment 27 HORIZONTAL REFERENCES TO ETS 2

Proposal for a Regulation
Horizontal references to objective of the Fund throughout all compromises

Text proposed by the Commission	*Amendment*
[…affected by/addressing ***the social impact of] the inclusion of buildings into the scope of Directive 2003/87/EC*** […]	[…affected by/addressing ***the impact of the transition towards climate neutrality, including by carbon pricing*** […]

CLUSTER 3

Cluster 3: management of the Plans/Fund

Compromise Amendment 15 COM ASSESSMENT (ART 15)
EPP, S&D, RE, Greens, ECR, The Left
Compromise amendment replacing amendments 62-63 , 922-976 , ITRE 76-80, BUDG 27, ECON 95-105, REGI 82-86, TRAN 76-81

Proposal for a regulation
Article 15

Text proposed by the Commission	*Amendment*
Commission assessment	Commission assessment
1. The Commission shall assess the Plan and, where applicable, any amendment to that Plan submitted by a Member State in accordance with Article 17, for compliance with the provisions of this Regulation. When carrying out that assessment, the Commission shall act in close cooperation with the Member State concerned. The Commission may make observations or seek additional information. The Member State concerned shall provide the requested additional information and may revise the Plan if needed, including after the submission of the Plan. The Member State concerned and the Commission may agree to extend the deadline for assessment by a reasonable period if necessary.	1. The Commission shall assess the Plan and, where applicable, any amendment to that Plan submitted by a Member State in accordance with Article 17, for compliance with the provisions of this Regulation. When carrying out that assessment, the Commission shall act in close cooperation with the Member State concerned. The Commission may make observations or seek additional information. The Member State concerned shall provide the requested additional information and may revise the Plan if needed, including after the submission of the Plan. The Member State concerned and the Commission may agree to extend the deadline for assessment by a reasonable period if necessary.
2. The Commission shall assess the relevance, effectiveness, efficiency and coherence of the Plan as follows:	2. The Commission shall assess the relevance, effectiveness, efficiency and coherence of the Plan as follows:
(a) For the purpose of assessing relevance, the Commission shall take into account the following criteria:	(a) For the purpose of assessing relevance, the Commission shall take into account the following criteria:
(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	(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

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;	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;
	(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;
(ii) whether the Plan is expected to ensure that ***no measure or investment*** included in the Plan ***does*** significant harm to environmental objectives within the meaning of Article 17 of Regulation (EU) 2020/852;	(ii) whether the Plan is expected to ensure that ***measures and investments*** included in the Plan ***do not cause*** significant harm to environmental objectives within the meaning of Article 17 of Regulation (EU) 2020/852;
	(iia) ***whether the recipients of the Fund respect applicable Union and national law on social and labour rights;***
(iii) whether the Plan contains measures and investments that contribute to the green transition, including to addressing	(iii) whether the Plan contains ***innovative and existing*** measures and ***effective*** investments ***in solutions*** that

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.	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.
(b) For the purpose of assessing effectiveness, the Commission shall take into account the following criteria :	(b) For the purpose of assessing effectiveness, the Commission shall take into account the following criteria :
(i) whether the Plan is expected to have a lasting impact on the challenges addressed by that Plan and in particular on vulnerable households, vulnerable micro-enterprises and vulnerable transport users, especially households in energy poverty, in the Member State concerned;	(i) whether the Plan is expected to have a lasting 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;
(ii) whether the arrangements proposed by the Member State concerned are expected to ensure the effective monitoring and implementation of the Plan, including the envisaged timetable, milestones and targets, and the related indicators;	(ii) whether the arrangements proposed by the Member State concerned are expected to ensure the effective monitoring and implementation of the Plan, including the envisaged timetable, milestones and targets, and the related indicators;
(iii) whether the measures and investments proposed by the Member State concerned are consistent and complying with the requirements under Directive [yyyy/nnn] [Proposal for recast of Directive 2012/27/EU], Directive (EU) 2018/2001, Directive 2014/94/EU of the European Parliament and of the Council60, Directive (EU) 2019/1161 of the European Parliament and of the Council and Directive 2010/31/EU;	(iii) whether the measures and investments proposed by the Member State concerned are consistent and complying with the requirements under Directive [yyyy/nnn] [Proposal for recast of Directive 2012/27/EU], Directive (EU) 2018/2001, Directive 2014/94/EU of the European Parliament and of the Council60, Directive (EU) 2019/1161 of the European Parliament and of the Council and Directive 2010/31/EU;
	(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;
	(iii a) whether the plan contributes, where relevant, to sustainable quality

	jobs;
(c) For the purposes of assessing efficiency the Commission shall take into account the following criteria:	(c) For the purposes of assessing efficiency the Commission shall take into account the following criteria:
(i) whether the justification provided by the Member State for the amount of the estimated total costs of the Plan is reasonable, plausible, in line with the principle of cost efficiency and commensurate to the expected national environmental and social impact;	(i) whether the justification provided by the Member State for the amount of the estimated total costs of the Plan is reasonable, plausible, in line with the principle of cost efficiency and commensurate to the expected national environmental and social impact***, while also taking into account national specificities that may impact the costs provided in the Plan***;
(ii) whether the arrangements proposed by the Member State concerned are expected to prevent, detect and correct corruption, fraud and conflicts of interests when using the funds provided under the Fund, including the arrangements that aim to avoid double funding from the Fund and other Union programmes;	(ii) whether the arrangements proposed by the Member State concerned are expected to prevent, detect and correct corruption, fraud and conflicts of interests when using the funds provided under the Fund, including the arrangements that aim to avoid double funding from the Fund and other Union programmes;
(iii) whether the milestones and targets proposed by the Member State are efficient in view of the scope, objectives and eligible actions of the Fund;	(iii) whether the milestones and targets proposed by the Member State are efficient in view of the scope, objectives and eligible actions of the Fund;
(d) For the purpose of assessing coherence, the Commission shall take into account whether the Plan contains measures and investments that represent coherent actions.	(d) For the purpose of assessing coherence, the Commission shall take into account whether the Plan contains measures and investments that represent coherent actions.

Or. en

Compromise Amendment 16 COM ASSESSMENT (ART 16)
EPP, S&D, RE, Greens, ECR, The Left
Compromise amendment replacing amendments 977-983, ECON 106, REGI 87

