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NOTE

From:	General Secretariat of the Council
To:	Delegations
Subject:	Proposal for a Regulation of the European Parliament and of the Council establishing a Social Climate Fund - Four-column table

Delegations will find in the Annex, for information, the 4-column table for the above-mentioned proposal.

**Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL
establishing a Social Climate Fund**

2021/0206(COD)

Non-versioned [LATEST TEXT]

06-09-2022 at 10h03

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
Formula				
1	2021/0206 (COD)	2021/0206 (COD)	2021/0206 (COD)	
Proposal Title				
2	Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL establishing a Social Climate Fund	Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL establishing a Social Climate Fund	Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL Regulation of the European Parliament and of the Council establishing a Social Climate Fund ¹ 1. Article 322(1) TFEU needs to be added as additional legal basis to cater for a derogation from Article 22(2) of title II of the Financial Regulation, required by the use of external assigned revenues for this fund.	

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			NB: The Council has not yet a mandate for negotiations on the recitals, pending agreement between the co-legislators on the content of the Articles. However, new wording for a number of recitals has been already added in several footnotes in the operational text of the Regulation as a clarification of the Council position.	
Formula				
3	THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,	THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,		
Citation 1				
4	Having regard to the Treaty on the Functioning of the European Union, and in particular Article 91(1), point (d), Article 192(1) and Article 194(1), point (c), thereof,	Having regard to the Treaty on the Functioning of the European Union, and in particular Article 91(1), point (d), Article 192(1) and Article 194(1), point (c), thereof,		
Citation 2				
5	Having regard to the proposal from the European Commission,	Having regard to the proposal from the European Commission,		

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
Citation 3				
6	After transmission of the draft legislative act to the national parliaments,	After transmission of the draft legislative act to the national parliaments,		
Citation 4				
7	Having regard to the opinion of the European Economic and Social Committee ¹ , 1. OJ C , , p.	Having regard to the opinion of the European Economic and Social Committee ¹ , 1. OJ C , , p.		
Citation 5				
8	Having regard to the opinion of the Committee of the Regions ¹ , 1. OJ C , , p. .	Having regard to the opinion of the Committee of the Regions ¹ , 1. OJ C , , p. .		
Citation 6				
9	Acting in accordance with the ordinary legislative procedure,	Acting in accordance with the ordinary legislative procedure,		
Formula				
10	Whereas:	Whereas:		

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
Recital 1				
11	<p>(1) The Union and its Member States are Parties to the Paris Agreement, which was signed in December 2015 under the United Nations Framework Convention on Climate Change (UNFCCC) ('the Paris Agreement')¹ and entered into force in November 2016. According to that Agreement, they are bound to limit the increase in the global average temperature well below 2°C above pre-industrial levels and to pursue efforts to limit the temperature increase to 1,5°C above pre-industrial levels.</p> <p>1. Paris Agreement (OJ L 282, 19.10.2016, p. 4).</p>	<p>(1) The Union and its Member States are Parties to the Paris Agreement, which was signed in December 2015 under the United Nations Framework Convention on Climate Change (UNFCCC) ('the Paris Agreement')¹ and entered into force in November 2016. According to that Agreement, they are bound to limit the increase in the global average temperature well below 2°C above pre-industrial levels and to pursue efforts to limit the temperature increase to 1,5°C above pre-industrial levels. <u>By adopting the Glasgow Climate Pact, the Parties to the Paris Agreement recognised that limiting the increase in the global average temperature to 1,5 °C above pre-industrial levels would significantly reduce the risks and impacts of climate change, and they committed to strengthening their 2030 targets by the end of 2022 to close the ambition gap, in line with the findings of the Intergovernmental Panel on Climate Change (IPCC). This should be done in a manner that is equitable and respects the</u></p>		

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		<p><u>principle of common but differentiated responsibilities and respective capabilities, in light of different national circumstances.</u></p> <p>1. <u>[1]</u> Paris Agreement (OJ L 282, 19.10.2016, p. 4).</p>		
Recital 2				
12	<p>(2) The Commission Communication The European Green Deal¹ sets out a new growth strategy that aims to transform the Union into a sustainable, fairer and more prosperous society, with a modern, resource-efficient and competitive economy, where there are no net emissions of greenhouse gases in 2050 and where economic growth is decoupled from resource use. The Commission proposes also to protect, conserve and enhance the Union's natural capital, and protect the health and well-being of citizens from environment-related risks and impacts. Finally, the Commission considers that this transition should be just and inclusive, leaving no one behind.</p>	<p>(2) The Commission Communication The European Green Deal¹ sets out a new growth strategy that aims to transform the Union into a sustainable, <u>equitable</u>, fairer and more prosperous society, with a modern, resource-efficient and competitive economy, where there are no net emissions of greenhouse gases in 2050 and where economic growth is decoupled from resource use <u>at the latest</u>. The Commission proposes also to <u>restore</u>, protect, conserve and enhance the Union's natural capital, and protect the health and well-being of citizens from environment-related risks and impacts. Finally, the Commission considers that this transition should be just and inclusive, leaving no one behind.</p>		

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	1. COM(2019)640 final.	1. COM(2019)640 final <u>COM(2019)0640</u> .		
Recital 3				
13	<p>(3) Regulation (EU) 2021/1119 of the European Parliament and of the Council¹ enshrines into law the target of economy-wide climate neutrality by 2050. That Regulation establishes a binding commitment on the part of the Union to reduce emissions. By 2030, the Union should reduce its greenhouse gas emission, after deduction of removals of greenhouse gas emissions, by at least 55% compared to the level in 1990. All sectors of the economy should contribute to achieving that target.</p> <p>1. Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 ('European Climate Law') (OJ L 243, 9.7.2021, p. 1).</p>	<p>(3) Regulation (EU) 2021/1119 of the European Parliament and of the Council¹ enshrines into law the target of economy-wide climate neutrality by 2050 <u>at the latest</u>. That Regulation establishes a binding commitment on the part of the Union to reduce emissions. By 2030, the Union should reduce its greenhouse gas emission, after deduction of removals of greenhouse gas emissions, by at least 55% compared to the level in 1990. All sectors of the economy should contribute to achieving that target.</p> <p>1. Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 ('European Climate Law') (OJ L 243, 9.7.2021, p. 1).</p>		

