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**COMPROMISE AMENDMENTS: 89**

**Beata Szydło**

Establishing a Social Climate Fund

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

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## Amendment 1

### Proposal for a regulation

#### Recital 8

##### *Text proposed by the Commission*

(8) Those amendments have differing economic and social impacts on the different sectors of the economy, on the citizens, and the Member States. In particular, ***the inclusion of greenhouse gas emissions from buildings and road transport into*** the scope of Directive 2003/87/EC of the European Parliament and the Council<sup>31</sup> should provide an additional economic incentive to invest into the reduction of fossil fuel consumption and thereby accelerate the reduction of greenhouse gas emissions. Combined with ***other*** measures, this should, in the medium to long term, ***reduce the costs for buildings and road transport***, and provide new opportunities for ***job*** creation and ***investment***.

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

## Amendment 2

### Proposal for a regulation

#### Recital 9

##### *Amendment*

(8) Those amendments have differing economic and social impacts on the different sectors of the economy, on the citizens, and the Member States. In particular, ***any changes to*** the scope of Directive 2003/87/EC of the European Parliament and the Council<sup>1a</sup> should provide an additional economic incentive to invest into the reduction of fossil fuel consumption and thereby accelerate the reduction of greenhouse gas emissions. Combined with ***direct*** measures, this should, in the medium to long term, ***improve access to sustainable, efficient, and quality housing as well as and zero and low emission mobility, contribute to the eradication of energy and transport poverty***, and provide new opportunities for ***quality ob*** creation and ***investments***.

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<sup>1a</sup> *Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a system for greenhouse gas emission allowance trading within the Union (OJ L 275, 25.10.2003, p. 32).*

*Text proposed by the Commission*

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

*Amendment*

(9) However, resources are needed to finance *sufficient, stable and equitable* investments. In addition, before they have taken place, the cost supported by households and transport users for heating, cooling and cooking, as well as for road transport *and charging infrastructure*, is likely to increase. *An annual indexation should increase the volume of this Fund over time, so as to ensure continued investments.*

### Amendment 3

#### Proposal for a regulation Recital 10

*Text proposed by the Commission*

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

*Amendment*

(10) The increase in the price for fossil fuels may disproportionately affect vulnerable households, vulnerable micro-enterprises, *vulnerable SMEs* and vulnerable transport users who spend a larger part of their incomes on energy and transport, *thus exacerbating inequalities* who, in certain regions, *especially in rural, peripheral and isolated areas, in less developed regions or territories, those suffering from severe handicaps and those in demographic decline*, do not have access to alternative, *interconnected and efficient* affordable mobility and transport solutions and who may lack the financial capacity to invest into the reduction of fossil fuel consumption.

### Amendment 4

#### Proposal for a regulation Recital 11

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

(11) Therefore, a part of the revenues generated **through changes to** the scope of Directive 2003/87/EC should be used to address the social **and economic** impacts arising from **the transition to climate neutrality policy**, for the transition to be just and inclusive, leaving no one behind. **In order to maximise the effectiveness, it should be possible to combine this Fund with other sources of EU financing, notably the Recovery and Resilience Facility .**

## **Amendment 5**

### **Proposal for a regulation Recital 12**

(12) This is even more relevant in view of the existing levels of energy poverty. Energy poverty is a situation in which households **are unable to** access essential energy services **such as** cooling, **as temperatures rise, and heating**. About 34 million Europeans reported an inability to keep their homes adequately warm in 2018, and 6.9% of the Union population have said that they cannot afford to heat their home sufficiently in a 2019 EU-wide survey<sup>32</sup> . Overall, the Energy Poverty Observatory estimates that more than 50 million households in the European Union experience energy poverty. Energy poverty is therefore a major challenge for the Union. While social tariffs or direct income support can provide immediate relief to households facing energy poverty, only targeted structural measures, in particular energy renovations, can provide lasting solutions.

(12) This is even more relevant in view of the existing levels of energy poverty. Energy poverty is a situation in which households **lack** access **to** essential energy services **that underpin a decent standard of living and health, including adequate warmth, cooling, lighting, and energy to power appliances, in the relevant national context, existing social policy and other relevant policies. This lack of access can occur as a result of an insufficient level of income, high-energy prices and which, if applicable, may be aggravated by having an energy inefficient dwelling**. About 34 million Europeans reported an inability to keep their homes adequately warm in 2018, and 6.9% of the Union population have said that they cannot afford to heat their home sufficiently in a 2019 EU-wide survey<sup>32</sup> . Overall, the Energy Poverty Observatory estimates that more than 50 million households in the European Union experience energy poverty. Energy poverty

is therefore a major challenge for the Union. While social tariffs or direct income support can provide immediate relief to households facing energy poverty, only targeted structural measures, in particular energy renovations, ***the application of the energy efficiency first principle, and awareness-raising measures targeted at the households*** can provide lasting solutions ***and effectively combat energy poverty***.

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

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

## Amendment 6

### Proposal for a regulation Recital 13

*Text proposed by the Commission*

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

*Amendment*

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

*SMEs* and vulnerable transport users.

## Amendment 7

### Proposal for a regulation Recital 14

*Text proposed by the Commission*

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

*Amendment*

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

## Amendment 8

### Proposal for a regulation Recital 15

*Text proposed by the Commission*

(15) Member States, in consultation with regional level authorities, are best placed to design and to implement Plans that are adapted and targeted to their local, regional

*Amendment*

(15) Member States, in consultation with regional, **local** level authorities **and civil society organisations**, are best placed to design and to implement Plans that are

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.

adapted and targeted to their local, regional and national circumstances as their existing policies in the relevant areas and planned use of other relevant EU funds. In that manner, the broad diversity of situations, the specific knowledge of local and regional governments, research and innovation and industrial relations and social dialogue structures, as well as national traditions, can best be respected and contribute to the effectiveness and efficiency of the overall support to the vulnerable.