Proposal for a regulation
Article 16

Text proposed by the Commission	*Amendment*
1. On the basis of the assessment in accordance with Article 15, the Commission shall decide on the Plan of a Member State, by means of an	1. On the basis of the assessment in accordance with Article 15, the Commission shall decide on the Plan of a Member State, by means of an

implementing act, within ***six*** months from the date of the submission of that Plan pursuant to Article 3(1) of this Regulation.	implementing act, within ***three*** months from the date of the submission of that Plan pursuant to Article 3(1) of this Regulation.
Where the Commission gives a positive assessment, that decision shall set out:	Where the Commission gives a positive assessment, that decision shall set out:
(a) the measures and investments to be implemented by the Member State, the amount of the estimated total costs of the Plan and the milestones and targets;	(a) the measures and investments to be implemented by the Member State, the amount of the estimated total costs of the Plan and the milestones and targets;
(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;	(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;
(c) the national contribution;	(c) the national contribution;
(d) the arrangements and timetable for monitoring and implementation including, where relevant, measures necessary for complying with Article 20 of this Regulation;	(d) the arrangements and timetable for monitoring and implementation including, where relevant, measures necessary for complying with Article 20 of this Regulation;
(e) the relevant indicators relating to the fulfilment of the envisaged milestones and targets;	(e) the relevant indicators relating to the fulfilment of the envisaged milestones and targets;
(f) the arrangements for providing full access by the Commission to the underlying relevant data.	(f) the arrangements for providing full access by the Commission to the underlying relevant data.
	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.
2. The financial allocation referred to in paragraph 1, point (b) shall be determined on the basis of the estimated total costs of the Plan proposed by the Member State concerned, as assessed under the criteria set out in Article 15(2).	2. The financial allocation referred to in paragraph 1, point (b) shall be determined on the basis of the estimated total costs of the Plan proposed by the Member State concerned, as assessed under the criteria set out in Article 15(2).
The amount of the financial allocation shall be set as follows:	The amount of the financial allocation shall be set as follows:
(a) where the Plan complies satisfactorily with the criteria set out in Article 15(2), and the amount of the estimated total costs of the package minus the national contribution is equal to, or higher than, the maximum financial allocation for that Member State referred to in Article 13(1), the financial allocation allocated to the Member State concerned shall be equal to the total amount of the maximum financial allocation referred to in Article 9;	(a) where the Plan complies satisfactorily with the criteria set out in Article 15(2), and the amount of the estimated total costs of the package minus the national contribution is equal to, or higher than, the maximum financial allocation for that Member State referred to in Article 13(1), the financial allocation allocated to the Member State concerned shall be equal to the total amount of the maximum financial allocation referred to in Article 9;
(b) where the Plan complies satisfactorily with the criteria set out in Article 15(2), and the amount of the estimated total costs of the package minus the national contribution is lower than the maximum financial allocation for that Member State referred to in Article 13(1), the financial allocation allocated to the Member State shall be equal to the amount of the estimated total costs of the package	(b) where the Plan complies satisfactorily with the criteria set out in Article 15(2), and the amount of the estimated total costs of the package minus the national contribution is lower than the maximum financial allocation for that Member State referred to in Article 13(1), the financial allocation allocated to the Member State shall be equal to the amount of the estimated total costs of the package

minus the national contribution;	minus the national contribution;
(c) where the Plan complies satisfactorily with the criteria set out in Article 15(2), but the assessment establishes weaknesses in the control systems, the Commission may require additional milestones and targets to be achieved before the first payment;	(c) where the Plan complies satisfactorily with the criteria set out in Article 15(2), but the assessment establishes weaknesses in the control systems, the Commission may require additional milestones and targets to be achieved before the first payment;
(d) where the Plan does not comply satisfactorily with the criteria set out in Article 15(2), no financial allocation shall be allocated to the Member State concerned.	(d) where the Plan does not comply satisfactorily with the criteria set out in Article 15(2), no financial allocation shall be allocated to the Member State concerned.
3. Where the Commission gives a negative assessment to a Plan, the decision referred to in paragraph 1 shall include the reasons for that negative assessment. The Member State concerned shall resubmit the Plan, after taking into account the assessment of the Commission.	3. Where the Commission gives a negative assessment to a Plan, the decision referred to in paragraph 1 shall include the reasons for that negative assessment. The Member State concerned shall resubmit the Plan, after taking into account the assessment of the Commission.
	Or. en

Compromise Amendment 17 (COM ASSESSMENT Article 17)
EPP, S&D, RE, Greens, ECR, The Left
Compromise amendment replacing amendments 64, 984-999 ITRE 81-83 , BUDG 28-32, ECON 107-109, REGI 88-89, TRAN 82-83

Proposal for a regulation
Article 17

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	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***

may submit to the Commission an amendment of its Plan to include the necessary and duly justified changes. Member States may request technical support for the preparation of such request.	***Commission Delegated Regulation (EU) No 240/2014*** submit to the Commission an amendment of its Plan to include the necessary and duly justified changes. Member States may request technical support for the preparation of such request.
	1a. Where additional allocations are made available pursuant to Article 9(1a), the Member State concerned may submit a targeted amendment of its Plan to the Commission to:
	(a) increase the number of beneficiaries of, or the costs borne by, a measure or investment set out in its Plan;
	(b) add measures or investments in accordance with Article 6.
2. The Commission shall assess the amended Plan in accordance with Article 15.	2. The Commission shall assess the amended Plan in accordance with Article 15.
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.***
4. Where the Commission gives a negative assessment to the amended Plan, it shall reject the request within the period referred to in paragraph 3, after having given the Member State concerned the possibility to present its observations within three months of the communication of the Commission's assessment.	4. Where the Commission gives a negative assessment to the amended Plan, it shall reject the request within the period referred to in paragraph 3, after having given the Member State concerned the possibility to present its observations within three months of the communication of the Commission's assessment.
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***	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

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.

assessments shall be submitted to the Commission as part of the biennial progress reporting pursuant to Article 17 of Regulation (EU) 2018/1999.

Compromise Amendment 18 COMMITMENT FIN ALLO (ART 18)
EPP, S&D, RE, Greens, ECR, The Left
Compromise amendment replacing Amendments 65, 1000-1013, ITRE 84, BUDG 33, ECON 110, REGI 90, TRAN 84-86

Proposal for a regulation
Article 18

Text proposed by the Commission	*Amendment*
Commitment of the financial allocation	Commitment of the financial allocation
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.	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.
2. The individual legal commitment covering the period 2028-2032 shall be concluded subject to the availability of the amounts referred to in Article 9(2) of this Regulation under the annual ceilings of the multiannual financial framework referred to in Article 312 TFEU.	2. The individual legal commitment covering the period 2028-2032 shall be concluded subject to the availability of the amounts referred to in Article 9(2) of this Regulation under the annual ceilings of the multiannual financial framework referred to in Article 312 TFEU.
3. Budgetary commitments may be based on global commitments and, where appropriate, may be broken down into annual instalments spread over several years.	3. Budgetary commitments may be based on global commitments and, where appropriate, may be broken down into annual instalments spread over several years.

Or. en

Compromise Amendment 19 SUSPENSION PAYMENTS (ART 19)
EPP, S&D, RE, Greens, The Left
Compromise amendment replacing Amendments 66-67, 1014-1024, BUDG 34, TRAN 87

