Council of the European Union

Brussels, 20 July 2026
(OR. en)

12092/26

CLIMA 411
ENV 981
ENER 533
TRANS 520
SOC 511
FIN 1104
RESPR 32
COH 137
CADREFIN 343

COVER NOTE

From:	Secretary-General of the European Commission, signed by Ms Martine DEPREZ, Director
date of receipt:	5 June 2026
To:	Ms Thérèse BLANCHET, Secretary-General of the Council of the European Union
No. Cion doc.:	C(2026) 4993 final
Subject:	COMMISSION IMPLEMENTING DECISION on the Social Climate Plan of Latvia, the financing of the Plan and the work programme for 2026-2032

Delegations will find attached document C(2026) 4993 final.

Encl.: C(2026) 4993 final

EUROPEAN
COMMISSION

Brussels, 20.7.2026
C(2026) 4993 final

COMMISSION IMPLEMENTING DECISION

of 20.7.2026

on the Social Climate Plan of Latvia, the financing of the Plan and the work programme for 2026-2032

(ONLY THE LATVIAN TEXT IS AUTHENTIC)

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THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU) 2023/955 of the European Parliament and of the Council of 10 May 2023 establishing a Social Climate Fund and amending Regulation (EU) 2021/1060[1], and in particular Article 17 thereof,

Having regard to Regulation (EU, Euratom) 2024/2509 of the European Parliament and of the Council of 23 September 2024 on the financial rules applicable to the general budget of the Union[2], and in particular Article 110(1) thereof,

Whereas:

(1) On 14 July 2025, Latvia submitted its national Social Climate Plan (the 'Plan') to the Commission, in accordance with Article 4 of Regulation (EU) 2023/955. Following observations transmitted by the Commission, Latvia submitted a revised version of the Plan to the Commission on 28 May 2026. The Plan was amended into its final version, received on 1 July 2026, following technical corrections. An extension of the deadline for assessment, pursuant to Article 16(1) of the same regulation, was agreed between Latvia and the Commission for a period of nine months and two weeks.

(2) The Plan was prepared by Latvia, following a public consultation pursuant to Article 5 of Regulation (EU) 2023/955. The Plan shows that Latvia consulted a wide range of relevant stakeholders. At national level, social partners and non-governmental organisations were consulted. At regional or local level, the authorities of the planning regions and associations representing municipalities were consulted. Initial consultations were conducted as part of the Technical Support Instrument project financed by the Commission, while additional consultations were carried out via the Latvian draft legislation portal for all submitted versions. Several proposals from stakeholders were reflected in the final version of the Plan.

(3) Latvia should continue to engage with social partners and civil society during the implementation of the Plan. To ensure ownership by the relevant actors, it is crucial to involve all regional and local authorities and stakeholders concerned, including social partners, throughout the implementation of the investments and reforms included in the Plan.

(4) The Social Climate Plans should pursue the general objectives of the Social Climate Fund (the 'Fund') established by Regulation (EU) 2023/955 in order to support

[1] OJ L 130, 16.5.2023, p. 1, ELI: http://data.europa.eu/eli/reg/2023/955/oj.
[2] OJ L, 2024/2509, 26.09.2024, ELI: http://data.europa.eu/eli/reg/2024/2509/oj.

vulnerable households, vulnerable microenterprises and vulnerable transport users by addressing the social impacts of the inclusion of greenhouse gas emissions from buildings and road transport within the scope of Directive 2003/87/EC[3].

(5) The Plan sets out all the elements listed in Article 6(1) of Regulation (EU) 2023/955. Pursuant to Article 16(3) of Regulation (EU) 2023/955, the Commission has assessed the relevance, effectiveness, efficiency and coherence of the Plan taking into account the specific challenges and the financial allocation of Latvia.

(6) As required by Article 6(3) of Regulation (EU) 2023/955, the Plan is consistent with the information included in and the commitments made by Latvia under the European Pillar of Social Rights Action Plan, its cohesion policy programmes, its recovery and resilience plan, its building renovation plan, its updated integrated national energy and climate plan and its territorial just transition plan.

(7) The Plan of Latvia is composed of two components as well as of actions for technical assistance referred to in Article 8(3) of Regulation (EU) 2023/955.