## Amendment 9

### Proposal for a regulation

#### Recital 16

*Text proposed by the Commission*

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

*Amendment*

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

## Amendment 10

### Proposal for a regulation

#### Recital 17

*Text proposed by the Commission*

(17) Pending the impact of those investments on reducing costs and emissions, well targeted direct income support for the most vulnerable *would help*

*Amendment*

(17) Pending the impact of those investments on reducing costs and emissions, well targeted direct income support for the most vulnerable *should be*

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.

***necessary in*** the just transition. Such support should be understood to be a temporary measure accompanying ***long term investments towards deep and staged deep building renovations, as well affordable and sustainable mobility that are supported by this Fund, as part of an holistic and long-term strategy to tackle effectively energy poverty*** and transport poverty. It would not be permanent as it does not address the root causes of energy and transport poverty. Eligibility for such direct income support should be limited in time.

## Amendment 11

### Proposal for a regulation Recital 17 a (new)

*Text proposed by the Commission*

*Amendment*

***(17 a) Renovation works should take into account the presence of asbestos-containing products in buildings and to remove these products and protect buildings from the emission of asbestos into the environment when they are upgraded for energy efficiency purposes;***

## Amendment 12

### Proposal for a regulation Recital 18

*Text proposed by the Commission*

*Amendment*

(18) Taking into account the importance 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-

(18) Taking into account the importance of tackling climate change in line with Paris Agreement commitments, and the commitment to the United Nations Sustainable Development Goals, the actions under this Regulation should contribute to the achievement of the target that 30% of all expenditure under the 2021-

2027 multiannual financial framework should be spent on mainstreaming climate objectives and should contribute to the ambition of providing 10% of annual spending to biodiversity objectives in 2026 and 2027, while considering the existing overlaps between climate and biodiversity goals. For this purpose, the methodology set out in Annex II of Regulation (EU) 2021/1060 of the European Parliament and of the Council<sup>33</sup> should be used to tag the expenditures of the Fund. The Fund should support activities that fully respect the climate and environmental standards and priorities of the Union and comply with the principle of ‘do no significant harm’ within the meaning of Article 17 of Regulation (EU) 2020/852 of the European Parliament and of the Council<sup>34</sup>. Only such measures and investments should be included in the Plans. Direct income support measures should as a rule be considered as having an insignificant foreseeable impact on environmental objectives, and as such be considered compliant with the principle of ‘do no significant harm’. ***The Commission intends to issue technical guidance to the Member States well ahead of the preparation of the Plans. The guidance will explain how the measures and investments must comply with the principle of ‘do no significant harm’ within the meaning of Article 17 of Regulation (EU) 2020/852. The Commission intends to present in 2021 a proposal for a Council Recommendation on how to address the social aspects of the green transition.***

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<sup>33</sup> Regulation (EU) 2021/1060 of the European Parliament and of the Council of 24 June 2021 laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, the Just Transition Fund and the European

2027 multiannual financial framework should be spent on mainstreaming climate objectives and should contribute to the ambition of providing 10% of annual spending to biodiversity objectives in 2026 and 2027, while considering the existing overlaps between climate and biodiversity goals. For this purpose, the methodology set out in Annex II of Regulation (EU) 2021/1060 of the European Parliament and of the Council<sup>33</sup> should be used to tag the expenditures of the Fund. The Fund should support activities that fully respect the climate and environmental standards and priorities of the Union and comply with the principle of ‘do no significant harm’ within the meaning of Article 17 of Regulation (EU) 2020/852 of the European Parliament and of the Council<sup>34</sup>. Only such measures and investments should be included in the Plans. Direct income support measures should as a rule be considered as having an insignificant foreseeable impact on environmental objectives, and as such be considered compliant with the principle of ‘do no significant harm’. Measures ***related to the replacement of old and inefficient heating systems with particular attention to support the vulnerable households and vulnerable micro-enterprises should also be considered as not having a significant impact on these objective and deemed compliant with the aforementioned principle.***

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<sup>33</sup> Regulation (EU) 2021/1060 of the European Parliament and of the Council of 24 June 2021 laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, the Just Transition Fund and the European

Maritime, Fisheries and Aquaculture Fund and financial rules for those and for the Asylum, Migration and Integration Fund, the Internal Security Fund and the Instrument for Financial Support for Border Management and Visa Policy (OJ L 231, 30.6.2021, p. 159).

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

Maritime, Fisheries and Aquaculture Fund and financial rules for those and for the Asylum, Migration and Integration Fund, the Internal Security Fund and the Instrument for Financial Support for Border Management and Visa Policy (OJ L 231, 30.6.2021, p. 159).

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

## Amendment 13

### Proposal for a regulation

#### Recital 19

*Text proposed by the Commission*

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

*Amendment*

(19) Women are **disproportionately** affected by **energy and mobility poverty due to the employment, income pay, and pension pay gaps. They also** represent 85% of single parent families. Single parent **families and large** families have a particularly high risk of child poverty. Gender equality and equal opportunities for all, and the mainstreaming of those objectives, as well as questions of accessibility for persons with disabilities should be taken into account and promoted throughout the **design**, preparation and implementation of Plans to ensure no one is left behind.

## Amendment 14

### Proposal for a regulation

#### Recital 20

(20) Member States should **submit** their Plans together with the update of their integrated national energy and climate plans in accordance with Article 14 of Regulation (EU) 2018/1999 of the European Parliament and of the Council<sup>35</sup>. The Plans should include the measures to be financed, their estimated costs and the national contribution. They should also include key milestones and targets to assess the effective implementation of the measures.