Proposal for a regulation
Article 19

Text proposed by the Commission	*Amendment*
Rules on payments, suspension and termination of agreements regarding financial allocations	Rules on payments, suspension and termination of agreements regarding financial allocations
1. Payments of financial allocations to the Member State concerned under this Article shall be made upon completion of the relevant agreed milestones and targets indicated in the Plan as approved in accordance with Article 16 and subject to available funding. Upon such completion, the Member State concerned shall submit to the Commission a duly justified request for payment of the financial allocation. Such requests for payment shall be submitted by the Member States to the Commission once or twice a year by 31 July.	1. Payments of financial allocations to the Member State concerned under this Article shall be made upon completion of the relevant agreed milestones and targets indicated in the Plan as approved in accordance with Article 16 and subject to available funding. Upon such completion, the Member State concerned shall submit to the Commission a duly justified request for payment of the financial allocation. Such requests for payment shall be submitted by the Member States to the Commission once or twice a year by 31 July.
2. The Commission shall assess without undue delay, and at the latest within two months of receiving the request, whether the relevant milestones and targets set out in the Commission decision referred to in Article 16 have been satisfactorily fulfilled. The satisfactory fulfilment of milestones and targets shall presuppose that measures related to previously satisfactorily fulfilled milestones and targets have not been reversed by the Member State concerned. The Commission may be assisted by experts.	2. The Commission shall assess without undue delay, and at the latest within two months of receiving the request, whether the relevant milestones and targets set out in the Commission decision referred to in Article 16 have been satisfactorily fulfilled. The satisfactory fulfilment of milestones and targets shall presuppose that measures related to previously satisfactorily fulfilled milestones and targets have not been reversed by the Member State concerned. The Commission may be assisted by experts.
3. Where the Commission makes a positive assessment, it shall adopt without undue delay a decision authorising the disbursement of the financial allocation in accordance with Regulation (EU, Euratom) 2018/1046.	3. Where the Commission makes a positive assessment, it shall adopt without undue delay a decision authorising the disbursement of the financial allocation in accordance with Regulation (EU, Euratom) 2018/1046.
4. Where, as a result of the assessment	4. Where, as a result of the assessment

referred to in paragraph ***3***, the Commission establishes that the milestones and targets set out in the Commission decision referred to in Article 16 have not been satisfactorily fulfilled, the payment of all or part of the financial allocation shall be suspended. The Member State concerned may present its observations within one month of the communication of the Commission's assessment.	referred to in paragraph ***2***, the Commission establishes that the milestones and targets set out in the Commission decision referred to in Article 16 have not been satisfactorily fulfilled, the payment of all or part of the financial allocation shall be suspended. ***The amount of the financial allocation suspended shall be in line with the costs of the measures for which the milestones and targets are not satisfactorily met.*** The Member State concerned may present its observations within one month of the communication of the Commission's assessment.
The suspension shall only be lifted where the milestones and targets have been satisfactorily fulfilled as set out in the Commission decision referred to in Article 16.	The suspension shall only be lifted where the milestones and targets have been satisfactorily fulfilled as set out in the Commission decision referred to in Article 16.
5. By way of derogation from Article 116(2) of Regulation (EU, Euratom) 2018/1046, the payment deadline shall start running from the date of the communication of the decision authorising the disbursement to the Member State concerned pursuant to paragraph 3 of this Article, or from the date of the communication of the lifting of a suspension pursuant to the second subparagraph of paragraph 4 of this Article.	5. By way of derogation from Article 116(2) of Regulation (EU, Euratom) 2018/1046, the payment deadline shall start running from the date of the communication of the decision authorising the disbursement to the Member State concerned pursuant to paragraph 3 of this Article, or from the date of the communication of the lifting of a suspension pursuant to the second subparagraph of paragraph 4 of this Article.
6. Where the milestones and targets have not been satisfactorily fulfilled within a period of six months from the suspension, the Commission shall reduce the amount of the financial allocation proportionately after having given the Member State concerned the possibility to present its observations within two months from the communication of its conclusions.	6. Where the milestones and targets have not been satisfactorily fulfilled within a period of six months from the suspension, the Commission shall reduce the amount of the financial allocation proportionately after having given the Member State concerned the possibility to present its observations within two months from the communication of its conclusions.
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	7. Where, within 12 months of the date of the conclusion of relevant agreements referred to in Article 18, no tangible progress has been made in respect of any relevant milestones and targets by the Member State concerned, the Commission shall terminate the relevant agreements referred to in Article 18 and

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

Or. en

Compromise Amendment 20 RULE OF LAW (ART 20)
EPP, S&D, RE, Greens, The Left
Compromise amendment replacing Amendments 68-69, 1025-1037, BUDG 35, ECON 111-112, REGI 91

Proposal for a regulation
Article 20

Text proposed by the Commission	*Amendment*
Protection of the financial interests of the Union	Protection of the financial interests of the Union
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	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

management systems.	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.
	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.
	Or. en
2. The agreements referred to in Article 18 shall provide for the obligations of the Member States:	2. The agreements referred to in Article 18 shall provide for the obligations of the Member States:
(a) to regularly check that the financing provided has been properly used in accordance with all applicable rules and that any measure or investment under the Plan has been properly implemented in accordance with all applicable rules in particular regarding the prevention, detection and correction of fraud, corruption and conflicts of interests;	(a) to regularly check that the financing provided has been properly used in accordance with all applicable rules and that any measure or investment under the Plan has been properly implemented in accordance with all applicable rules in particular regarding the prevention, detection and correction of fraud, corruption and conflicts of interests;
(c) to accompany a request for payment by:	(c) to accompany a request for payment by:
(i) a management declaration that the funds were used for its intended purpose, that the information submitted with the request for payment is complete, accurate and reliable and that the control systems put in place give the necessary assurances that the funds were managed in accordance with all applicable rules, in particular rules on avoidance of conflicts of interests, fraud prevention, corruption and double funding from the Fund and other Union	(i) a management declaration that the funds were used for its intended purpose, that the information submitted with the request for payment is complete, accurate and reliable and that the control systems put in place give the necessary assurances that the funds were managed in accordance with all applicable rules, in particular rules on avoidance of conflicts of interests, fraud prevention, corruption and double funding from the Fund and other Union

programmes in accordance with the principle of sound financial management; and

(ii) a summary of the audits carried out in accordance with internationally accepted audit standards, including the scope of these audits in terms of amount of spending covered and period of time covered and an analysis of the weaknesses identified and any corrective actions taken;

(a) for the purpose of audit and control and to provide for comparable information on the use of funds in relation to measures and investments implemented under the Plan, to collect, record and store in an electronic system and ensure access to the following standardised categories of data:

(i) name of the final recipients of funds, their VAT registration numbers or tax identification numbers and amount of the financial allocation from the Fund;

(ii) name of the contractor(s) and sub-contractor(s) and their VAT registration number(s) or tax identification number(s) where the final recipient of funds is a contracting authority in accordance with Union or national law on public procurement, and value of the contract(s);

(iii) first name(s), last name(s), date of birth and VAT registration number(s) or tax identification number(s) of beneficial owner(s) of the recipient of funds or contractor, as defined in Article 3, point (6), of Directive (EU) 2015/849 of the European Parliament and of the Council61;

(iv) a list of any measures and investments implemented under the Fund with the total amount of public funding of those measures and investments and indicating the amount of funds paid under other funds financed from the Union budget;

(b) to expressly authorise the Commission, OLAF, the Court of Auditors and, where applicable, EPPO to exert their rights as provided for in Article 129(1) of Regulation (EU, Euratom) 2018/1046 and to impose obligations on all final recipients

programmes in accordance with the principle of sound financial management; and

(ii) a summary of the audits carried out in accordance with internationally accepted audit standards, including the scope of these audits in terms of amount of spending covered and period of time covered and an analysis of the weaknesses identified and any corrective actions taken;

(a) for the purpose of audit and control and to provide for comparable information on the use of funds in relation to measures and investments implemented under the Plan, to collect, record and store in an electronic system and ensure access to the following standardised categories of data:

(i) name of the final recipients of funds, their VAT registration numbers or tax identification numbers and amount of the financial allocation from the Fund;

(ii) name of the contractor(s) and sub-contractor(s) and their VAT registration number(s) or tax identification number(s) where the final recipient of funds is a contracting authority in accordance with Union or national law on public procurement, and value of the contract(s);

(iii) first name(s), last name(s), date of birth and VAT registration number(s) or tax identification number(s) of beneficial owner(s) of the recipient of funds or contractor, as defined in Article 3, point (6), of Directive (EU) 2015/849 of the European Parliament and of the Council61;

(iv) a list of any measures and investments implemented under the Fund with the total amount of public funding of those measures and investments and indicating the amount of funds paid under other funds financed from the Union budget;

(b) to expressly authorise the Commission, OLAF, the Court of Auditors and, where applicable, EPPO to exert their rights as provided for in Article 129(1) of Regulation (EU, Euratom) 2018/1046 and to impose obligations on all final recipients

of funds paid for implementing the measures and investments included in the Plan, or to all other persons or entities involved in their implementation to expressly authorise the Commission, OLAF, the Court of Auditors and, where applicable, EPPO to exert their rights as provided for in Article 129(1) of Regulation (EU, Euratom) 2018/1046 and to impose similar obligations on all final recipients of funds disbursed;

(c) to keep records in accordance with Article 132 of Regulation (EU, Euratom) 2018/1046.

