Council of the European Union

Brussels, 29 July 2026
(OR. en)

12277/26

CLIMA 419
ENV 994
ENER 537
TRANS 524
SOC 533
FIN 1128
RESPR 33
COH 138
CADREFIN 346

COVER NOTE

From:	Secretary-General of the European Commission, signed by Ms Martine DEPREZ, Director
date of receipt:	29 July 2026
To:	Ms Thérèse BLANCHET, Secretary-General of the Council of the European Union
No. Cion doc.:	C(2026) 5266 final
Subject:	COMMISSION IMPLEMENTING DECISION on the Social Climate Plan of Malta, the financing of the Plan and the work programme for 2026-2032

Delegations will find attached document C(2026) 5266 final.

Encl.: C(2026) 5266 final

EUROPEAN
COMMISSION

Brussels, 29.7.2026
C(2026) 5266 final

COMMISSION IMPLEMENTING DECISION

of 29.7.2026

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

(ONLY THE MALTESE AND THE ENGLISH TEXTS ARE AUTHENTIC)

COMMISSION IMPLEMENTING DECISION

of 29.7.2026

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

(ONLY THE MALTESE AND THE ENGLISH TEXTS ARE AUTHENTIC)

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 27 November 2025, Malta 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, Malta submitted a revised version of the Plan to the Commission on **19 June 2026**. The Plan was amended into its final version, received on **15 July 2026**, following technical corrections. An extension of the deadline for assessment, pursuant to Article 16(1) of the same regulation, was agreed between Malta and the Commission for a total period of five months.

(2) The Plan was prepared by Malta, following a public consultation pursuant to Article 5 of Regulation (EU) 2023/955. The Plan shows that Malta consulted a wide range of relevant stakeholders. In February 2024, at national level, consultations started, involving government ministries and invited entities. In September 2024, a wider consultation took place, involving government representatives, economic partners, civil society organisations, and youth and regional groups. Finally, in June 2025, an open public consultation took place, allowing the public to contribute to the strategy for using the SCF and to provide feedback. At regional and local level, an informative event was organised for the local councils. Several of the inputs provided through the consultations were integrated into the Plan, as described in its Section 1.3.

(3) Malta 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.

[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.

(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 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 Malta.

(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 Malta 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 Malta 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 'building sector' component includes two investments, in particular the enhancement of energy efficiency and renewable energy sources (RES) in public social housing estates and the retrofitting of public social housing units to improve energy performance.

(9) The 'road transport sector' component includes two investments, in particular the provision of community transport services to vulnerable transport users and the enhancement of the uptake of electric vehicles (EVs) by vulnerable micro-enterprises.

(10) The investments in the 'building sector' are intended to support vulnerable households by improving the energy efficiency and performance of public social housing estates. By improving the performance of these publicly owned infrastructures, Malta aims at ensuring a direct impact on energy poverty in vulnerable households that benefit from the national social housing programme and at alleviating the impact that including greenhouse gas emissions within the scope of Directive 2003/87/EC will have on them.

(11) The investments in the 'building sector' component are consistent with Malta's commitments under the Recovery and Resilience Facility and cohesion policy programmes. The 'buildings sector' component is expected to contribute to the achievement of Malta's climate and energy objectives under the updated National Energy and Climate Plan and the Union's 2030 climate targets. The investments boost the installation of photovoltaic panels (PVs) in Malta, possibly through energy communities. It also impacts on Principles 19 and 20 of the European Pillar of Social Rights by improving access to quality housing and essential services.

(12) The 'road transport sector' component contributes to addressing transport poverty and mitigating the impact of the inclusion of greenhouse gas emissions from road transport within the scope of Directive 2003/87/EC. Given Malta's high reliance on private vehicles and its insular characteristics, vulnerable transport users and vulnerable micro-enterprises are particularly exposed to increases in transport costs. The investments supporting community transport services will improve access to essential

---

[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)

services for vulnerable transport users, particularly elderly persons, persons with disabilities, physical and/or mental, and persons with limited mobility. The investment supporting the uptake of electric commercial vehicles and charging infrastructure facilitate the transition of vulnerable micro-enterprises towards cleaner mobility solutions and reduce their exposure to fossil fuel price increases. The investment will therefore contribute to creating the conditions for gradually reducing reliance on regulated fossil fuel prices.

(13) The investments in the 'road transport sector' component are consistent with Malta's commitments under the Recovery and Resilience Facility and cohesion policy programmes. They contribute to respecting Principle 20 of the European Pillar of Social Rights by improving access to essential services. They also support the transition towards zero-emission mobility. The component is expected to contribute to the achievement of Malta's climate and energy objectives under the updated national energy and climate plan, the Union's 2030 climate targets and the sustainable and smart mobility strategy, while supporting a fair transition for vulnerable transport users and micro-enterprises.

(14) The Plan proposes a balanced allocation between the building sector and road transport sector components. Vulnerable households face increasing risks of energy poverty, but the impact of the inclusion of greenhouse gas emissions from road transport within the scope of Directive 2003/87/EC could be particularly significant in Malta given the high reliance on private vehicles and the importance of transport in final energy consumption. The allocations of investments under each component are commensurate with the identified challenges. The allocations target specific groups and provide a coherent response to the social impacts arising from the green transition. The building sector component addresses the exposure of vulnerable households to rising energy costs. The road transport sector component addresses transport poverty and supports vulnerable micro-enterprises that are exposed to increasing transport costs, while also contributing to efforts to reduce reliance on fossil fuels, in line with the 2026 country-specific recommendations.

(15) 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. On 22 November 2024, Malta transposed Chapter IVa of Directive 2003/87/EC by an amendment to Malta's Climate Action Act, which established Subsidiary Legislation 643.05.

(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

[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).

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 Malta 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 Malta 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 formally designating the implementing authority, as well as by setting up the internal control system for the Plan 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 Malta 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 Malta 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 Malta 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. Malta has designated the Funds and Programmes Division (FPD), which falls under the Ministry responsible for European Funds, as the authority for implementing the SCF as well as signing the management declaration accompanying each payment request. The Internal Audit and Investigations Directorate (IAID), an independent department falling within the remit of the Office of the Prime Minister, is designated as the audit body responsible for auditing systems and operations.

(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.

Positive assessment

(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 Malta has satisfactorily achieved the relevant milestones and targets identified in Annex II to this Decision.

(24) The estimated total costs of the Plan as indicated by Malta is EUR 60 599 503.

(25) The national contribution to the estimated costs of the Plan is EUR 15 189 480.

(26) Malta 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 Malta 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 Malta, submitted on 27 November 2025, and in its final version on 19 June 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 Malta 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, Malta 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 the Malta to the Commission pursuant to Article 20 of Regulation (EU) 2023/955.

Article 2
Financial contribution

5. The maximum financial allocation from the Social Climate Fund for the implementation of the Plan from 2026 to 2032 is set at EUR 45 410 023, and shall be financed respectively from the appropriations of EUR 10 404 293 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 35 005 730 entered in the budget line 02 02 03 01[6] of the general budget of the Union for the years 2028-2032.

6. 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.

7. 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.

8. 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.

9. 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

Malta 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.

[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 Malta.

Done at Brussels, 29.7.2026

For the Commission
Roxana MÎNZATU
Executive Vice-President

CERTIFIED COPY
For the Secretary-General

Martine DEPREZ
Director
Decision-making & Collegiality
EUROPEAN COMMISSION