(20) Member States should **prepare** their Plans ***in close cooperation with the regional and local actors, the economic and social partners and all the relevant stakeholders and representatives from the civil society, respecting the European Code of Conduct on Partnership and submit them***, together with the update of their integrated national energy and climate plans in accordance with Article 14 of Regulation (EU) 2018/1999 of the European Parliament and of the Council<sup>35</sup>. The Plans should include the measures to be financed, their estimated costs and the national contribution. They should also include key milestones and targets to assess the effective implementation of the measures.

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

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

## **Amendment 15**

### **Proposal for a regulation Recital 21**

(21) The Fund and the Plans should be coherent with and framed by the reforms planned and the commitments made by the Member States under their updated integrated national energy and climate plans in accordance with Regulation (EU) 2018/1999, under Directive [yyyy/nnn] of the European Parliament and the Council [Proposal for recast of Directive 2012/27/EU on energy efficiency]<sup>36</sup>, the European Pillar of Social Rights Action Plan<sup>37</sup>, the European Social Fund Plus (ESF+) established by Regulation (EU) 2021/1057 of the European Parliament and of the Council<sup>38</sup>, the Just Transition Plans pursuant to Regulation (EU) 2021/1056 of the European Parliament and of the Council<sup>39</sup> and the Member States long-term buildings renovation strategies pursuant to Directive 2010/31/EU of the European Parliament and of the Council<sup>40</sup>. To ensure administrative efficiency, where applicable, the information included in the Plans should be consistent with the legislation and plans listed above.

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

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

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

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

(21) The Fund and the Plans should be coherent with and framed by the reforms planned and the commitments made by the Member States under their updated integrated national energy and climate plans in accordance with Regulation (EU) 2018/1999, under Directive [yyyy/nnn] of the European Parliament and the Council [Proposal for recast of Directive 2012/27/EU on energy efficiency]<sup>36</sup>, the European Pillar of Social Rights Action Plan<sup>37</sup>, the European Social Fund Plus (ESF+) established by Regulation (EU) 2021/1057 of the European Parliament and of the Council<sup>38</sup>, the Just Transition Plans pursuant to Regulation (EU) 2021/1056 of the European Parliament and of the Council<sup>39</sup> and the Member States long-term buildings renovation strategies pursuant to Directive 2010/31/EU of the European Parliament and of the Council<sup>40</sup>. To ensure administrative efficiency ***while not adding any extra administrative burden***, where applicable, the information included in the Plans should be consistent with the legislation and plans listed above.

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

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

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

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

<sup>40</sup> Directive 2010/31/EU of the European Parliament and of the Council of 19 May 2010 on the energy performance of buildings (OJ L 153, 18.6.2010, p. 13).

<sup>40</sup> Directive 2010/31/EU of the European Parliament and of the Council of 19 May 2010 on the energy performance of buildings (OJ L 153, 18.6.2010, p. 13).

## Amendment 16

### Proposal for a regulation

#### Recital 22

##### *Text proposed by the Commission*

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

##### *Amendment*

(22) The Union should support Member States with financial means ***along with technical support*** to implement their Plans through the Social Climate Fund. Payments from the Social Climate Fund should be made conditional on achievement of the milestones and targets included in the Plans. This would allow efficiently taking into account national circumstances and priorities while simplifying financing and facilitating its integration with other national spending programmes while guaranteeing the impact and the integrity of EU spending. ***To ensure that vulnerable, households, vulnerable SMEs and vulnerable microenterprises can receive support from the Fund as soon as possible, the Plans should be effectively implemented from the entry into force of the Social Climate Fund, consequently the Commission should pre-finance an amount of up to 15% of the financial contribution of Member States.***

## Amendment 17

### Proposal for a regulation

#### Recital 23

##### *Text proposed by the Commission*

(23) The financial envelope of the Fund should, in principle, be commensurate to

##### *Amendment*

(23) The financial envelope of the Fund should, in principle, be commensurate to

amounts corresponding to 25% of the expected revenues from ***the inclusion of buildings and road transport into*** the scope of Directive 2003/87/EC in the period 2026-2032. Pursuant to Council Decision (EU, Euratom) 2020/2053<sup>41</sup>, Member States should make those revenues available to the Union budget as own resources. Member States are to finance **50%** of the total costs of their Plan themselves. For this purpose, as well as for investment and measures to accelerate and alleviate the required transition for citizens negatively affected, Member States should inter alia use their expected revenues from emissions trading for buildings and road transport under Directive 2003/87/EC for that purpose.

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

amounts corresponding to 25% of the expected revenues from ***changes in*** the scope of Directive 2003/87/EC in the period 2026-2032. Pursuant to Council Decision (EU, Euratom) 2020/2053<sup>41</sup>, Member States should make those revenues available to the Union budget as own resources. Member States are to finance **40%** of the total costs of their Plan themselves. For this purpose, as well as for investment and measures to accelerate and alleviate the required transition for citizens negatively affected, Member States should inter alia use their expected revenues from emissions trading for buildings and road transport under Directive 2003/87/EC for that purpose.

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

## Amendment 18

### Proposal for a regulation Article 1 – paragraph 3

#### *Text proposed by the Commission*

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

#### *Amendment*

The measures and investments supported by the Fund shall ***directly*** benefit households, micro-enterprises, ***SMEs*** and transport users, ***including those*** which are vulnerable and particularly affected by the ***impact of the transition towards climate neutrality, including by carbon pricing***, especially households in energy poverty, ***people living in peripheral and isolated areas, in less developed regions or territories, those suffering from severe handicaps and those in demographic***

*decilne* and citizens without public transport alternative to individual cars (in remote and rural areas); **conditions for support from the Fund shall not impose any bureaucratic burden or additional cost on households and occupants of rental buildings.**

## Amendment 19

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

*Text proposed by the Commission*

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

*Amendment*

The general objective of the Fund is to contribute to the transition towards climate neutrality, **which leaves no one behind**, by addressing social impacts of **that transition and contributing to the socially fair reduction of emissions in the transport and buildings sectors**. The specific objective of the Fund is to support vulnerable households, vulnerable micro-enterprises, **vulnerable SMEs** and vulnerable transport users through temporary direct income support and through measures and investments intended to increase energy efficiency of buildings, decarbonisation of heating and cooling of buildings, including the integration **and storage** of energy from renewable sources, and granting improved access to **efficient and affordable** zero- and low-emission mobility and transport **while maintaining technology neutrality**.