3. Personal data as referred to in paragraph 2, point (d) of this Article shall be processed by Member States and by the Commission for the purpose, and corresponding duration, of discharge, audit and control, information, communication and publicity proceedings related to the use of funds related to the implementation of the agreements referred to in Article 18. The personal data shall be processed in accordance with Regulation (EU) 2016/679 or Regulation (EU) 2018/1725, whichever is applicable. Within the framework of the discharge procedure to the Commission, in accordance with Article 319 TFEU, the Fund shall be subject to reporting under the integrated financial and accountability reporting referred to in Article 247 of Regulation (EU, Euratom) 2018/1046, and, in particular, separately in the Annual Management and Performance Report.

4. The Commission shall make available to the Member States an integrated and interoperable information and monitoring system including a single data-mining and risk-scoring tool to access and analyse the relevant data. The Member States shall use the tool for audit and control purposes to avoid double funding and to prevent, detect and correct fraud, corruption and conflict of interests in relation to the measures and investments supported by the Fund. The Commission, OLAF, the Court of Auditors and, where applicable, EPPO may use the tool within its competences and rights

of funds paid for implementing the measures and investments included in the Plan, or to all other persons or entities involved in their implementation to expressly authorise the Commission, OLAF, the Court of Auditors and, where applicable, EPPO to exert their rights as provided for in Article 129(1) of Regulation (EU, Euratom) 2018/1046 and to impose similar obligations on all final recipients of funds disbursed;

(c) to keep records in accordance with Article 132 of Regulation (EU, Euratom) 2018/1046.

3. Personal data as referred to in paragraph 2, point (d) of this Article shall be processed by Member States and by the Commission for the purpose, and corresponding duration, of discharge, audit and control, information, communication and publicity proceedings related to the use of funds related to the implementation of the agreements referred to in Article 18. The personal data shall be processed in accordance with Regulation (EU) 2016/679 or Regulation (EU) 2018/1725, whichever is applicable. Within the framework of the discharge procedure to the Commission, in accordance with Article 319 TFEU, the Fund shall be subject to reporting under the integrated financial and accountability reporting referred to in Article 247 of Regulation (EU, Euratom) 2018/1046, and, in particular, separately in the Annual Management and Performance Report.

4. The Commission shall make available to the Member States an integrated and interoperable information and monitoring system including a single data-mining and risk-scoring tool to access and analyse the relevant data. The Member States shall use the tool for audit and control purposes to avoid double funding and to prevent, detect and correct fraud, corruption and conflict of interests in relation to the measures and investments supported by the Fund. The Commission, OLAF, the Court of Auditors and, where applicable, EPPO may use the tool within its competences and rights

referred to in paragraph 2, point (d) of this Article.	referred to in paragraph 2, point (d) of this Article.
5. The agreements referred to in Article 18 shall also provide for the right of the Commission to reduce proportionately the support under the Fund and recover any amount due to the Union budget, in cases of fraud, corruption, and conflicts of interests affecting the financial interests of the Union that have not been corrected by the Member State, or a serious breach of an obligation resulting from such agreements.	5. The agreements referred to in Article 18 shall also provide for the right of the Commission to reduce proportionately the support under the Fund and recover any amount due to the Union budget, in cases of fraud, corruption, and conflicts of interests affecting the financial interests of the Union that have not been corrected by the Member State, or a serious breach of an obligation resulting from such agreements.
When deciding on the amount of the recovery and reduction the Commission shall respect the principle of proportionality and shall take into account the seriousness of the fraud, corruption and conflict of interests affecting the financial interests of the Union, or of a breach of an obligation. The Member State shall be given the opportunity to present its observations before the reduction is made.	When deciding on the amount of the recovery and reduction the Commission shall respect the principle of proportionality and shall take into account the seriousness of the fraud, corruption and conflict of interests affecting the financial interests of the Union, or of a breach of an obligation. The Member State shall be given the opportunity to present its observations before the reduction is made.
	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 of the European Parliament and of the Council 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 regional and local authorities, non-governmental organisations, or other entities with a proven capacity to ensure the sound financial management of the Fund.

Compromise Amendment 21 COORDINATION (ART 21)
EPP, S&D, RE, Greens, ECR, The Left
Compromise amendment replacing Amendments 70-71, 1038-1045, ECON 113, REGI 92-93, TRAN 88

Proposal for a regulation
Article 21

Text proposed by the Commission	*Amendment*
Coordination and complementarity	Coordination and complementarity
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:	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:
(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;	(a) ensure complementarity, synergy, coherence and consistency among different instruments at Union, national and, where appropriate, regional ***and local*** levels, both in the planning phase and during implementation;
(b) optimise mechanisms for coordination to avoid duplication of effort; and	(b) optimise mechanisms for coordination to avoid duplication of effort; and
(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.	(c) ensure close cooperation between those responsible for implementation and control at Union, national and, where appropriate, regional ***and local*** 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.

Compromise Amendment 22 VISIBILITY (ART 22)
EPP, S&D, RE, Greens, ECR, The Left
Compromise amendment replacing Amendments 72, 1046-1048, ITRE 85, ECON 114-115

Proposal for a regulation
Article 22

Text proposed by the Commission	*Amendment*
Information, communication and publicity	Information, communication and publicity
1. Member States shall make the data referred to in Article 20(2), point (d), (i), (ii) and (iv) of this Regulation publicly available and up to date in a single website in open, machine-readable formats, as set out in Article 5(1) of Directive (EU) 2019/1024 of the European Parliament and of the Council62, which shall allow data to be sorted, searched, extracted, compared and reused. The information referred to in Article 20(2), point (d), (i) and (ii) of this Regulation shall not be published in cases referred to in Article 38(3) of Regulation (EU, Euratom) 2018/1046 or if the direct income support paid is less then EUR 15 000.	1. Member States shall make the data referred to in Article 20(2), point (d), (i), (ii) and (iv) of this Regulation publicly available and up to date in a single website in open, machine-readable formats, as set out in Article 5(1) of Directive (EU) 2019/1024 of the European Parliament and of the Council62, which shall allow data to be sorted, searched, extracted, compared and reused. The information referred to in Article 20(2), point (d), (i) and (ii) of this Regulation shall not be published in cases referred to in Article 38(3) of Regulation (EU, Euratom) 2018/1046 or if the direct income support paid is less then EUR 15 000.
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***
3. The Commission shall implement information and communication actions relating to the Fund, to actions taken pursuant to this Regulation and to the results obtained, including, where appropriate and with the agreement of the national authorities, through joint communication activities with the national authorities and the representation offices of the European Parliament and of the	3. The Commission shall implement information and communication actions relating to the Fund, to actions taken pursuant to this Regulation and to the results obtained, including, where appropriate and with the agreement of the national authorities, through joint communication activities with the national authorities and the representation offices of the European Parliament and of the Commission in the Member State

Commission in the Member State concerned.	concerned.