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Recital 4				
14	(4) On 11 December 2020 the European Council endorsed that target, while underlining the importance of considerations of fairness and solidarity and leaving no one behind. On 25 May 2021, the European Council reaffirmed those conclusions and invited the Commission to swiftly put forward its legislative package together with an in-depth examination of the environmental, economic and social impact at Member State level.	(4) On 11 December 2020 the European Council endorsed that target, while underlining the importance of considerations of fairness and solidarity and leaving no one behind. On 25 May 2021, the European Council reaffirmed those conclusions and invited the Commission to swiftly put forward its legislative package together with an in-depth examination of the environmental, economic and social impact at Member State level.		
Recital 5				
15	(5) Principle 20 of the European Pillar of Social Rights states that “everyone has the right to access essential services of good quality, including water, sanitation, energy, transport, financial services and digital communications. Support for access to such services shall be available for those in need”.	(5) Principle 20 of the European Pillar of Social Rights states that “everyone has the right to access essential services of good quality, including water, sanitation, energy, transport, financial services and digital communications. Support for access to such services shall be available for those in need”.		

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Recital 6				
16	<p>(6) The Porto Declaration of 8 May 2021 reaffirmed the European Council's pledge to work towards a social Europe, and its determination to continue deepening the implementation of the European Pillar of Social Rights at EU and national level, with due regard for respective competences and the principles of subsidiarity and proportionality.</p>	<p>(6) <u><i>The European Pillar of Social Rights Action Plan¹ highlights that social rights and the European social dimension need to be strengthened across all policies of the Union as enshrined in the Treaties, in particular Article 3 of the Treaty on European Union (TEU) and Article 9 of the Treaty on the Functioning of the European Union (TFEU).</i></u> The Porto Declaration of 8 May 2021 reaffirmed the European Council's pledge to work towards a social Europe <u><i>ensuring a just transition</i></u>, and its determination to continue deepening the <u><i>concrete</i></u> implementation of the European Pillar of Social Rights at EU and national level, with due regard for respective competences and the principles of subsidiarity and proportionality.</p> <p><u><i>1. Endorsed by the European Council on 24 and 25 June 2021.</i></u></p>		

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Recital 6a				
16a		<u><i>(6a) The Fund should only support activities and recipients that respect applicable Union and national law on social and labour rights concerning, inter alia, wages and working conditions, including collective agreements, and that promote sustainable and quality jobs.</i></u>		
Recital 7				
17	(7) In order to implement the commitments towards climate neutrality, the Union's climate and energy legislation has been reviewed and amended in order to accelerate the greenhouse gas emissions reductions.	(7) In order to implement the commitments towards climate neutrality, the Union's climate and energy legislation has been reviewed and amended in order to accelerate the greenhouse gas emissions reductions. <u><i>A just transition principled by the UN 2030 Agenda and by the European Pillar of Social Rights means eradicating energy and mobility poverty across the Union. To further this, a new Social Climate Fund should contribute to protecting and empowering the most vulnerable households. Particular attention is required to ensure that those households</i></u>		

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		<u>actually benefit from the implementation of various funding instruments, namely those instruments available to Member States and which include the Cohesion Funds, the Recovery and Resilience Facility, and revenues currently generated by the EU ETS. The funds available to Member States should be used to invest in the renovation of buildings, the creation of quality and safe green jobs, as well as the development of the necessary skills suitable to the green and digital transition, the decarbonisation of the transport sector, and in greater access to public, shared soft mobility.</u>		
Recital 8				
18	(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 ¹ should provide an	(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, <u>any extension of</u> 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 ¹ should provide an		

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	<p>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.</p> <p>1. 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).</p>	<p>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, <u>contribute to the eradication of energy and mobility poverty</u> reduce the costs for buildings and road transport, and provide new opportunities for <u>quality</u> job creation and investment <u>sustainable investments, fully aligned with the European Green Deal goals. The Commission should collect data on the social impact of the accompanying measures and how those measures affect different Member States, regions and vulnerable groups to ensure a preventive approach in order to reduce inequalities in access to sustainable and affordable energy and mobility. Particular attention should be paid to the most disadvantaged groups and to households in mobility or energy poverty, so that they benefit from the implementation of those funding instruments and no one is left behind.</u></p>		

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		1. 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).		
Recital 9				
19	(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.	(9) However, resources are needed to finance those <u>sufficient, stable and equitable</u> 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, <u>also, in light of the Russian war of aggression, taking into account the dependency of Member States on imported fossil fuels</u> as fuel suppliers subject to the obligations under the emission trading for buildings and road transport pass on costs on carbon to the consumers.		

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Recital 9a				
19a		<p><u>(9a) High fossil gas prices causing extreme price spikes in certain Member States in the 2021/2022 heating season, aggravated by import dependencies and geopolitical tensions, have exposed once more the Union's dependency on imported fossil gas for its industries and households, especially felt by the poorest households. Investments in energy efficiency measures, as well as renewable energy based heating systems, including with electric heat pumps, heating and cooling at district level and participation in renewable energy communities, are hence the most cost-effective method of reducing import dependency and emissions while increasing Union resilience. Third party funding schemes are necessary, in particular for the poorest households, to ensure compliances with those principles.</u></p>		

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Recital 9b				
19b		<u>(9b) As the transition to a cleaner Europe will have an economic and social impact that is difficult to assess ex-ante, additional investment and, thus, financial resources can be needed to achieve the commitment towards climate neutrality, while preserving the economic, social and territorial cohesion.</u>		
Recital 9c				
19c		<u>(9c) The costs passed on by fuel suppliers to final consumers can differ for each company, region or Member State. The Commission should therefore collect data on the share of costs absorbed by fuel suppliers and the share of costs passed on to final consumers and should annually report its findings to the European Parliament.</u>		
Recital 9d				
19d		<u>(9d) In the construction sector, a holistic reform of building structure would lead to less</u>		