## Amendment 20

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

*Text proposed by the Commission*

(1) ‘building renovation’ means all kinds of energy-related building

*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;

renovation, including the insulation of the building envelope, that is to say walls, roof, floor, the replacement of windows, the replacement of heating, cooling and cooking appliances, ***the upgrade of electrical installations*** and the installation of on-site production of energy from renewable sources, ***as well as its storage, and including all kinds of safety-related renovation works undertaken at the same time, such as seismic protection, electrical safety, smoke detection and smoke management***;

## Amendment 21

### Proposal for a regulation

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

*Text proposed by the Commission*

*Amendment*

***(1 a) ‘deep building renovation’ means deep renovation as defined in [Article 2 (19) of the proposal for a Directive of the European Parliament and of the Council on energy efficiency (recast), COM(2021) 558 final (EPBD)];***

## Amendment 22

### Proposal for a regulation

#### Article 2 – paragraph 1 – point 1 b (new)

*Text proposed by the Commission*

*Amendment*

***(1 b) ‘energy efficiency first’ means ‘energy efficiency first’ as defined in point (18) of Article 2 of Regulation (EU) 2018/1999;***

## Amendment 23

**Proposal for a regulation**  
**Article 2 – paragraph 1 – point 9 a (new)**

*Text proposed by the Commission*

*Amendment*

**(9 a) ‘small or medium-sized enterprise’ or ‘SME’ means a small or medium-sized enterprise as defined in Article 2 of the Annex to Commission Recommendation 2003/361/EC<sup>29a</sup>;**

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<sup>29a</sup> **Commission Recommendation of 6 May 2003 concerning the definition of micro, small and medium-sized enterprises (OJ L 124, 20.05.2003, p. 36).**

**Amendment 24**

**Proposal for a regulation**  
**Article 2 – paragraph 1 – point 10**

*Text proposed by the Commission*

*Amendment*

(10) ‘transport users’ means households **or** micro-enterprises that use various transport and mobility options;

(10) ‘transport users’ means households, micro-enterprises **or SMEs** that use various transport and mobility options;

**Amendment 25**

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

*Text proposed by the Commission*

*Amendment*

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

(11) ‘vulnerable households’ means households in energy poverty or households, including lower middle-income ones, that are significantly affected by **energy price rises;**

## Amendment 26

### Proposal for a regulation

#### Article 2 – paragraph 1 – point 12

*Text proposed by the Commission*

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

*Amendment*

(12) ‘vulnerable micro-enterprises’ means micro-enterprises that are significantly affected by the **impact** of the **transition to climate neutrality**, lack the means to renovate the building they occupy, **and are in need of support to switch to more sustainable transport options**;

## Amendment 27

### Proposal for a regulation

#### Article 2 – paragraph 1 – point 12 a (new)

*Text proposed by the Commission*

*Amendment*

**(12 a) ‘vulnerable small or medium-sized enterprises’ or ‘SMEs’ means small or medium-sized enterprises that are significantly affected by the impact of the transition to climate neutrality, lack the means to renovate the building they occupy or to upgrade road vehicles on which they rely in the course of their business;**

## Amendment 28

### Proposal for a regulation

#### Article 2 – paragraph 1 – point 13

*Text proposed by the Commission*

(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**

*Amendment*

(13) ‘vulnerable transport users’ means transport users, including from lower middle-income households particularly in rural and remote areas.

*scope of Directive 2003/87/EC and lack the means to purchase zero- and low-emission vehicles or to switch to alternative sustainable modes of transport, including public transport, particularly in rural and remote areas.*

## Amendment 29

### Proposal for a regulation Article 3 – paragraph 1

*Text proposed by the Commission*

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

*Amendment*

1. Each Member State shall submit to the Commission a Social Climate Plan ('the Plan') together with the update to the integrated national energy and climate plan referred to in Article 14(2) of Regulation (EU) 2018/1999 in accordance with the procedure and timeline laid down in that Article, **following, where relevant, a consultation with regional and local entities and civil society organisations working with population in situations of vulnerability and the application of the Partnership Principle**. The Plan shall contain a coherent set of measures and investments to address the **impacts of transition to climate neutrality** on vulnerable households, vulnerable micro-enterprises, **vulnerable SMEs** and vulnerable transport users in order to ensure affordable **and efficient** heating, cooling and mobility while accompanying and accelerating necessary measures to meet the climate targets of the Union.

## Amendment 30

### Proposal for a regulation Article 3 – paragraph 1 a (new)

**1 a. The Plans shall take into utmost account the energy efficiency first principle. Member States should consider the recently released Recommendation and Guidelines on the implementation of the principle<sup>30a</sup>, which explain how planning, policy and investment decisions can reduce energy consumption in a number of key sectors, including energy and transport.**

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<sup>30a</sup> **Commission Recommendation C(2021) 7014 final of 28.9.2021 on “Energy Efficiency First: from principles to practice. Guidelines and examples for its implementation in decision-making in the energy sector and beyond.**

## Amendment 31

### Proposal for a regulation Article 3 – paragraph 2

Text proposed by the Commission

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

Amendment

2. The Plan may include national measures providing **supervised** temporary direct income support to vulnerable households and households that are vulnerable transport users to reduce the impact of **transition to climate neutrality, rising energy prices and/or the impact of emission pricing on electricity, heating and transport, while quickly providing long-term solution for reducing energy and transport cost through renovation and other measures under** the scope of *Article 6 of this regulation at no additional cost to the final beneficiary*.