Or. en

Compromise Amendment 22a VISIBILITY (ART 22A NEW)
EPP, S&D, RE, Greens, ID, ECR, The Left
Compromise amendment replacing Amendments 73, 1049-1051, REGI 94

Proposal for a regulation
Article 22 a (new)

Text proposed by the Commission	*Amendment*
	Article 22a
	Visibility of Union funding
	1. Each Member State shall ensure:
	(a) the visibility for intermediary entities and final beneficiaries of Union support in all activities relating to operations supported by the Fund, 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 for the public;
	(b) providing on their official website, where such a site exists, and social media

sites, a short description of the operation, proportionate to the level of support, including its aims and results, and highlighting the financial support from the Union; 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.

Or. en

Compromise Amendment 23 EVALUATION (ART 23)
EPP, S&D, RE, Greens, The Left
Compromise amendment replacing Amendments 74-78, 1052-1082 ITRE 86, ECON 116, REGI 95-97, TRAN 89-92

Proposal for a regulation
Article 23

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

their progress report:	***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:
(a) detailed quantitative information on the number of households in energy poverty;	(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***;
	(aa) detailed information on the application of the definition of energy and mobility poverty in accordance with Article 2(2) and (2a) on the basis of concrete and measurable criteria;
(b) ***when applicable***, detailed information on progress towards the national indicative objective to reduce the number of households in energy poverty;	(b) detailed information on progress towards the national indicative ***targets and objectives*** to reduce the number of households in energy poverty ***and mobility poverty, in particular vulnerable households, vulnerable micro-enterprises, and vulnerable transport users.***
(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;
	(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;
	(ca) detailed information on the share and targeting of direct income support included in its Plan;
(d) information reported on greenhouse gas policies and measures and on projections as well as on energy poverty provided under Article 18 and Article 24 of Regulation (EU) 2018/1999;	(d) information reported on greenhouse gas policies and measures and on projections as well as on energy poverty provided under Article 18 and Article 24 of

(e) information reported under the long-term buildings renovation strategies pursuant to Directive 2010/31/EU;

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

(g) information on changes of its Plan in accordance with Article 17.

2. The Commission shall monitor the implementation of the Fund and measure the achievement of its objectives. The monitoring of implementation shall be targeted and proportionate to the activities carried out under the Fund.

3. The performance reporting system of the Commission shall ensure that data for monitoring the implementation of the activities and results are collected efficiently, effectively and in a timely manner. To that end, proportionate reporting requirements shall be imposed on recipients of Union funding.

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.

Regulation (EU) 2018/1999;

(e) information reported under the long-term buildings renovation strategies pursuant to Directive 2010/31/EU;

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

(g) information on changes of its Plan in accordance with Article 17.

2. The Commission shall monitor the implementation of the Fund and measure the achievement of its objectives. The monitoring of implementation shall be targeted and proportionate to the activities carried out under the Fund.

3. The performance reporting system of the Commission shall ensure that data for monitoring the implementation of the activities and results are collected efficiently, effectively and in a timely manner. To that end, proportionate reporting requirements shall be imposed on recipients of Union funding.

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].***

Article 23a

Transparency

1. The Commission shall transmit the Plans officially submitted by the 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 of the 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 of the plans.

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 of the Member States;

(b) the assessment of the plans of the Member States;

(c) the status of fulfilment of the milestones and targets of the plans of Member States;

(d) payment, suspension and termination procedures, including any observation presented and remedial measures taken by

	the 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.

Compromise Amendment 24 EVALUATION (ART 24)
EPP, S&D, RE, Greens, The Left
Compromise amendment replacing Amendments 79, 1083-1099, BUDG 36, ITRE 87, ECON 117-120, REGI 98, TRAN 93-97

Proposal for a regulation
Article 24

Text proposed by the Commission	*Amendment*
Evaluation and review of the Fund	Evaluation and review of the Fund
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.	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 the Member States in accordance with Article 23.***
2. By 31 December 2033, the Commission shall provide the European Parliament, the	2. By 31 December 2033, the Commission shall provide the European Parliament, the

Council, the European Economic and Social Committee and the Committee of the Regions with an independent *ex post* evaluation report.	Council, the European Economic and Social Committee and the Committee of the Regions with an independent *ex post* evaluation report.
	2 a. 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.
3. The evaluation report shall, in particular, assess to which extent the objectives of the Fund laid down in Article 1 have been achieved, the efficiency of the use of the resources and the Union added value. It shall consider the continued relevance of all objectives and actions set out in Article 6 in light of the impact on greenhouse gas emissions from the emission trading system for buildings and road transport pursuant to Chapter IVa of Directive 2003/87/EC and from the 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[63] . 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.	3. The evaluation report ***referred to in paragraph 1*** shall, in particular, assess***:*** ***(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 plan, and the subsequent need for, and required level of, direct income support in that context, pursuant to the rules set out in Article 6(1) for the period 2028-2032 ;*** ***(c) the application of the definitions of energy and mobility poverty as reported by Member States in accordance with Article 23(1aa) and whether a more detailed approach may be necessary in the future, and, where appropriate, present a proposal to the European Parliament and to the Council;*** It shall consider the continued relevance of all objectives and actions set out in Article 6 in light of the impact on greenhouse gas emissions from the emission trading system pursuant to Directive 2003/87/EC and from the national measures taken to meet the binding annual greenhouse gas
[63] Regulation (EU) 2018/842 of the European Parliament and of the Council of 30 May 2018 on binding annual greenhouse gas emission reductions by Member States from 2021 to 2030 contributing to climate action to meet	

commitments under the Paris Agreement and amending Regulation (EU) No 525/2013 (OJ L 156, 19.6.2018, p. 26-42). 4. Where appropriate, the evaluation report shall be accompanied by a proposal for amendments to this Regulation. 5. The ex post evaluation report shall consist of a global assessment of the Fund and shall include information on its impact.	emission reductions by Member States pursuant to Regulation (EU) 2018/842 of the European Parliament and of the Council[63]. 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 evaluation report referred to in paragraph 1, the Commission shall also consider the prolongation of the specific technical adjustment based on carbon-price fluctuation referred to in Article 9 in the context of the negotiations of the next multiannual financial framework.*** [63] Regulation (EU) 2018/842 of the European Parliament and of the Council of 30 May 2018 on binding annual greenhouse gas emission reductions by Member States from 2021 to 2030 contributing to climate action to meet commitments under the Paris Agreement and amending Regulation (EU) No 525/2013 (OJ L 156, 19.6.2018, p. 26-42). 4. Where appropriate, the evaluation report shall be accompanied by a proposal for amendments to this Regulation. 5. The ex post evaluation report shall consist of a global assessment of the Fund and shall include information on its impact.