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		<u>demand for energy, which would take into account in a more efficient way people at risk of exclusion, namely those who suffer most from energy poverty in the Union. It would also counter the trend of families moving between rural, peri-urban, urban areas and sparsely populated areas, thus preventing them from potentially incurring higher housing prices and preventing the consequent emission of greenhouse gas owing to increased use of private transport.</u>		
Recital 10				
20	(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.	(10) The <u>transition toward climate neutrality, including by carbon pricing is expected to</u> 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, <u>including in rural, insular, mountainous, remote and less accessible areas or for less developed regions or territories, including less developed peri-</u>		

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		<u>urban areas</u> , 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.		
Recital 11				
21	(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 by the inclusion of building and road transport into the scope of Directive 2003/87/EC should be used <u>as an own resource to finance the Union budget as general income, in accordance with the legally binding Interinstitutional Agreement of 16 December 2020¹ (the 'Interinstitutional Agreement') that sets out a roadmap towards the introduction of new own resources, thereby providing the Union budget with the means of contributing to addressing to address</u> the social impacts arising from that inclusion, for the transition to be just and inclusive, leaving no one behind. <u>Under the Interinstitutional Agreement, a basket of new own resources is envisaged to be introduced by 1</u>		

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		<p><u>January 2023. Green own resources are means of aligning the Union budget with the Union's policy priorities, thus providing Union added value, and should be used to contribute to the climate mainstreaming objectives, the repayment of NextGenerationEU debts and the resilience of the Union budget as regards its functioning as a tool for investments and guarantees.</u></p> <p><u>1. Interinstitutional Agreement of 16 December 2020 between the European Parliament, the Council of the European Union and the European Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management, as well as on new own resources, including a roadmap towards the introduction of new own resources (OJ L 433 I, 22.12.2020, p. 28).</u></p>		

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Recital 11a				
21a		<i><u>(11a) Further fiscal or stimulus measures may be necessary in order to support vulnerable households, vulnerable micro-enterprises, vulnerable small enterprises or vulnerable transport users.</u></i>		
Recital 12				
22	(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 ¹ . 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	(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 <u>lack access to</u> essential energy services <u>that underpin a decent standard of living and health, including adequate warmth, such as</u> cooling, <u>lighting and energy to power appliances, and in the relevant existing social policy and other relevant policies, often as a result of facing a high share of energy expenditure as part of their disposable income due to a combination of factors, including low income, high-energy prices and low quality, poor performing housing stock</u> as temperatures		

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	<p>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.</p> <p>1. Data from 2018. Eurostat, SILC [ilc_mdcs01]).</p>	<p>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 survey¹. 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. <u>Despite the importance of that challenge having been acknowledged at Union level for over a decade through various initiatives, legislation and guidelines, there is still no standard Union-level definition of energy poverty and only one third of Member States have put in place a national definition of energy poverty. As a result, no transparent and comparable data on energy poverty in the Union is available, limiting the capacity to effectively monitor and assess the level of energy poverty. Therefore, a Union-level definition should be established to effectively address energy poverty and measure progress across Member States.</u></p>		

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		<p>While social tariffs or direct income support can provide immediate relief to households facing energy poverty, only targeted structural measures, <u>the application of the energy efficiency first principle, the installation of additional renewable energy sources, including through community-led projects, as well as information and awareness-raising measures targeted at the households</u>, in particular energy renovations <u>contributions contributing to the renovation requirement established in Directive 2010/31/EU on the energy performance of buildings (recast)</u>, can provide lasting solutions <u>and effectively help combat energy poverty</u>.</p> <p>1. Data from 2018. Eurostat, SILC [ilc_mdcs01]).</p>		
Recital 12a				
22a		<p><u>(12a) As regards the buildings sector, a holistic renovation of buildings, based on actions aimed at improving energy efficiency by</u></p>		

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		<u><i>focusing on all the elements that make up a building, would lead to a reduction in energy consumption for each household, and would be visible in term of the money saved and, as a result, would provide one means of combating energy poverty. The future revision of Directive 2010/31/EU of the European Parliament and of the Council would lay the foundations for those objectives to be achieved and should therefore be taken into account when implementing the Fund.</i></u>		
Recital 12b				
22b		<u><i>(12b) Particular attention needs to be paid to tenants in the private rental market. Those tenants include vulnerable households in energy poverty or households at risk of energy poverty, including lower middle-income ones, that are significantly affected by the price impacts of increased heating costs or by higher rental prices following renovation, but are not in a position to renovate the building they occupy. As part of their Social Climate Plans,</i></u>		

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		<p><u>Member States should therefore develop, in consultation with landlords, the private sector and relevant local authorities and civil society organisations, energy efficient, green social housing and specific measures and investments to support vulnerable tenants on the private rental market, for example by considering national schemes or voucher schemes aimed at housing tenants in the private rental sector, to make renovation measures and to contribute to the Union's climate targets. As part of the biennial reporting and evaluation of the measures and investments implemented by Member States, the Commission should assess their impact and effectiveness to support vulnerable tenants in the private rental market. In the absence of positive results, that assessment should be accompanied by a Commission initiative, where appropriate, in consultation with Member States, representatives of the private rental market and relevant local authorities and civil society organisations, to address the situation of vulnerable tenants in</u></p>		

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		<u><i>the private rental market.</i></u>		
Recital 12c				
22c		<u><i>(12c) Mobility poverty has been underexposed and no clear definitions are available at Union or national level. However, it is a problem that is becoming more pressing to address as a result of the increasing phase-out requirements for combustion engine vehicles, high fuel prices, and high dependencies on transport availability, accessibility and costs to go to work or for daily mobility needs for those living in rural, insular, peripheral, mountainous, remote and less accessible regions or territories, including less developed peri-urban areas and the outermost regions.</i></u>		
Recital 13				
23	(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	(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 <u><i>transition toward climate</i></u>		