(8) The 'Buildings sector' component includes four investments, in particular increasing energy efficiency and the use of renewable energy sources in residential multi-apartment buildings; implementing energy efficiency measures in buildings providing municipal social housing, rental housing and accommodation services; supporting vulnerable households in implementing small-scale energy efficiency measures and renovating private houses; and establishing a one-stop-shop for improving the energy efficiency of residential multi-apartment buildings.

(9) The 'Road transport sector' component includes one measure and nine investments, in particular, supporting the purchase of vehicles for social service providers; supporting the purchase of vehicles for healthcare service providers; supporting the purchase of zero-emission vehicles for vulnerable transport users; promoting micromobility for schoolchildren in transport-poor areas; supporting the purchase of technical aids for vulnerable transport users; a measure establishing a regulatory framework for the implementation of an on-demand transport system and an investment in on-demand transport services in remote rural areas; creating sheltered bicycle parking in train stations and stops; and supporting battery electric trains.

(10) The 'Buildings sector' component contributes to addressing energy poverty, responds to the challenges posed by an old and energy-inefficient building stock, and helps to alleviate the impact on vulnerable households of including greenhouse gas emissions from the buildings sector within the scope of Directive 2003/87/EC. The investments in energy efficiency renovations of residential buildings aim to reduce the energy consumption of vulnerable household in line with the provisions of Directive (EU) 2024/1275. The investment in energy efficiency measures for buildings providing municipal social housing, rental housing and accommodation services aims to increase the availability of affordable and energy-efficient housing for vulnerable households. The investment supporting the establishing energy saving advisory centres aims to ensure that vulnerable households benefit from investments under the Plan and can take further steps to address energy poverty.

(11) The investments in the 'Buildings sector' component are aligned with, and are expected to enable the continuation and extension of commitments under, the

[3] 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 and amending Council Directive 96/61/EC (OJ L 275, 25.10.2003, p. 32, ELI: http://data.europa.eu/eli/dir/2003/87/oj)

Recovery and Resilience Facility and the cohesion policy programmes. The investments specifically target vulnerable households, and are expected to help Latvia achieve the objectives in its national energy and climate plan in terms of greenhouse gas emissions and primary energy consumption reduction. They also support principle 19 of the European Pillar of Social Rights by improving access to quality housing. Thus, the 'buildings sector' component is expected to contribute to the long-term objective of climate neutrality in the Union.

(12) The 'Road transport sector' component contributes to addressing transport poverty, responds to the challenge of high levels of car dependency and fossil fuel use in road transport, and helps to alleviate the impact of including greenhouse gas emissions from the road transport sector within the scope of Directive 2003/87/EC. The investments supporting the purchase of zero-emission vehicles, promoting micromobility, as well as providing sustainable transport for social service and healthcare providers, contribute to the transition to less polluting individual transport. The investments in rolling stock and charging infrastructure and the creation of new services such as on-demand transport support connectivity and the sustainability of public transport and aim to make vulnerable transport users less dependent on private cars by providing more available and affordable collective transport alternatives.

(13) The Plan allocates 60.7% of its total costs to the 'Buildings sector' component and 36.8% to the 'Road transport sector' component. Although the number of households experiencing energy poverty exceeds the number of households in transport poverty, the impact of including greenhouse gas emissions from road transport within the scope of Directive 2003/87/EC is projected to have a greater impact in Latvia. Nevertheless, the carbon pricing on the fuels used in buildings is expected to affect vulnerable households more directly, which justifies the allocation of a larger share of funding to the 'Buildings sector' component. At the same time, investments in the 'Road transport sector' component have the potential to accelerate the green transition in the transport sector, which remains the main source of greenhouse gas emissions in Latvia. The financial allocations to measures and investments in each component are also commensurate with the challenges identified. Specifically, the 'road transport sector' component provides a balance between individual and collective action.

(14) In the light of the above and in accordance with Article 16(3), point (a)(i) of Regulation (EU) 2023/955, the Plan represents an adequate response to the social impact on and challenges faced by vulnerable households, vulnerable micro-enterprises and vulnerable transport users in the Member State concerned from the inclusion of greenhouse gas emissions from buildings and road transport within the scope of Directive 2003/87/EC, in particular households in energy poverty or households in transport poverty.