Compromise Amendment 25 EXERCISE OF DELEGATION (ART 25)
EPP, RE, Greens, ECR, The Left
Compromise amendment replacing Amendments 1100-1103, REGI 99

Proposal for a regulation
Article 25

Text proposed by the Commission	*Amendment*
Exercise of delegation	Exercise of delegation
1. The power to adopt delegated acts shall be conferred on the Commission subject to the conditions laid down in this Article.	1. The power to adopt delegated acts shall be conferred on the Commission subject to the conditions laid down in this Article.
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.	2. The power to adopt delegated acts referred to in Article***s 4(2a) and*** 23(4) shall be conferred on the Commission for an indeterminate period of time.
3. The delegations of power referred to in Article 23(4) may be revoked at any time by the European Parliament or by the Council. A decision to revoke shall put an end to the delegation of the power specified in that decision. It shall take effect on the day following the publication of the decision in the Official Journal of the European Union or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.	3. The delegations of power referred to in Article 23(4) may be revoked at any time by the European Parliament or by the Council. A decision to revoke shall put an end to the delegation of the power specified in that decision. It shall take effect on the day following the publication of the decision in the Official Journal of the European Union or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.
4. Before adopting a delegated act, the Commission shall consult experts designated by each Member State in accordance with the principles laid down in the Interinstitutional Agreement of 13 April 2016 on Better Law-Making.	4. Before adopting a delegated act, the Commission shall consult experts designated by each Member State in accordance with the principles laid down in the Interinstitutional Agreement of 13 April 2016 on Better Law-Making.
5. As soon as it adopts a delegated act, the Commission shall notify it simultaneously to the European Parliament and to the Council.	5. As soon as it adopts a delegated act, the Commission shall notify it simultaneously to the European Parliament and to the Council.
6. A delegated act adopted pursuant to Article 23(4) shall enter into force only if no objection has been expressed either by the European Parliament or by the Council within a period of two months of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended	6. A delegated act adopted pursuant to Article 23(4) shall enter into force only if no objection has been expressed either by the European Parliament or by the Council within a period of two months of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended

by two months at the initiative of the European Parliament or of the Council.	by two months at the initiative of the European Parliament or of the Council.

CLUSTER 4

CA R1
Compromise amendment replacing amendments 86, ECON 1

Proposal for a regulation
Recital 1

Text proposed by the Commission	*Amendment*
(1) The Union and its Member States are Parties to the Paris Agreement, which was signed in December 2015 under the United Nations Framework Convention on Climate Change (UNFCCC) ('the Paris Agreement')[28] and entered into force in November 2016. According to that Agreement, they are bound to limit the increase in the global average temperature well below 2°C above pre-industrial levels and to pursue efforts to limit the temperature increase to 1,5°C above pre-industrial levels.	(1) The Union and its Member States are Parties to the Paris Agreement, which was signed in December 2015 under the United Nations Framework Convention on Climate Change (UNFCCC) ('the Paris Agreement')[28] and entered into force in November 2016. According to that Agreement, they are bound to limit the increase in the global average temperature well below 2°C above pre-industrial levels and to pursue efforts to limit the temperature increase to 1,5°C above pre-industrial levels. ***By adopting the Glasgow Climate Pact, the Parties to the Paris Agreement recognised that limiting the increase in the global average temperature to 1,5 °C above preindustrial 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 the light of different national circumstances.***

CA R2
Compromise amendment replacing amendments 87-90
Proposal for a regulation
Recital 2

Text proposed by the Commission	*Amendment*
(2) The Commission Communication The European Green Deal[29] sets out a new growth strategy that aims to transform the Union into a sustainable, fairer and more prosperous society, with a modern,	(2) The Commission Communication The European Green Deal[29] sets out a new growth strategy that aims to transform the Union into a sustainable, ***equitable***, fairer and more prosperous society, with a

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.	modern, resource-efficient and competitive economy, where there are no net emissions of greenhouse gases in 2050 ***at the latest***. The Commission proposes also to ***restore,*** protect, conserve and enhance the Union's natural capital, and protect the health and well-being of citizens from environment-related risks and impacts. Finally, the Commission considers that this transition should be just and inclusive, leaving no one behind.
[29] COM(2019)640 final.	[29] COM(2019)640 final.

Or. en

CA R3
Compromise amendment replacing amendment 91
Proposal for a regulation
Recital 3

Text proposed by the Commission	*Amendment*
(3) Regulation (EU) 2021/1119 of the European Parliament and of the Council[30] 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.	(3) Regulation (EU) 2021/1119 of the European Parliament and of the Council[30] enshrines into law the target of economy-wide climate neutrality by 2050 ***at the latest***. That Regulation establishes a binding commitment on the part of the Union to reduce emissions. By 2030, the Union should reduce its greenhouse gas emission, after deduction of removals of greenhouse gas emissions, by at least 55% compared to the level in 1990. All sectors of the economy should contribute to achieving that target.
[30] Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 ('European Climate Law') (OJ L 243, 9.7.2021, p. 1).	[30] 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).

Or. en

CA R6
Compromise amendment replacing amendments 93, 94
Proposal for a regulation
Recital 6

Text proposed by the Commission	*Amendment*
(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.	(6) ***The European Pillar of Social Rights Action Plan[30a] 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 TEU and Article 9 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.

30a Endorsed by the European Council on 24 and 25 June 2021.

Or. en

CA R6A
Compromise amendment replacing amendments 95, 303, 304
Proposal for a regulation
Recital 6 a (new)

Text proposed by the Commission	*Amendment*
	(6 a) 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.

CA R7
Compromise amendment replacing amendments 93, 96, 110, 268

Proposal for a regulation
Recital 7

Text proposed by the Commission	*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.	(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 protect and empower the most vulnerable households. Particular attention is required to ensure that these actually benefit from the implementation of various funding instruments, namely those 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.***

Or. en

CA R8
Compromise amendment replacing amendments AM 97- 109, 191 TRAN 1, TRAN 9, ITRE 1, BUDG1, ECON 2, REGI 2

Proposal for a regulation
Recital 8

Text proposed by the Commission	*Amendment*
(8)Those amendments have differing economic and social impacts on the different sectors of the economy, on the 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[31] 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***.	(8)Those amendments have differing economic and social impacts on the different sectors of the economy, on the citizens, and the Member States. In particular, ***any extension*** of the scope of Directive 2003/87/EC of the European Parliament and the Council[31] 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 they 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.***

CA R9

Compromise amendment replacing amendments 1, 111-120, TRAN 2, ITRE 1, BUDG 2, REGI3, ECON 3

Proposal for a regulation
Recital 9

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

transport pass on costs on carbon to the consumers.

CA R10

Compromise amendment replacing amendments 2, 124-133, 135, REGI 6, TRAN 3, ITRE 3, ECON 4

Proposal for a regulation
Recital 10

Text proposed by the Commission	*Amendment*
(10) The increase in the price for fossil fuels may disproportionally affect vulnerable households, vulnerable micro-enterprises and vulnerable transport users who spend a larger part of their incomes on energy and transport, who, in certain regions, do not have access to alternative, affordable mobility and transport solutions and who may lack the financial capacity to invest into the reduction of fossil fuel consumption.	(10) The ***transition toward climate neutrality, including by carbon pricing is expected to*** disproportionally 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.