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	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.	<u>neutrality, including by carbon pricing,</u> 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 <u>affordable and efficient</u> zero- and low-emission mobility and transport to the benefit of vulnerable households, vulnerable micro-enterprises and vulnerable transport users.		
Recital 13a				
23a		<u>(13a) Since vulnerable households, vulnerable micro-enterprises and vulnerable transport users will require additional support with the green transition sufficient and proportionate financial assistance should be allocated to all Member States.</u>		

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Recital 14				
24	<p>(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.</p>	<p>(14) For that purpose, each Member State should submit to the Commission a Social Climate Plan ('the Plan'). Those Plans should <u>contribute to the implementation of the principles of the European Pillar of Social Rights and the achievement of the United Nations Sustainable Development Goals while ensuring that no-one is left behind as well as</u> pursue two objectives. Firstly, they should provide<u>together with the local and regional authorities, social partners and civil society, identify and map</u> vulnerable households <u>in energy or mobility poverty</u>, vulnerable micro-enterprises and vulnerable transport users <u>to be included as beneficiaries for</u> 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. <u>Member States should provide a detailed analysis, conducted together with the local and regional authorities, social partners and civil society, on the main causes of energy and</u></p>		

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		<p><u>mobility poverty in their respective territories. The Plans should also set targets and objectives to reduce the number of people in energy or mobility poverty, vulnerable households, vulnerable micro-enterprises, and vulnerable transport users.</u> 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 <u>mobility</u> 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 <u>phasing out</u> fossil fuels reliance and could envisage other measures, including <u>complemented with</u> temporary direct income support to mitigate adverse income effects in the shorter term. <u>Those Plans should also ensure that actions which have already been implemented at national level will be taken into account.</u></p>		

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Recital 14a				
24a		<p><u>(14a) Workers in the building and renovation sectors are particularly at risk of exposure to asbestos. Therefore, requirements for the mandatory asbestos screening, registering, and removal of asbestos and other dangerous substances are needed before any renovation works start. Energy renovations should be the opportunity to safely remove asbestos from buildings.</u></p>		
Recital 14b				
24b		<p><u>(14b) The Plans submitted by Member States should include measures to provide information support, capacity building and training necessary to implement the investments and measures intended to reduce reliance on fossil fuels through increased energy efficiency of buildings and increased access to renewable energy for heating and cooling of buildings, and grant improved access to sustainable mobility and transport services, including the necessary infrastructure and the</u></p>		

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		<u>deployment of charging stations for electric vehicles. The Plans should also address the lack of workforce needed for all stages of the green transition, in particular in jobs related to building renovation and the integration of energy from renewable sources as well as peer-to-peer and community work tackling energy poverty and mobility poverty.</u>		
Recital 15				
25	(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 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.	(15) Member States, <u>with meaningful</u> in consultation <u>of local and</u> with regional level authorities, <u>economic and social partners and relevant civil society organisations,</u> are best placed to design and to implement Plans that are adapted and targeted to their local, regional and national circumstances as their existing policies in the relevant areas and planned use of other relevant EU funds. In that manner, the broad diversity of situations, the specific knowledge of local and regional governments, <u>economic and social partners, relevant civil society organisations and of</u> research and innovation and industrial relations		

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		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 <u>and to the scaling up of projects developed by local and regional authorities, social partners and socio-economic actors.</u>		
Recital 15a				
25a		<u>(15a) The Plans should be designed in a comprehensive manner, while at the same time preventing excessive administrative burdens. The Member States should be therefore required, when designing and implementing the Plans as described, to be comprehensive while avoiding any unnecessary complexity.</u>		
Recital 16				
26	(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	(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		

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
	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.	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 <u>of the transition towards climate neutrality, including social impacts from carbon pricing.</u>		
Recital 17				
27	(17) Pending the impact of those investments on reducing costs and emissions, well targeted direct income support for the most vulnerable would help the just transition. Such support should be understood to be a temporary measure accompanying the decarbonisation of the housing and transport sectors. It would not be permanent as it does not address the root causes of energy and transport poverty. Such support should only concern direct impacts of the inclusion of building and road transport into the scope of Directive 2003/87/EC, not electricity or heating costs related to the inclusion of power and heat	(17) <u>Direct income support when combined with long-lasting structural investment measures targeting the same beneficiaries, will contribute to the achievement of the objectives of the Fund.</u> Pending the impact of those investments on reducing costs and emissions, well targeted direct income support for the most vulnerable <u>vulnerable households in energy poverty or mobility poverty</u> would <u>contribute to reduce energy and mobility costs and support</u> help the just transition <u>while waiting for more structural investments to take place.</u> Such support should be understood to be a temporary measure		

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
	<p>production in the scope of that Directive. Eligibility for such direct income support should be limited in time.</p>	<p>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<u>mobility</u> poverty. Such <u>direct income</u> support should only concern direct impacts<u>be limited to up to 40% 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<u>total estimated cost of each Plan for the period 2024-2027 and should be set for the 2028-2032 period in accordance with a country-by-country assessment by the Commission of the efficiency, added value, continued relevance and required level of direct income support in light of the progress and effect of the implementation of structural investments and measures, with a view to phasing out such</u> support should be limited in time<u>by the end of 2032.</u></u></p>		

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
Recital 17a				
27a		<u><i>(17a) Vulnerable households, vulnerable transport users and vulnerable micro-enterprises should be informed about the existence of, and means to, benefit from support under the Fund. Targeted, accessible and affordable information, education, awareness and advice on cost-effective measures and investments and available support should therefore be provided.</i></u>		
Recital 17b				
27b		<u><i>(17b) The Fund should be consistent with the Union's obligation under the UN Convention on the Rights of Persons with Disabilities and should not support any measure or investment that contributes to segregation or to social exclusion.</i></u>		
Recital 18				
28	(18) Taking into account the importance of tackling climate change in line with Paris	(18) Taking into account the importance of tackling climate change in line with Paris		