(15) On 18 October 2025, and subsequently on 26 March 2026, Latvia transposed Chapter IVa of Directive 2003/87/EC by Amendments to the Law 'On Pollution' of 9 October 2025 and Cabinet of Ministers Regulation No. 166 of 24 March 2026. Latvia notified the Commission that it had fully transposed that Chapter on 3 June 2026. Following its assessment of the relevant national transposition measures, the Commission considers that the transposition is complete and intends to formally close the relevant infringement procedure INFR(2024)0195 in the next infringement cycle.

(16) In accordance with Article 16(3), point (a)(ii), of Regulation (EU) 2023/955 and the guidance provided in Commission Notice C(2025) 880[4], the Commission carried out an assessment and concluded that the measures and investments included in the Plan help reduce fossil fuel dependency and do not significantly harm environmental objectives within the meaning of Article 17 of Regulation (EU) 2020/852 of the European Parliament and of the Council[5]. For measures and investments whose impact on environmental objectives warrants close scrutiny, compliance with the principle is further ensured through the inclusion of 'do no significant harm' criteria in the milestones or targets associated with such measures and investments.

(17) In accordance with Article 16(3), point (c)(i), of Regulation (EU) 2023/955 the justification provided by Latvia for the amount of the estimated total costs of the Plan is reasonable, plausible, in line with the principle of cost efficiency and commensurate with the expected national environmental and social impact, while also taking into account national specificities that could impact the costs provided in the Plan.

(18) In accordance with Article 16(3), point (c)(ii), of Regulation (EU) 2023/955, the arrangements proposed by Latvia are expected to effectively prevent, detect and correct corruption, fraud and conflicts of interests when using the financial allocation provided under the Fund, including the arrangements that aim to avoid double funding from the Fund and other Union programmes. This should be ensured by Latvia having these arrangements in place before the first payment.

(19) The assessment under Article 16(3), point (c)(iii), of Regulation (EU) 2023/955 concluded that the milestones and targets proposed by Latvia and their indicator values are efficient, in view of the scope, objectives and eligible actions of the Fund.

(20) In accordance with Article 16(3), point (b)(ii), of Regulation (EU) 2023/955, the arrangements proposed by Latvia ensure the effective monitoring and implementation of the Plan, including the envisaged timetable, milestones and targets, and the related indicators. The arrangements for providing access to the Commission to the underlying relevant data are adequate to ensure effective monitoring and implementation of the Plan.

(21) Financial support from the Fund is conditional upon Latvia achieving the milestones and targets for the measures and investments. Each milestone and target is assigned a payout value. In order to provide clarity and transparency on the payment of the allocations from the Fund, the indicators for measuring the achievement of the milestones and targets and their corresponding payout values are set out in Annex II to this Decision. The payout value consists in the monetary disbursement value that the Commission is to pay to the Member State upon a positive assessment by the Commission that the milestone or target related to the respective measure or investment was satisfactorily achieved. The Social Climate Plan describes the systems put in place for its implementation, monitoring and control. Latvia has designated the Ministry of Energy and Climate as the managing authority responsible for signing the management declaration, and the Ministry of Finance Audit Department as the audit body responsible for auditing systems and operations. Latvia has designated the

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4 Commission Notice 'Technical guidance on applying the "do no significant harm" principle under the Social Climate Fund Regulation, C(2025) 880 final.

5 Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (OJ L 198, 22.6.2020, p. 13, ELI: http://data.europa.eu/eli/reg/2020/852/oj).

Central Financing and Contract Agency as the implementing authority, responsible for monitoring the Plan.

(22) For the purpose of the implementation of this Plan, this Decision will represent a multiannual financing decision and a multiannual work programme for 2026-2032 in accordance with Article 110(2) of Regulation (EU, Euratom) 2024/2509 and the elements needed to make annual budgetary commitments.

(23) It is necessary to specify the maximum financial allocation from the Fund allocated to the Plan in accordance with Article 14(1) of Regulation (EU) 2023/955 and determined in accordance with Article 17(3) point (a) of Regulation (EU) 2023/955 to be paid in instalments, in accordance with Article 20 of Regulation (EU) 2023/955, once Latvia has satisfactorily achieved the relevant milestones and targets identified in Annex II of this Decision.