## Amendment 32

### Proposal for a regulation

#### Article 3 – paragraph 3 – point a

*Text proposed by the Commission*

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

*Amendment*

(a) finance measures and investments to **improve energy performance and** increase energy efficiency of buildings **and ensure their safety through the implementation of active and passive,** energy efficiency improvement measures, to carry out **electrical, fire and seismic safety inspection and** renovation, **to carry out building renovations and the installation of on-site and nearby facilities for** energy production from renewable energy sources, **as well as its storage, to cater for residual energy needs, including for heating and cooling;**

## Amendment 33

### Proposal for a regulation

#### Article 3 – paragraph 3 – point a a (new)

*Text proposed by the Commission*

*Amendment*

**(a a) provide financial and technical support to renewable energy communities and community-led local development projects in urban and rural areas, including locally owned energy systems, as well as the arrangements for engaging and building capacity at the local level put in place through citizen projects;**

## Amendment 34

### Proposal for a regulation

#### Article 3 – paragraph 3 – point a b (new)

*Text proposed by the Commission*

*Amendment*

*(a b) finance measures addressing non-monetary barriers to improvements in the energy efficiency in buildings and uptake of renewable energy as well as barriers to accessing sustainable mobility and public transport services, in order to combat energy poverty and transport poverty. These may include energy consultations and advice services, including at community level;*

### **Amendment 35**

#### **Proposal for a regulation**

#### **Article 3 – paragraph 3 – point b**

*Text proposed by the Commission*

*Amendment*

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

(b) finance measures and investments *with a lasting impact* to increase the uptake *and use* of zero- and low-emission mobility and transport *services, especially in rural, peripheral and isolated areas, in less developed regions or territories, those suffering from severe handicaps and those in demographic decline, including information support, capacity building and the training necessary to implement those measures and investments while respecting technological neutrality;*

### **Amendment 36**

#### **Proposal for a regulation**

#### **Article 3 – paragraph 3 – point b a (new)**

*Text proposed by the Commission*

*Amendment*

*(b a) Plans shall be made public and accessible.*

## Amendment 37

### Proposal for a regulation

#### Article 4 – paragraph 1 – point a

*Text proposed by the Commission*

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

*Amendment*

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

## Amendment 38

### Proposal for a regulation

#### Article 4 – paragraph 1 – point b

*Text proposed by the Commission*

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

*Amendment*

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

## Amendment 39

### Proposal for a regulation

#### Article 4 – paragraph 1 – point b a (new)

*Text proposed by the Commission*

*Amendment*

**(b a) measures aimed at supporting home-owners and landlords to comply with minimum energy performance standards, including through social**

*safeguards;*

## Amendment 40

### Proposal for a regulation

#### Article 4 – paragraph 1 – point c

*Text proposed by the Commission*

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

*Amendment*

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

## Amendment 41

### Proposal for a regulation

#### Article 4 – paragraph 1 – point d

*Text proposed by the Commission*

(d) where the Plan provides for measures referred to in Article 3(2), the criteria for the identification of eligible final recipients, the indication of the envisaged time limit for the measures in question and their justification on the basis of a quantitative estimate and a qualitative explanation of how the measures in the Plan are expected to reduce energy and transport poverty and the vulnerability of

*Amendment*

(d) where the Plan provides for measures referred to in Article 3(2), the criteria for the identification of eligible final recipients, the indication of the envisaged time limit for the measures in question and their justification on the basis of a quantitative estimate and a qualitative explanation of how the measures in the Plan *such as renovation measures, investment aimed at developing and*

households, micro-enterprises and transport users to an increase of road transport and heating fuel prices;

*expanding public transport infrastructure as well as the technological digital infrastructure* are expected to reduce energy and transport poverty and the vulnerability of households, micro-enterprises, *SMEs* and transport users to an increase of road transport and heating fuel prices;

#### Amendment 42

##### Proposal for a regulation

##### Article 4 – paragraph 1 – point e

*Text proposed by the Commission*

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

*Amendment*

(e) envisaged milestones, targets *to reduce the number of vulnerable households, vulnerable micro-enterprises, vulnerable SMEs* and an indicative timetable for the implementation of the measures and investments to be completed by 31 July 2032;

#### Amendment 43

##### Proposal for a regulation

##### Article 4 – paragraph 1 – point f a (new)

*Text proposed by the Commission*

*Amendment*

*(f a) the estimated amount of advance funding needed to launch the measures;*

#### Amendment 44

##### Proposal for a regulation

##### Article 4 – paragraph 1 – point h a (new)

*Text proposed by the Commission*

*Amendment*

*(h a) the arrangements to prevent bureaucratic burden on household*

*beneficiaries receiving support from the Fund;*

## Amendment 45

### Proposal for a regulation

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

*Text proposed by the Commission*

*Amendment*

*(k a) Member States shall lay down a detailed communication strategy that they will use to reach out and communicate to people who are energy poor and/or mobility poor or at risk thereof respectively. Member states shall provide information to final beneficiaries about eligibility and how to access funding and make arrangements for personal assistance and guidance.*

## Amendment 46

### Proposal for a regulation

#### Article 4 – paragraph 2

*Text proposed by the Commission*

*Amendment*

2. The Plans shall be consistent with the information included and the 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<sup>55</sup>, under their Recovery and Resilience Plans in accordance with Regulation (EU) 2021/241 of the European Parliament and of the Council<sup>56</sup>, 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.

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<sup>55</sup>, under their Recovery and Resilience Plans in accordance with Regulation (EU) 2021/241 of the European Parliament and of the Council<sup>56</sup>, 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<sup>57</sup> .