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
	<p>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 Council¹ 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 Council². Only such measures and investments should be included in</p>	<p>Agreement commitments, <u>the commitment to the European Pillar of Social Rights</u>, and the commitment to the United Nations Sustainable Development Goals, the actions under this Regulation should contribute to the achievement of the target that <u>at least 30% of the total amount of the Union budget</u> 30% of all expenditure under the 2021-2027 multiannual financial framework <u>and the European Union Recovery instrument expenditure</u> should be spent on mainstreaming climate objectives and should contribute to the ambition of providing <u>7,5% of annual spending under the MFF to biodiversity objectives in 2024 and</u> 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 Council¹ should be used to tag the expenditures of the Fund. The Fund should support activities that fully respect the <u>technical</u></p>		

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
	<p>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.</p> <p>1. 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</p>	<p><u>screening criteria established by the Commission in accordance with 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<u>10(3)</u> of Regulation (EU) 2020/852 of the European Parliament and of the Council². 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<u>presented</u> in 2021 a proposal for a Council Recommendation on how to</u></p>		

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
	<p>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).</p> <p>2. 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).</p>	<p>address the social aspects of the green transition.</p> <p>1. 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).</p> <p>2. 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).</p>		

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
Recital 19				
29	(19) Women are particularly affected by carbon pricing as they represent 85% of single parent families. Single parent families have a particularly high risk of child poverty. Gender equality and equal opportunities for all, and the mainstreaming of those objectives, as well as questions of accessibility for persons with disabilities should be taken into account and promoted throughout the preparation and implementation of Plans to ensure no one is left behind.	(19) Women are particularly <u>disproportionately</u> affected by carbon pricing as they <u>energy poverty and mobility poverty, in particular single mothers, who</u> represent 85% of single parent families, <u>as well as single women, women with disabilities, or elderly women living alone. In addition, women have different and more complex mobility patterns.</u> Single parent families <u>with dependent children</u> 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 <u>for accessibility rights of</u> persons with disabilities should be taken into account <u>upheld</u> and promoted throughout the preparation and implementation of Plans to ensure no one is left behind.		
Recital 19a				
29a		<u>(19a) Renewable energy communities and citizen energy communities can help Member</u>		

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
		<u>States to achieve the objectives of this Regulation via a bottom-up approach initiated by citizens, as those communities empower and engage consumers and enable certain groups of household customers, both living in urban and in rural, insular, mountainous, remote and less accessible areas or in less developed regions or territories, including less developed peri-urban areas, to participate in energy efficiency projects, support the use of renewable energy of households and at the same time contribute to fighting energy poverty. Member States should therefore promote the role of renewable energy communities and citizen energy communities and regard them as eligible beneficiaries of the Fund.</u>		
Recital 20				
30	(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 ¹ .	(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 ¹ <u>and</u>		

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
	<p>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.</p> <p>1. 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).</p>	<p><u>the European Code of Conduct on Partnership as set out in Regulation (EU) No 240/2014²</u>.</p> <p>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.</p> <p>1. 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).</p>		

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
		<u>2. Commission Delegated Regulation (EU) No 240/2014 of 7 January 2014 on the European code of conduct on partnership in the framework of the European Structural and Investment Funds (OJ L 74, 14.3.2014, p. 1).</u>		
Recital 20a				
30a		<u>(20a) The execution of the measures included in the Plans will be reliant on an adequate level of workforce, including craftsmen as well as high-skilled green tech experts, applied scientists and innovators. Therefore, Member States should complement the Plans by making use of other relevant Union actions and programmes to provide for reskilling and upskilling of workers to establish better opportunities for specialised craftsmen and high-skilled experts, in particular in jobs related to building renovation, insulation and installation of heat pumps, and alternative fuel infrastructure deployment, such as the deployment of charging</u>		

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
		<u>stations for electric vehicles.</u>		
Recital 21				
31	<p>(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]¹, the European Pillar of Social Rights Action Plan², the European Social Fund Plus (ESF+) established by Regulation (EU) 2021/1057 of the European Parliament and of the Council³, the Just Transition Plans pursuant to Regulation (EU) 2021/1056 of the European Parliament and of the Council⁴ and the Member States long-term buildings renovation strategies pursuant to Directive 2010/31/EU of the European Parliament and of the Council⁵. To ensure administrative efficiency, where applicable, the information included in the Plans should be</p>	<p>(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]¹, the European Pillar of Social Rights Action Plan², the European Social Fund Plus (ESF+)³, <u>the Modernisation Fund, the cohesion policy operational programmes under Regulation (EU), 2021/1058, the Recovery and Resilience established by Regulation (EU) 2021/1057 of the European Parliament and of the Council³, the Just Transition Plans pursuant to in accordance with Regulation (EU) 2021/1056 of the European Parliament and of the Council⁴ 2021/241, the Just Transition Plans⁴</u> and the Member States</p>		

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
	<p>consistent with the legislation and plans listed above.</p> <p>1. [Add ref]</p> <p>2. Endorsed by the European Council on 24 and 25 June 2021.</p> <p>3. 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).</p> <p>4. 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).</p> <p>5. 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).</p>	<p>long-term buildings renovation strategies pursuant to Directive 2010/31/EU of the European Parliament and of the Council⁵. To ensure administrative efficiency, where applicable, the information included in the Plans should be consistent with the legislation and plans listed above.</p> <p>1. [Add ref].</p> <p>2. Endorsed by the European Council on 24 and 25 June 2021.</p> <p>3. 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).</p> <p>4. 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).</p> <p>5. Directive 2010/31/EU of the European Parliament and of the Council of 19 May 2010 on the energy performance of buildings</p>		

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
		(OJ L 153, 18.6.2010, p. 13).		
Recital 21a				
31a		<u>(21a) It is crucial to ensure that the Fund is consistent both with national energy and climate plans and with cohesion policy programmes with similar priorities, in order to prevent any overlap or duplication of efforts. Furthermore, there is a need for effective coordination and strategic programming in the Member States between the Fund, 2021-2027 cohesion policy and other Union funds, particularly the Just Transition Fund and the European Social Fund Plus.</u>		
Recital 22				
32	(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	(22) The Union should support Member States with <u>sufficient</u> financial means <u>proportionate to Member States, taking into account their respective geographic and demographic realities, along with technical support</u> to implement their Plans through the Social Climate Fund. <u>Specific individual attention</u>		