Or. en

CA R12
Compromise amendment replacing amendments 4, 148-158, ECON 7, REGI 8, TRAN 5, ITRE 5

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 keep their homes adequately warm in 2018,	(12) This is even more relevant in view of the existing levels of energy poverty. Energy poverty is a situation in which households ***lack*** access ***to*** essential energy services ***that underpin a decent standard of living and health, including adequate warmth,*** cooling, ***lighting, and energy to power appliances, and in the relevant***

and 6.9% of the Union population have said that they cannot afford to heat their home sufficiently in a 2019 EU-wide survey[32] . Overall, the Energy Poverty Observatory estimates that more than 50 million households in the European Union experience energy poverty. Energy poverty is therefore a major challenge for the Union. While social tariffs or direct income support can provide immediate relief to households facing energy poverty, only targeted structural measures, in particular energy renovations, can provide lasting solutions.

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[32]. Overall, the Energy Poverty Observatory estimates that more than 50 million households in the European Union experience energy poverty. Energy poverty is therefore a major challenge for the Union. ***Despite the importance of that challenge having been acknowledged at Union level for over a decade through various initiatives, legislation and guidelines, there is still no standard Union-level definition of energy poverty and only one third of Member States have put in place a national definition of energy poverty. As a result, no transparent and comparable data on energy poverty in the Union is available, limiting the capacity to effectively monitor and assess the level of energy poverty. Therefore, a Union-level definition should be established to effectively address energy poverty and measure progress across Member States.*** While social tariffs or direct income support can provide immediate relief to households facing energy poverty, only targeted structural measures, ***the application of the energy efficiency first principle, the installation of additional renewable energy sources, including through community-led projects, as well as information and awareness-raising measures targeted at the households*** in particular energy renovations contributions contributing to the renovation requirement established in Directive 2010/31/EU on the energy performance of buildings (recast), can provide lasting solutions ***and effectively help combat energy poverty***.

[32] Data from 2018. Eurostat, SILC [ilc_mdes01]).

[32] Data from 2018. Eurostat, SILC [ilc_mdes01]).

Or. en

CA R12A
Compromise amendment replacing amendments AM 5, 215-220, REGI 12

Proposal for a regulation
Recital 12 a (new)

Text proposed by the Commission	*Amendment*
	(12a) 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 of tenants in the private rental sector, to make renovation measures and 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 on the private rental market.

Or. en

CA R12B
Compromise amendment replacing amendments 6, 160, 162-164, 196, REGI 10, REGI 11, TRAN 6

Proposal for a regulation
Recital 12 b (new)

Text proposed by the Commission	*Amendment*
	(12b) Mobility poverty has been underexposed and no clear definitions are available at Union or national level. However, the problem 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 due to living in rural, insular, peripheral, mountainous, remote and less accessible regions or territories, including less developed peri-urban areas and the outermost regions.

Or. en

CA R13
Compromise amendment replacing amendments 7, 165-183, 352, TRAN 7, ITRE 6, ECON 8, REGI 13, BUDG 4

Proposal for a regulation
Recital 13

Text proposed by the Commission	*Amendment*
(13) A Social Climate ('the Fund') should therefore be established to provide funds to the Member States to support their policies to address the social impacts of the ***emissions trading for buildings and road transport*** on vulnerable households, vulnerable micro-enterprises and vulnerable transport users. This should be achieved notably through temporary	(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

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.	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.

Or. en

CA R13A
Compromise amendment replacing amendments 188, 321, 192, TRAN 10

Proposal for a regulation
Recital 13 a (new)

Text proposed by the Commission	*Amendment*
	(13 a) 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.

Or. en

CA R14
Compromise amendment replacing amendments 8, 194-213, REGI 14, TRAN 11, ITRE 7, ECON 9

Proposal for a regulation
Recital 14

Text proposed by the Commission	*Amendment*
(14) For that purpose, each Member State should submit to the Commission a Social Climate Plan ('the Plan'). Those Plans should pursue two objectives. Firstly, they should ***provide vulnerable*** households, vulnerable ***micro-enterprises*** and vulnerable transport users the necessary resources to finance and carry out	(14) For that purpose, each Member State should submit to the Commission a Social Climate Plan ('the Plan'). Those Plans should ***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***

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.	***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 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 ***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.***
	Or. en

CA R15
Compromise amendment replacing amendments 10, 225-236, BUDG 5, REGI 15, ECON 11, TRAN 12, ITRE 8

Proposal for a regulation
Recital 15

Text proposed by the Commission	*Amendment*
(15) Member States, in consultation with	(15) Member States, ***with meaningful***

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.	***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***.

Or. en

CA R16
Compromise amendment replacing amendments 11, 238-248, TRAN 13, ITRE 9, REGI 17, ECON 13, BUDG 6

Proposal for a regulation
Recital 16

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

Or. en

CA R17
Compromise amendment replacing amendments 12, 250-266, TRAN 14, ITRE 10, ECON 14, REGI 18

Proposal for a regulation
Recital 17

Text proposed by the Commission	*Amendment*
(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.	(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 transport 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 its phasing out by the end of 2032.***

Or. en

CA R17A
Compromise amendment replacing amendments 223, 265

Proposal for a regulation
Recital 17 a (new)

Text proposed by the Commission	*Amendment*
	(17 a) 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.

Or. en

CA R18
Compromise amendment replacing amendments 269-279, BUDG 7, TRAN 16, ITRE 12, ECON 15

Proposal for a regulation
Recital 18

Text proposed by the Commission	*Amendment*
(18) Taking into account the importance of tackling climate change in line with Paris Agreement commitments, and the commitment to the United Nations Sustainable Development Goals, the actions under this Regulation should contribute to the achievement of the target that 30% ***of all*** expenditure ***under the 2021-2027 multiannual financial framework*** should be spent on mainstreaming climate objectives and should contribute to the ambition of providing 10% of annual spending to biodiversity objectives in 2026 and 2027, while considering the existing overlaps between climate and biodiversity goals. For this purpose, the methodology set out in Annex II of Regulation (EU) 2021/1060 of the European Parliament and of the Council[33] 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	(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[33] should be used to tag the

the meaning of Article 17 of Regulation (EU) 2020/852 of the European Parliament and of the Council[34]. 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.	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[34]. Only such measures and investments should be included in the Plans. Direct income support measures should as a rule be considered as having an insignificant foreseeable impact on environmental objectives, and as such be considered compliant with the principle of 'do no significant harm'. ***The Commission presented in 2021 a proposal for a Council Recommendation on how to address the social aspects of the green transition.***
[33] Regulation (EU) 2021/1060 of the European Parliament and of the Council of 24 June 2021 laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, the Just Transition Fund and the European Maritime, Fisheries and Aquaculture Fund and financial rules for those and for the Asylum, Migration and Integration Fund, the Internal Security Fund and the Instrument for Financial Support for Border Management and Visa Policy (OJ L 231, 30.6.2021, p. 159).	[33] Regulation (EU) 2021/1060 of the European Parliament and of the Council of 24 June 2021 laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, the Just Transition Fund and the European Maritime, Fisheries and Aquaculture Fund and financial rules for those and for the Asylum, Migration and Integration Fund, the Internal Security Fund and the Instrument for Financial Support for Border Management and Visa Policy (OJ L 231, 30.6.2021, p. 159).
[34] Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (OJ L 198, 22.6.2020, p. 13).	[34] Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (OJ L 198, 22.6.2020, p. 13).