(24) The estimated total costs of the Plan as indicated by Latvia is EUR 617 012 796.

(25) The national contribution to the estimated costs of the Plan is EUR 154 253 199.

(26) Latvia submitted to the Commission a Plan that complies satisfactorily with the criteria set out in Article 16(3) of Regulation (EU) 2023/955, but the Commission assessment identified weaknesses in the internal control systems. In accordance with Article 17(3) point (c) of Regulation (EU) 2023/955 Latvia is to implement additional measures, as set out in Annex III to this Decision, to address those weaknesses in the Plan before the first payment.

(27) This Decision is without prejudice to the Commission position regarding compliance of any measure or investment supported under the Plan with the State aid rules applicable at the time when the support is granted.

(28) The Commission concluded that the Plan complies with Regulation (EU) 2023/955 and Regulation (EU, Euratom) 2024/2509. It is therefore appropriate to give a positive assessment on the Plan,

HAS ADOPTED THIS DECISION:

Article 1
Assessment of the Social Climate Plan

1. The Social Climate Plan (the ‘Plan’) for Latvia, submitted on 14 July 2025 and in its final version on 1 July 2026, is positively assessed.

2. The measures and investments under the Plan, the timetable for the monitoring and implementation of the Plan, including the relevant milestones and targets, and the relevant indicators relating to the fulfilment of the envisaged milestones and targets are set out in the Annexes to this Decision.

3. Each milestone and target shall be assigned a payout value. The payout value shall consist in the monetary disbursement value that the Commission shall pay to Latvia upon a positive assessment by the Commission that the milestone or target related to the respective measure or investment is satisfactorily achieved.

4. Upon request from the Commission, for audit or control purposes, Latvia shall provide full access to the Commission to the underlying relevant data that supports the evidence for the achievement of milestones and targets in relation to the payment requests submitted by Latvia to the Commission pursuant to Article 20 of Regulation (EU) 2023/955.

Article 2
Financial contribution

1. The maximum financial allocation from the Social Climate Fund for the implementation of the Plan from 2026 to 2032 is set at EUR 462 759 597, and shall be financed respectively from the appropriations of EUR 106 026 946 entered in the budget line 09 05 01 of the general budget of the Union for the years 2026-2027, and from the appropriations of EUR 356 732 651 entered in the budget line 02 02 03 01[6] of the general budget of the Union for the years 2028-2032.
2. The Plan shall be financed in accordance with Articles 10a(8b), 30d(3) and 30d(4) of Directive 2003/87/EC, for implementation of the Social Climate Fund and the appropriations shall constitute external assigned revenue for the purposes of Article 21(5) of Regulation (EU, Euratom) 2024/2509, without prejudice to Article 30d(4), sixth subparagraph, of Directive 2003/87/EC.
3. The annual allocations for the purpose of establishing the individual budgetary commitments, set out in Annex IV shall be made available in accordance with Article 10(2) of Regulation (EU) 2023/955 at the beginning of each financial year, starting from 1 January 2026.
4. The payment of the financial allocation pursuant to Article 20(3) of Regulation (EU) 2023/955 shall be made after the entry into force of the legal commitment referred to in Article 19(1) of Regulation (EU) 2023/955. It shall be made in instalments, which are represented by the sum of the payout values of satisfactorily achieved milestones and targets identified in the payment requests submitted to the Commission.
5. The payment of the instalments shall be subject to the availability of funding, in accordance with Article 20(3) of Regulation (EU) 2023/955.

Article 3
Multiannual financing decision and multiannual work programme for the Plan

The present Decision on the positive assessment of the Plan constitutes a multiannual financing decision and a multiannual work programme for the implementation of the Plan from 2026 to 2032.

Article 4
Additional measures to address weaknesses in the internal control system in accordance with Article 17(3) point (c) of Regulation (EU) 2023/955

Latvia shall implement additional measures in the Plan to address weaknesses in the internal control system, as set out in Annex III, and shall achieve those measures before the first payment.

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6 Temporary nomenclature pending agreement on the multiannual financial framework for the years 2028 to 2034.

Article 5
Addressee

This Decision is addressed to the Republic of Latvia.

Done at Brussels, 20.7.2026

For the Commission
Roxana MÎNZATU
Executive Vice-President