They shall also be complementary to the ***Territorial*** Just Transition Plans pursuant to Regulation (EU) 2021/1056 of the European Parliament and of the Council<sup>57</sup> ***and therefore all these financial instruments shall increase the synergy of the measures while preventing and avoiding any possibility of double funding.***

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<sup>55</sup> Regulation (EU) 2021/1058 of the European Parliament and of the Council of 24 June 2021 on the European Regional Development Fund and on the Cohesion Fund (OJ L 231, 30.6.2021, p. 60).

<sup>56</sup> Regulation (EU) 2021/241 of the European Parliament and of the Council of 12 February 2021 establishing the Recovery and Resilience Facility (OJ L 57, 18.2.2021, p. 17).

<sup>57</sup> Regulation (EU) 2021/1056 of the European Parliament and of the Council of 24 June 2021 establishing the Just Transition Fund (OJ L 231, 30.6.2021, p. 1).

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<sup>55</sup> Regulation (EU) 2021/1058 of the European Parliament and of the Council of 24 June 2021 on the European Regional Development Fund and on the Cohesion Fund (OJ L 231, 30.6.2021, p. 60).

<sup>56</sup> Regulation (EU) 2021/241 of the European Parliament and of the Council of 12 February 2021 establishing the Recovery and Resilience Facility (OJ L 57, 18.2.2021, p. 17).

<sup>57</sup> Regulation (EU) 2021/1056 of the European Parliament and of the Council of 24 June 2021 establishing the Just Transition Fund (OJ L 231, 30.6.2021, p. 1).

#### **Amendment 47**

##### **Proposal for a regulation**

##### **Article 5 – paragraph 2 – point b**

*Text proposed by the Commission*

(b) building renovation;

*Amendment*

(b) building renovation ***with substantial energy cost savings;***

#### **Amendment 48**

##### **Proposal for a regulation**

##### **Article 5 – paragraph 2 – point c**

*Text proposed by the Commission*

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

*Amendment*

(c) zero- and low-emission mobility and transport, ***while respecting technological neutrality***;

#### **Amendment 49**

##### **Proposal for a regulation**

##### **Article 5 – paragraph 2 – point e**

*Text proposed by the Commission*

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

*Amendment*

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

#### **Amendment 50**

##### **Proposal for a regulation**

##### **Article 5 – paragraph 2 – point e a (new)**

*Text proposed by the Commission*

*Amendment*

***(e a) improvements in safety, particularly in reduction in the number of buildings with unsafe electrical installations, increased deployment of smoke detection, smoke management seismic protection and automatic fire suppression;***

#### **Amendment 51**

##### **Proposal for a regulation**

##### **Article 5 – paragraph 2 – point e b (new)**

***(e b) enterprises benefiting from the Social Climate Fund shall be conditional on the respect of applicable working conditions and employers' obligations resulting from labour law and/or collective agreements.***

## **Amendment 52**

### **Proposal for a regulation Article 6 – paragraph 1**

*Text proposed by the Commission*

*Amendment*

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

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

## **Amendment 53**

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

*Text proposed by the Commission*

*Amendment*

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

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

vulnerable transport users and intend to:

#### Amendment 54

##### Proposal for a regulation

##### Article 6 – paragraph 2 – point a

*Text proposed by the Commission*

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

*Amendment*

(a) support building renovations, ***such as deep and staged deep renovations, with regard to social housing and deprived areas***, especially for ***people*** occupying the worst-performing buildings, ***such support comprising*** financial support or fiscal incentives such as deductibility of renovation costs from ***rent*** independently of the ownership of the buildings concerned, ***while simultaneously ensuring that the costs of the renovation do not have impact on households, in particular renters***,

#### Amendment 55

##### Proposal for a regulation

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

*Text proposed by the Commission*

*Amendment*

***(a a) promote ownership of housing with good energy scores, in the form of financial support or fiscal incentives;***

#### Amendment 56

##### Proposal for a regulation

##### Article 6 – paragraph 2 – point b

*Text proposed by the Commission*

(b) contribute to the decarbonisation, including the electrification, of heating and

*Amendment*

(b) contribute to the decarbonisation, including the electrification, ***digitalisation***

cooling of, and cooking in, buildings and the integration of energy **from renewable sources** that contribute to the achievements of energy savings;

of heating and cooling of, **powering appliances** and cooking in, buildings and the integration **and storage** of energy that contribute to the achievements of energy savings **as spelled out in the [EPBD]**;

#### Amendment 57

##### Proposal for a regulation

##### Article 6 – paragraph 2 – point c

*Text proposed by the Commission*

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

*Amendment*

(c) support public and private entities in developing and providing **safe and** affordable energy efficiency renovation solutions **including those using sustainable and innovative construction materials fully in line with the circularity economy principle** and appropriate funding instruments in line with the social goals of the Fund;

#### Amendment 58

##### Proposal for a regulation

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

*Text proposed by the Commission*

*Amendment*

**(c a) provide targeted information, support, capacity building and training necessary to implement the energy efficiency renovation solutions and grant access to zero- and low-emission mobility and transport services;**

#### Amendment 59

##### Proposal for a regulation

##### Article 6 – paragraph 2 – point c b (new)

*Text proposed by the Commission*

*Amendment*

***(c b) support the inclusion of adequate safeguards within building renovations, especially for most vulnerable occupants, including in the form of technical assistance and financial support;***

## **Amendment 60**

### **Proposal for a regulation**

#### **Article 6 – paragraph 2 – point d**

*Text proposed by the Commission*

*Amendment*

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

(d) provide access to **zero- and low-emission** vehicles, bikes, **other means of transport**, including financial support or fiscal incentives for their purchase as well as for appropriate public and private infrastructure, including for recharging and refuelling; for support concerning low-emission vehicles, a timetable for gradually reducing the support shall be provided **along with the implementation of long-term solutions at no additional cost to household beneficiaries;**