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	<p>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.</p>	<p><u><i>should be given to the unique and specific challenges of rural, insular, peripheral, mountainous, remote and less accessible regions or territories, which face an amplified socio-economic impact of the climate transition. With a view to ensuring the effectiveness of measures and investments for those regions, a specific minimum financial allocation should be established for applicable regions. In order to ensure the most efficient use of Union funds,</i></u> payments from the Social Climate Fund should be made conditional on <u><i>the</i></u> achievement of the milestones and targets included in the Plans <u><i>and should be in accordance with the costs indicated for achieving those milestones and targets and should ensure that they do not prolong fossil fuel dependency and avoid carbon lock-in.</i></u> 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.</p>		

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
Recital 22a				
32a		<p><u>(22a) The principle of unity of the Union budget, whereby all items of revenue and expenditure of the Union are shown in the budget, is a Treaty requirement under Article 310(1) TFEU. The Fund is therefore to be fully integrated into the Union budget in order to, inter alia, respect the Community method, respect parliamentary democratic accountability, oversight and control, ensure predictability of funding and multiannual programming, and safeguard transparency of the budgetary decisions taken at Union level.</u></p>		
Recital 23				
33	<p>(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)</p>	<p>(23) The financial envelope of the Fund should, in principle, be commensurate to amounts corresponding to <u>is set on the basis of an assessment of the estimated amount generated by allocating to the Union budget</u> 25% of the expected revenues <u>linked to commercial road transport, commercial buildings and other</u></p>		

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
	<p>2020/2053¹, 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.</p> <p>1. 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).</p>	<p><u><i>fuels covered by Chapter IVa [ETS Directive] in the first period. That amount should be complemented by the revenues from the 150 million allowances auctioned in accordance with Article 30d(3) of Directive 2003/87/EC. Assuming a carbon price of 35 euros per tonne there would be an additional 5,25 billion euros available over the three year period. Together with the financial envelope this would amount to 16,39 billion euros for that period. A Commission proposal would be required to establish the amount for the Social Climate Fund for the second period 2028-2032, in light of the next MFF negotiations and any inclusion of the sectors of private buildings and private road transport into the scope of Directive 2003/87/EC by 1 January 2029 in accordance with Article [XX] of Directive 2003/87/EC. Consequently, the Fund could reach 72 billion euros over the whole in the period 2026- [date of entry into force]-2032.</i></u></p> <p>Pursuant to Council Decision (EU, Euratom) 2020/2053¹, Member States should make those revenues</p>		

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
		<p>available to the Union budget as own resources. Member States are to finance <u><i>a significant share</i></u> 50% of the total costs of their <u><i>Plans themselves, corresponding to at least 60 % for temporary direct income support and at least 50 % for targeted structural measures and investments. By way of derogation, it should be possible for the national co-financing share for targeted structural measures and investments to be limited to 40 % for Member States that are eligible for a top-up from the Modernisation Fund</i></u> 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 <u><i>first</i></u> use their expected revenues from emissions trading for buildings and road transport under Directive 2003/87/EC for that purpose. <u><i>The financing of the Fund should not come at the expense of other Union programmes and policies.</i></u></p> <p>1. Council Decision (EU, Euratom) 2020/2053 of 14</p>		

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
		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).		
Recital 23a				
33a		<u>(23a) In the event of a higher carbon price, additional allocations should be made available for the Fund so as to ensure that the available appropriations for the Social Climate Fund in the Union budget increase in alignment with the carbon price, in order to further support vulnerable households and transport users in the transition towards climate neutrality. Such annual reinforcements should be accommodated within the MFF by means of an automatic ‘carbon price fluctuation adjustment’ of the ceiling of Heading 3 and of the payment ceiling, the mechanism for which is to be provided for in Council Regulation (EU, Euratom) 2020/2093 pursuant to Article 312</u>		

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
		TFEU .		
Recital 24				
34	(24) The Fund should support measures that respect the principle of additionality of Union funding. The Fund should not be a substitute for recurring national expenditures, except in duly justified cases.	(24) The Fund should support measures that respect the principle of additionality of Union funding. The Fund should not be a substitute for recurring national expenditures; except in duly justified cases.		
Recital 25				
35	(25) In order to ensure an efficient and coherent allocation of funds and to respect the principle of sound financial management, actions under this Regulation should be consistent with and be complementary to ongoing Union programmes, whilst avoiding double funding from the Fund and other Union programmes for the same expenditure. In particular, the Commission and the Member State should ensure, in all stages of the process, effective coordination in order to safeguard the consistency, coherence, complementarity and synergy among sources of funding. To that effect, Member States should be required to present the	(25) In order to ensure an efficient, transparent and coherent allocation of funds and to respect the principle of sound financial management, actions under this Regulation should be consistent with and be complementary to ongoing Union, national and, where appropriate, regional programmes, whilst avoiding double funding from instruments and funds, whilst avoiding that the Fund and substitutes other Union programmes, investments and funds for the same expenditure. In particular, the Commission and the Member State should ensure, in all stages of the process, effective coordination in		

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
	relevant information on existing or planned Union financing when submitting their plans to the Commission. Financial support under the Fund should be additional to the support provided under other Union programmes and instruments. Measures and investment financed under the Fund should be able to receive funding from other Union programmes and instruments provided that such support does not cover the same costs.	order to safeguard the consistency, coherence, complementarity and synergy among sources of funding <u>and promote evidence-based policy-making, social innovation in partnership with the social partners and public and private bodies</u> . To that effect, Member States should be required to present the relevant information on existing or planned Union financing when submitting their plans to the Commission. Financial support under the Fund should be additional to the support provided under other Union programmes and instruments. Measures and investment financed under the Fund should be able to receive funding from other Union programmes and instruments provided that such support does not cover the same costs.		
Recital 25a				
35a		<u>(25a) To ensure that support under the Plans can be effectively implemented from the initial years starting from ... [the date of entry into force of the Social Climate Fund], it should be possible for an amount of up to 13 % of the</u>		