Or. en

CA R19

Compromise amendment replacing amendments 280-290, 292, TRAN 17, ECON 16, REGI 20, BUDG 8, ITRE 13

Proposal for a regulation

Recital 19

Text proposed by the Commission	*Amendment*
(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.	(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.

Or. en

CA R20
Compromise amendment replacing amendments 293-302, ITRE 14, REGI 22, ECON 17

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[35] . The Plans should include the measures to be financed, their estimated costs and the national contribution. They should also include key milestones and targets to assess the effective implementation of the measures.	(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[35] ***and the European Code of Conduct on Partnership as set out in Regulation (EU) No 240/2014[35a]***. The Plans should include the measures to be financed, their estimated costs and the national contribution. They should also include key milestones and targets to assess the effective implementation of the

measures.

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

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

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

Or. en

CA R21

Compromise amendment replacing amendments 14**,** 305-311, REGI 24, ITRE 15

Proposal for a regulation
Recital 21

Text proposed by the Commission	*Amendment*
(21) The Fund and the Plans should be coherent with and framed by the reforms planned and the commitments made by the Member States under their updated integrated national energy and climate plans in accordance with Regulation (EU) 2018/1999, under Directive [yyyy/nnn] of the European Parliament and the Council [Proposal for recast of Directive 2012/27/EU on energy efficiency][36] , the European Pillar of Social Rights Action Plan[37] , the European Social Fund Plus (ESF+) ***established by Regulation (EU) 2021/1057 of the European Parliament and of the Council***[38] , the Just Transition Plans ***pursuant to Regulation (EU)***	(21) The Fund and the Plans should be coherent with and framed by the reforms planned and the commitments made by the Member States under their updated integrated national energy and climate plans in accordance with Regulation (EU) 2018/1999, under Directive [yyyy/nnn] of the European Parliament and the Council [Proposal for recast of Directive 2012/27/EU on energy efficiency][36] , the European Pillar of Social Rights Action Plan[37] , the European Social Fund Plus (ESF+)***[38]***, the ***Modernisation Fund, the cohesion policy operational programmes under Regulation (EU) 2021/1058, the Recovery and Resilience Plans in***

2021/1056 of the European Parliament and of the Council[39] and the Member States long-term buildings renovation strategies pursuant to Directive 2010/31/EU of the European Parliament and of the Council[40] . To ensure administrative efficiency, where applicable, the information included in the Plans should be consistent with the legislation and plans listed above.	***accordance with Regulation (EU) 2021/241***, ***the*** Just Transition Plans[39] and the Member States long-term buildings renovation strategies pursuant to Directive 2010/31/EU of the European Parliament and of the Council[40]. To ensure administrative efficiency, where applicable, the information included in the Plans should be consistent with the legislation and plans listed above.
[36] [Add ref]	[36] [Add ref]
[37] Endorsed by the European Council on 24 and 25 June 2021.	[37] Endorsed by the European Council on 24 and 25 June 2021.
[38] Regulation (EU) 2021/1057 of the European Parliament and of the Council of 24 June 2021 establishing the European Social Fund Plus (ESF+) and repealing Regulation (EU) No 1296/2013 (OJ L 231, 30.6.2021, p. 21).	[38] Regulation (EU) 2021/1057 of the European Parliament and of the Council of 24 June 2021 establishing the European Social Fund Plus (ESF+) and repealing Regulation (EU) No 1296/2013 (OJ L 231, 30.6.2021, p. 21).
[39] Regulation (EU) 2021/1056 of the European Parliament and of the Council of 24 June 2021 establishing the Just Transition Fund (OJ L 231, 30.6.2021, p. 1).	[39] Regulation (EU) 2021/1056 of the European Parliament and of the Council of 24 June 2021 establishing the Just Transition Fund (OJ L 231, 30.6.2021, p. 1).
[40] Directive 2010/31/EU of the European Parliament and of the Council of 19 May 2010 on the energy performance of buildings (OJ L 153, 18.6.2010, p. 13).	[40] Directive 2010/31/EU of the European Parliament and of the Council of 19 May 2010 on the energy performance of buildings (OJ L 153, 18.6.2010, p. 13).

Or. en

CA R22
Compromise amendment replacing amendments 312-321, 351, ITRE 16
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 own 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. In view of ensuring the effectiveness of measures and investments for these regions, a specific minimum financial allocation shall 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 and should ensure that they do not prolong fossil fuel dependence 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.

CA R24
Compromise amendment replacing amendments 347, 348, 349, 350, ECON 20

Proposal for a regulation
Recital 24

Text proposed by the Commission	*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***, except in duly justified cases***.	(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.

Or. en

CA R25
Compromise amendment replacing amendments 16, 354-357, BUDG 12, REGI 28

Proposal for a regulation
Recital 25

Text proposed by the Commission	*Amendment*
(25) In order to ensure an efficient and coherent allocation of funds and to respect the principle of sound financial management, actions under this Regulation should be consistent with and be complementary to ongoing Union programmes, whilst avoiding ***double funding from*** the Fund ***and*** other Union 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.	(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.

Or. en

CA R25A

Compromise amendment replacing amendments 17, 342, 343, 358, 359, REGI 29, ECON 22, TRAN 20

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.

Or. en

CA R27
Compromise amendment replacing amendments 361-363, REGI 31

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 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.	(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 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.

Or. en

CA R28
(rule of law)

Compromise amendment replacing amendments 19, 364-369, 374-375, BUDG 13, ECON 23

Proposal for a regulation
Recital 28

Text proposed by the Commission	*Amendment*
(28) The implementation of the Fund should be carried out in line with the principle of sound financial management, including the effective prevention and prosecution of fraud, tax fraud, tax evasion, corruption and conflicts of interest.	(28) The implementation of the Fund should be carried out in line with the principle of sound financial management, including the ***protection of the Union budget in 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.

Or. en

CA R29
Compromise amendment replacing amendments 18, 370-373

Proposal for a regulation
Recital 29

Text proposed by the Commission	*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	(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.	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 the termination of agreements related to financial support or the reduction and recovery of the 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.

Or. en

CA R29A
Compromise amendment replacing amendments 19, 374, 375, REGI 32

Proposal for a regulation
Recital 29 a (new)

Text proposed by the Commission	*Amendment*
	(29a) All Member States which benefit from the Social Climate Fund have an obligation to respect the fundamental values enshrined in Article 2 of the Treaty on European Union. Respect for the rule of law is an essential precondition for compliance with the principles of sound financial management enshrined in Article 317 TFEU. The Commission should ensure the effective implementation of the horizontal rules for the protection of the Union budget in the case of breaches of the principles of the rule of law in the Member States in accordance with Regulation (EU, Euratom) 2020/2092 of the European Parliament and of the Council[1a]. Where it

is established that breaches of the principles of the rule of law in a Member State affect or seriously risk affecting the sound financial management of the Social Climate Fund or the protection of the financial interests of the Union in a sufficiently direct way, the Commission should take the necessary measures, which may include, among others, a suspension of payments, termination of the legal commitment within the meaning of the Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council[1b], a prohibition on entering into such legal commitments, or a suspension of the disbursement of instalments. In such cases, the Commission should take all necessary steps to ensure that the intended beneficiaries of the Fund do not suffer, and continue to have access to Union assistance, if needed, with the Commission ensuring disbursement via regional and local authorities, non-governmental organisations, or other entities with a proven capacity to ensure the sound financial management of the Fund.

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

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

Or. en