## **Amendment 61**

### **Proposal for a regulation**

#### **Article 6 – paragraph 2 – point d a (new)**

*Text proposed by the Commission*

*Amendment*

***(d a) support vulnerable SMEs and micro-enterprises when renewing their vehicle fleets, in particular by offering bespoke advice on possible alternative vehicles and targeted assistance for the purchase of new zero- or low-emission;***

## Amendment 62

### Proposal for a regulation

#### Article 6 – paragraph 2 – point e

*Text proposed by the Commission*

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

*Amendment*

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

## Amendment 63

### Proposal for a regulation

#### Article 6 – paragraph 2 – point f

*Text proposed by the Commission*

(f) support public and private entities in developing and providing affordable zero- and low-emission mobility and transport services and the uptake of attractive active mobility options for rural, insular, mountainous, remote and less accessible areas or for less developed regions or territories, including less developed peri-urban areas.

*Amendment*

(f) ***fostering digital connectivity and technological solutions to support people***, public and private entities in ***maintaining*** developing and providing ***efficient*** affordable zero- and low-emission mobility and transport services and the uptake of attractive active mobility options for rural, insular, mountainous, remote and less accessible areas or for less developed regions or territories, including less developed peri-urban areas.

## Amendment 64

### Proposal for a regulation

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

*Text proposed by the Commission*

*Amendment*

***(f a) fostering digital connectivity and technological solutions to support people affected by transport poverty in rural, insular, mountainous, remote and less accessible areas to access basic services or***

*public transport;*

#### **Amendment 65**

##### **Proposal for a regulation**

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

*Text proposed by the Commission*

*Amendment*

***(f b) Measures related to the replacement of old and inefficient heating systems with particular attention to support the vulnerable households and vulnerable micro-enterprises.***

#### **Amendment 66**

##### **Proposal for a regulation**

##### **Article 7 – paragraph 2**

*Text proposed by the Commission*

*Amendment*

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

***deleted***

#### **Amendment 67**

##### **Proposal for a regulation**

##### **Article 8 – title**

*Text proposed by the Commission*

*Amendment*

**Pass-on of benefits to households, micro-enterprises and transport users**

**Pass-on of benefits to households, micro-enterprises, *SMEs* and transport users**

## Amendment 68

### Proposal for a regulation Article 8 – paragraph 1

#### *Text proposed by the Commission*

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

#### *Amendment*

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

## Amendment 69

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

#### *Text proposed by the Commission*

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

#### *Amendment*

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

## Amendment 70

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

#### *Text proposed by the Commission*

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

#### *Amendment*

1. The financial envelope for the implementation of the Fund for the period **from 2024, at the latest, until 2027** shall be **at least** EUR 23 700 000 000 in current prices.

## Amendment 71

### Proposal for a regulation Article 9 – paragraph 2

*Text proposed by the Commission*

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

*Amendment*

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

## Amendment 72

### Proposal for a regulation Article 10 – paragraph 2

*Text proposed by the Commission*

2. Member States may entrust the managing authorities of the European Social Fund Plus (ESF+) established by Regulation (EU) 2021/1057 and of the cohesion policy operational programmes under Regulation (EU) 2021/1058 with the implementation of measures and investments benefitting from this Fund, where applicable in view of the synergies with those Union funds and in conformity with the objectives of the Fund. Member States shall state their intention to entrust those authorities in their Plans.

*Amendment*

2. **Member States shall be free, depending on their national structure, to choose which authorities are to be entrusted with the implementation of measures and investments benefitting from this Fund. If they wish,** Member States may entrust the managing authorities of the European Social Fund Plus (ESF+) established by Regulation (EU) 2021/1057 and of the cohesion policy operational programmes under Regulation (EU) 2021/1058 with the implementation of measures and investments benefitting from this Fund, where applicable in view of the synergies with those Union funds and in conformity with the objectives of the Fund. Member States shall state their intention to entrust those authorities in their Plans.

## Amendment 73

**Proposal for a regulation**  
**Article 10 – paragraph 3**

*Text proposed by the Commission*

3. Member States may include in their Plan, as part of the estimated total costs, the payments for additional technical support pursuant to Article 7 of Regulation (EU) 2021/240 and the amount of the cash contribution for the purpose of the Member State compartment pursuant to the relevant provisions of Regulation (EU) 2021/523. Those costs shall not exceed 4 % of the financial total allocation for the Plan, and the relevant measures, as set out in the Plan, shall comply with this Regulation.

*Amendment*

3. Member States may include in their Plan, as part of the estimated total costs, the payments for additional technical support pursuant to Article 7 of Regulation (EU) 2021/240 and the amount of the cash contribution for the purpose of the Member State compartment pursuant to the relevant provisions of Regulation (EU) 2021/523. Those costs shall not exceed 4 % of the financial total allocation for the Plan, and the relevant measures, as set out in the Plan, shall comply with this Regulation. ***In addition, where necessary, the Member State may propose additional technical assistance measures to strengthen the capacity and effectiveness of public authorities and bodies, beneficiaries and relevant partners necessary for the effective management and use of the Funds.***

**Amendment 74**

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

*Text proposed by the Commission*

*Amendment*

***2 a. When requested by a Member State together with the submission of its Social Climate Plans, the Commission shall make a pre-financing payment of an amount of up to 15 % of the financial contribution. The Commission shall make the corresponding payment within, to the extent possible, two months after the adoption by the Commission of the legal commitment referred to in Article 18. This will ensure that vulnerable households, vulnerable SMEs and vulnerable microenterprises can receive support from***