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
		<u><i>financial contribution of Member States to be paid in the form of pre-financing by the Commission following a request by the Member State submitted together with the Social Climate Plan.</i></u>		
Recital 26				
36	<p>(26) Payments should be made on the basis of a Commission decision authorising the disbursement to the Member State concerned. Therefore, it is necessary to derogate from Article 116(2) of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council¹, so that the payment deadline can start running from the date of the communication from the Commission to the Member State concerned of that decision and not from the date on which a payment request is received.</p> <p>¹. Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending</p>	<p>(26) Payments should be made on the basis of a Commission decision authorising the disbursement to the Member State concerned. Therefore, it is necessary to derogate from Article 116(2) of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council¹, so that the payment deadline can start running from the date of the communication from the Commission to the Member State concerned of that decision and not from the date on which a payment request is received.</p> <p>¹. Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending</p>		

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
	Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 (OJ L 193, 30.7.2018, p. 1).	Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 (OJ L 193, 30.7.2018, p. 1).		
Recital 27				
37	(27) In order to ensure transparent rules for monitoring and evaluation, the power to adopt acts in accordance with Article 290 of the Treaty on the Functioning of the European Union should be delegated to the Commission in respect of setting the common indicators for reporting on the progress and for the purpose of monitoring and evaluation of the implementation of the Plans. It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level, and that those consultations be conducted in accordance with the principles laid down in the	(27) In order to <u>to facilitate the preparation of the Social Climate Plans and</u> ensure transparent rules for monitoring and evaluation, the power to adopt acts in accordance with Article 290 of the Treaty on the Functioning of the European Union should be delegated to the Commission in respect of setting <u>out the template based on which Member States are to prepare their Social Climate Plans and</u> the common indicators for reporting on the progress and for the purpose of monitoring and evaluation of the implementation of the Plans. It is of particular importance that the Commission carry out appropriate consultations during its preparatory		

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
	Interinstitutional Agreement on Better Law-Making of 13 April 2016. In particular, to ensure equal participation in the preparation of delegated acts, the European Parliament and the Council receive all documents at the same time as Member States' experts, and their experts systematically have access to meetings of Commission expert groups dealing with the preparation of delegated acts.	work, including at expert level, and that those consultations be conducted in accordance with the principles laid down in the <u>European Code of Conduct on Partnerships</u> Interinstitutional Agreement on Better Law-Making of 13 April 2016 . In particular, to ensure equal participation in the preparation of delegated acts, the European Parliament and the Council receive all documents at the same time as Member States' experts, and their experts systematically have access to meetings of Commission expert groups dealing with the preparation of delegated acts.		
Recital 28				
38	(28) The implementation of the Fund should be carried out in line with the principle of sound financial management, including the effective prevention and prosecution of fraud, tax fraud, tax evasion, corruption and conflicts of interest.	(28) The implementation of the Fund should be carried out in line with the principle of sound financial management, including the <u>protection of the Union budget in the case of breaches of the principles of the rule of law</u> , the effective prevention and prosecution of fraud, tax fraud, tax evasion, corruption and conflicts of interest.		

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
Recital 28a				
38a		<p><u>(28a) The integration of the Fund into the Union budget provides strong safeguards as regards the Fund's implementation, given the protection afforded both by Union financial legislation and the applicable sector-specific and financial rules in the event of irregularities or serious deficiencies in management and control systems and by the measures set out under Regulation (EU, Euratom) 2020/2092 of the European Parliament and of the Council¹ for the protection of the Union budget in the event of breaches of the principles of the rule of law in Member States. The Commission should provide, to that effect, an effective and efficient internal control system and the recovery of amounts wrongly paid or incorrectly used and should take the necessary measures, which could include, among others, a suspension of payments, termination of the legal commitment within the meaning of the Regulation (EU, Euratom) 2018/1046 of the European</u></p>		

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
		<p><u><i>Parliament and of the Council², a prohibition on entering into such legal commitments, or a suspension of the disbursement of instalments.</i></u></p> <p><u><i>1. Regulation (EU, Euratom) 2020/2092 of the European Parliament and of the Council of 16 December 2020 on a general regime of conditionality for the protection of the Union budget (OJ L 433I, 22.12.2020, p. 1).</i></u></p> <p><u><i>2. Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 (OJ L 193, 30.7.2018, p. 1).</i></u></p>		

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
Recital 29				
39	<p>(29) For the purpose of sound financial management, while respecting the performance-based nature of the Fund, specific rules should be laid down for budget commitments, payments, suspension, and recovery of funds as well as for the termination of agreements related to financial support. The Member States should take appropriate measures to ensure that the use of funds in relation to measures supported by the Fund complies with applicable Union and national law. Member States must ensure that such support is granted in compliance with the EU State aid rules, where applicable In particular, they should ensure that fraud, corruption and conflicts of interests are prevented, detected and corrected, and that double funding from the Fund and other Union programmes is avoided. Suspension and the termination of agreements related to financial support as well as reduction and recovery of the financial allocation should be possible when the Plan has not been implemented in a</p>	<p>(29) For the purpose of sound financial management, while respecting the performance-based nature of the Fund, specific rules should be laid down for budget commitments, payments, suspension, and recovery of funds as well as for the termination of agreements related to financial support. The Member States should take appropriate measures to ensure that the use of funds in relation to measures supported by the Fund complies with applicable Union and national law. Member States must ensure that such support is granted in compliance with the EU State aid rules, where applicable In particular, they should ensure that fraud, corruption and conflicts of interests are prevented, detected and corrected, and that double funding from the Fund and other Union programmes is avoided. Suspension and the termination of agreements related to financial support as well as reduction and recovery of the financial allocation should be possible when the Plan has not been implemented in a</p>		

