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Delegations will find attached document COM(2021) 568 final - ANNEXES 1 to 3.

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ANNEXES 1 to 3

ANNEXES

to the

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

establishing a Social Climate Fund

ANNEX I

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:

– 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).

The maximum financial allocation of a Member State under the Fund (MFA_i) is defined as follows:

$$MFA_i = \alpha_i \times (TFE)$$

Where:

The total financial envelope (TFE) for the implementation of the Fund is the sum of the financial envelopes as referred to in Article 9(1) and (2) and α_i is the share of Member State i in the total financial envelope, determined on the basis of the following steps:

$$\alpha_i = (50\% \times \beta_i + 50\% \times \lambda_i) \times \frac{GNI_{EU}^{PC}}{GNI_i^{PC}}$$

With

$$\beta_i = \min\left(\frac{rural\ pop_i}{rural\ pop_{EU}}, \frac{pop_i}{pop_{EU}} \times f_i\right)$$

$$\lambda_i = \gamma_i \times \delta_i$$

$$\gamma_i = \frac{HCO2_i}{HCO2_{EU}}$$

$$\delta_i = \min\left(\frac{arrears_i}{arrears_{EU}}, f_i\right)$$

$f_i = 1$ if $GNI_i^{PC} \geq GNI_{EU}^{PC}$; $f_i = 2.5$ if $GNI_i^{PC} < GNI_{EU}^{PC}$

Where for each Member State i:

$rural\ pop_i$ is the population at risk of poverty living in rural areas of the Member State i;

$rural\ pop_{EU}$ is the sum of population at risk of poverty living in rural areas of the Member States of the EU-27;

pop_i is the population of the Member State i;

pop_{EU} is the sum of the population of the Member States of the EU-27;

$HCO2_i$ is the carbon dioxide emissions from fuel combustion by households of the Member State i;

$HCO2_{EU}$ is the sum of carbon dioxide emissions from fuel combustion by households of the Member States of the EU-27;

$arrears_i$ is the percentage of households at risk of poverty with arrears on utility bills of the Member State i;

$arrears_{EU}$ is the percentage of households at risk of poverty with arrears on utility bills of the EU-27;

GNI_i^{PC} is the GNI per capita of the Member State i;

GNI_{EU}^{PC} is the GNI per capita of the EU-27.

The β_i of those Member States with a GNI per capita below the EU-27 value and for which the $\frac{rural\ pop_i}{rural\ pop_{EU}}$ is the minimum component are proportionally adjusted to ensure that the sum of β_i for all Member States equals 100%. All λ_i are proportionally adjusted to ensure that their sum equals 100%.

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%.

ANNEX II

Maximum financial allocation per Member State under the Fund pursuant to Article 9 and Article 13

The application of the methodology in Annex I to the amounts referred to in Article 9 (1) and (2) results in the following share and maximum financial allocation (MFA) per Member State.

Any amounts pertaining from Article 9(3) will be covered within the limits of the maximum financial allocation per Member State on a pro rata basis.

Maximum financial allocation per EU Member State				
Member State	**Share as % of total**	**TOTAL 2025-2032 (in EUR, current prices)**	**Amount for 2025-2027 (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

ANNEX III

Key requirements for the Member State's control system

(1) The Member State shall provide an effective and efficient internal control system, including separation of functions and reporting, supervising and monitoring arrangements.

This includes:

- the nomination of an authority as "coordinator" having the overall responsibility for the Climate Action Social Plan and being the single point of contact for the Commission;
- that the coordinator has (i) the administrative capacity in terms of human resources (staff numbers and profiles), institutional experience and expertise, and (ii) the mandate and authority to exercise all relevant tasks, including supervision and reporting responsibilities;
- the designation of the authorities entrusted with the implementation of the Climate Action Social Plan and the allocation of the related functions;
- the designation of the authority responsible for signing the management declaration accompanying the payment requests;
- procedures ensuring that this authority will get assurance about the achievement of the milestones and targets set in the plan, 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;
- an appropriate separation between managing and audit functions.

(2) The Member State shall conduct an effective implementation of proportionate anti-fraud and anti-corruption measures, as well as any necessary measure to effectively avoid conflict of interests.

This includes:

- appropriate measures related to the prevention, detection and correction of fraud, corruption and conflict of interest, as well as avoidance of double funding and to take legal actions to recover funds that have been misappropriated;
- a fraud risk assessment and the definition of appropriate anti-fraud mitigating measures.

(3) The Member State shall maintain appropriate procedures for drawing up the management declaration and summary of the audits and controls carried out at national level.

This includes:

- An effective procedure for drawing up the Management Declaration, documenting the summary of audits and controls and keeping the underlying information for audit trail;
- Effective procedures to ensure that all cases of fraud, corruption and conflict of interests are properly reported and corrected through recoveries.

(4) To provide the information necessary, the Member State shall ensure appropriate management verifications, including procedures for checking the fulfilment of milestones and targets and compliance with horizontal principles of sound financial management.

This includes:

- appropriate management verifications through which implementing authorities will check the fulfilment of milestones and targets of the fund (e.g. desk reviews, on-the-spot checks);
- appropriate management verifications through which the implementing authorities will check the absence of serious irregularities (fraud, corruption and conflict of interest) and double funding (e.g. desk reviews, on-the-spot checks).

(5) The Member State shall conduct adequate and independent audits of systems and operations in accordance with internationally accepted audit standards.

This includes:

- The designation of the body/ies which will carry out the audits of systems and operations and how its/their functional independence is ensured;
- The allocation of sufficient resources to this body/ies for the purpose of the Fund;
- The effective tackling by the audit body/ies of the risk of fraud, corruption, conflict of interest and double funding both through system audits and audits of operations.

(6) The Member State shall maintain an effective system to ensure that all information and documents necessary for audit trail purposes are held.

This includes:

- effective collection, recording and storage in an electronic system of data on the final recipients of measures or investments necessary to achieve the milestones/targets;
- access for the Commission, OLAF, ECA and EPPO (where applicable) to the data on final recipients.

ANNEX […]