*the Fund as soon as possible.*

## Amendment 75

### Proposal for a regulation Article 14 – paragraph 1

*Text proposed by the Commission*

1. Member States shall contribute at least to **50** percent of the total estimated costs of their Plans.

*Amendment*

1. Member States shall contribute at least to **40** percent of the total estimated costs of their Plans.

## Amendment 76

### Proposal for a regulation Article 15 – paragraph 2 – point a – point i

*Text proposed by the Commission*

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

*Amendment*

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

allocation of the Member State concerned;

#### **Amendment 77**

##### **Proposal for a regulation**

##### **Article 15 – paragraph 2 – point a – point iii**

*Text proposed by the Commission*

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

*Amendment*

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

#### **Amendment 78**

##### **Proposal for a regulation**

##### **Article 15 – paragraph 2 – point b – point i**

*Text proposed by the Commission*

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

*Amendment*

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

#### **Amendment 79**

##### **Proposal for a regulation**

##### **Article 15 – paragraph 2 – point b – point ii**

*Text proposed by the Commission*

(ii) whether the arrangements proposed by the Member State concerned are

*Amendment*

(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;

expected to ensure the effective monitoring and implementation of the Plan, including ***involvement of all relevant stakeholders according to the Partnership Principle***, the envisaged timetable, milestones and targets, and the related indicators;

## Amendment 80

### Proposal for a regulation

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

*Text proposed by the Commission*

*Amendment*

***(iii a) whether the proposed measures are sufficiently effective at national level and are not adding any additional administrative burden;***

## Amendment 81

### Proposal for a regulation

#### Article 17 – paragraph 1

*Text proposed by the Commission*

*Amendment*

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

1. Where a Social Climate Plan, including relevant milestones and targets, is no longer achievable, either in whole or in part, by the Member State concerned because of objective circumstances, the Member State concerned may submit to the Commission an amendment of its Plan to include the necessary and duly justified changes. Member States may request technical support for the preparation of such request.

## Amendment 82

### Proposal for a regulation Article 17 – paragraph 2

#### *Text proposed by the Commission*

2. The Commission shall assess the amended Plan in accordance with Article 15.

#### *Amendment*

2. The Commission shall assess the amended Plan in accordance with Article 15 **and the Commission shall provide guidance on the most efficient measures and investments foreseen in Article 6(2).**

## Amendment 83

### Proposal for a regulation Article 17 – paragraph 5

#### *Text proposed by the Commission*

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

#### *Amendment*

5. By 15 March 2027 each Member State concerned shall assess the appropriateness of its Plans in view of **achieving the objective to eradicate energy poverty and transport poverty, while meeting the Union energy and climate targets**. Those assessments shall be submitted to the Commission as part of the biennial progress reporting pursuant to Article 17 of Regulation (EU) 2018/1999.

## Amendment 84

### Proposal for a regulation Article 18 – paragraph 1

#### *Text proposed by the Commission*

1. After the Commission has adopted a decision as referred to in Article 16, it shall in due time conclude an agreement with the Member State concerned constituting an individual legal commitment within the meaning of

#### *Amendment*

1. After the Commission has adopted a decision as referred to in Article 16, it shall in due time conclude an agreement with the Member State concerned constituting an individual legal commitment within the meaning of

Regulation (EU, Euratom) 2018/1046 covering the period **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.

Regulation (EU, Euratom) 2018/1046 covering the period **from 2024, at the latest, until 2027**. That agreement may be concluded at the earliest one year before the year of the start of the auctions under Chapter IVa of Directive 2003/87/EC.

## Amendment 85

### Proposal for a regulation Article 22 – paragraph 2

*Text proposed by the Commission*

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

*Amendment*

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

## Amendment 86

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

*Text proposed by the Commission*

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

*Amendment*

(f) in 2027, an assessment of the Plan referred to in Article 17(5) in view of the actual direct effects **on energy and transport poverty in the Union;**

## Amendment 87

### Proposal for a regulation Article 24 – paragraph 3

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<sup>63</sup>. It shall also consider the continued relevance of the financial envelope of the Fund in relation to possible developments concerning the auctioning of allowances under the emission trading system **for buildings and road transport** pursuant to Chapter IVa of Directive 2003/87/EC and other relevant considerations.

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

3. The evaluation report shall, in particular, assess to which extent the objectives of the Fund laid down in Article 1 have been achieved, the efficiency of the use of the resources and the Union added value. It shall consider the continued relevance of all objectives and actions set out in Article 6 in light of the impact on greenhouse gas emissions from the emission trading system pursuant to Chapter IVa of Directive 2003/87/EC and from the national measures taken to meet the binding annual greenhouse gas emission reductions by Member States pursuant to Regulation (EU) 2018/842 of the European Parliament and of the Council<sup>63</sup>. It shall also consider the continued relevance of the financial envelope of the Fund in relation to possible developments concerning the auctioning of allowances under the emission trading system pursuant to Chapter IVa of Directive 2003/87/EC and other relevant considerations.

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

## **Amendment 88**

### **Proposal for a regulation Legislative financial statement – paragraph 1.4.1**

*Text proposed by the Commission*

*Amendment*

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 general objective of the Fund is to contribute to the transition towards climate neutrality by addressing the social impacts ***arising from the transition to climate neutrality.***

## **Amendment 89**

### **Proposal for a regulation**

#### **Legislative financial statement – paragraph 1.5.4 – paragraph 3**

*Text proposed by the Commission*

*Amendment*

The Fund ***will be financed under Heading 3 ‘Natural Resources and Environment’ of the multiannual financial framework, and in the annual budget nomenclature as part of the ‘Environmental and Climate Action policy’ cluster 9 .***

The ***size of the the Social Climate*** Fund ***should in principle correspond to 25% of the expected revenues from changes to the scope of application of Directive 2003/87/EC.***