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
	satisfactory manner by the Member State concerned, or in the case of serious irregularities, meaning fraud, corruption and conflicts of interest in relation to the measures supported by the Fund, or a serious breach of an obligation under the agreements related to financial support. Appropriate contradictory procedures should be established to ensure that the decision by the Commission in relation to suspension and recovery of amounts paid as well as the termination of agreements related to financial support respects the right of Member States to submit observations.	satisfactory manner by the Member State concerned, or in the case of serious irregularities, meaning fraud, corruption and conflicts of interest in relation to the measures supported by the Fund, or a serious breach of an obligation under the agreements related to financial support. <u><i>In the case of termination of an agreement related to financial support or the reduction and recovery of a financial allocation, these amounts should be proportionally allocated to the other Member States.</i></u> Appropriate contradictory procedures should be established to ensure that the decision by the Commission in relation to suspension and recovery of amounts paid as well as the termination of agreements related to financial support respects the right of Member States to submit observations.		
Recital 29a				
39a		<u><i>(29a) All Member States which benefit from the Social Climate Fund have an obligation to respect the fundamental values enshrined in Article 2 TEU. Respect for the rule of law is an</i></u>		

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
		<p><u>essential precondition for compliance with the principles of sound financial management enshrined in Article 317 TFEU. The Commission should ensure the effective implementation of the horizontal rules for the protection of the Union budget in the case of breaches of the principles of the rule of law in the Member States in accordance with Regulation (EU, Euratom) 2020/2092 of the European Parliament and of the Council¹. Where it is established that breaches of the principles of the rule of law in a Member State affect or seriously risk affecting the sound financial management of the Social Climate Fund or the protection of the financial interests of the Union in a sufficiently direct way, the Commission should take the necessary measures, which may include, among others, a suspension of payments, termination of the legal commitment within the meaning of the Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council², a prohibition on entering into such legal commitments, or a</u></p>		

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
		<p><u>suspension of the disbursement of instalments. In such cases, the Commission should take all necessary steps to ensure that the intended beneficiaries of the Fund do not suffer, and continue to have access to Union assistance, if needed, with the Commission ensuring disbursement via local and regional authorities, non-governmental organisations, or other entities with a proven capacity to ensure the sound financial management of the Fund.</u></p> <p><u>1. Regulation (EU, Euratom) 2020/2092 of the European Parliament and of the Council of 16 December 2020 on a general regime of conditionality for the protection of the Union budget (OJ L 433I, 22.12.2020, p. 1).</u></p> <p><u>2. Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013,</u></p>		

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
		<u>(EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 (OJ L 193, 30.7.2018, p. 1).</u>		
Recital 30				
40	(30) The Commission should ensure that the financial interests of the Union are effectively protected. While it is primarily the responsibility of the Member State itself to ensure that the Fund is implemented in compliance with relevant Union and national law, the Commission should be able to receive sufficient assurance from Member States in that regard. To that end, in implementing the Fund, the Member States should ensure the functioning of an effective and efficient internal control system and recover amounts unduly paid or misused. In that regard, Member States should be able to rely on their regular national budget management systems. Member	(30) The Commission should ensure that the financial interests of the Union are effectively protected. While it is primarily the responsibility of the Member State itself to ensure that the Fund is implemented in compliance with relevant Union and national law, the Commission should be able to receive sufficient assurance from Member States in that regard. To that end, in implementing the Fund, the Member States should ensure the functioning of an effective and efficient internal control system and recover amounts unduly paid or misused. In that regard, Member States should be able to rely on their regular national budget management systems. Member		

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
	States should collect, record and store in an electronic system standardised categories of data and information allowing the prevention, detection and correction of serious irregularities, meaning fraud, corruption and conflicts of interests, in relation to the measures supported by the Fund. The Commission should make available an information and monitoring system, including a single data- mining and risk-scoring tool, to access and analyse this data and information, with a view to a mandatory application by the Member States.	States should collect, record and store in an electronic system standardised categories of data and information allowing the prevention, detection and correction of serious irregularities, meaning fraud, corruption and conflicts of interests, in relation to the measures supported by the Fund. The Commission should make available an information and monitoring system, including a single data- mining and risk-scoring tool, to access and analyse this data and information, with a view to a mandatory application by the Member States.		
Recital 30a				
40a		<u><i>(30a) Respect for fundamental rights and compliance with the Charter of Fundamental Rights of the European Union, should be ensured throughout the preparation, evaluation, implementation and monitoring of eligible projects under the Fund. The Fund should contribute to eliminating inequalities, promoting gender equality and integrating the gender perspective, as well as combating</i></u>		

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
		<u><i>discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation as set out in Article 2 of the TEU, Article 10 TFEU and Article 21 of the Charter of Fundamental Rights of the European Union.</i></u>		
Recital 31				
41	(31) The Commission, the European Anti-Fraud Office (OLAF), the Court of Auditors and, where applicable, the European Public Prosecutor's Office (EPPO) should be able to use the information and monitoring system within their competences and rights.	(31) The Commission, the European Anti-Fraud Office (OLAF), the Court of Auditors and, where applicable, the European Public Prosecutor's Office (EPPO) should be able to use the information and monitoring system within their competences and rights.		
Recital 32				
42	(32) The Member States and the Commission should be allowed to process personal data only where necessary for the purpose of ensuring discharge, audit and control, information, communication and publicity of the use of funds in relation to measures for the implementation under the	(32) The Member States and the Commission should be allowed to process personal data only where necessary for the purpose of ensuring discharge, audit and control, information, communication and publicity of the use of funds in relation to measures for the implementation under the		

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
	<p>Fund. The personal data should be processed in accordance with Regulation (EU) 2016/679 of the European Parliament and of the Council¹ or Regulation (EU) 2018/1725 of the European Parliament and of the Council², whichever is applicable.</p> <p>1. Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation) (OJ L 119, 4.5.2016, p. 1).</p> <p>2. Regulation (EU) 2018/1725 of the European Parliament and of the Council of 23 October 2018 on the protection of natural persons with regard to the processing of personal data by the Union institutions, bodies, offices and agencies and on the free movement of such data, and repealing Regulation (EC) No 45/2001 and Decision</p>	<p>Fund. The personal data should be processed in accordance with Regulation (EU) 2016/679 of the European Parliament and of the Council¹ or Regulation (EU) 2018/1725 of the European Parliament and of the Council², whichever is applicable.</p> <p>1. Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation) (OJ L 119, 4.5.2016, p. 1).</p> <p>2. Regulation (EU) 2018/1725 of the European Parliament and of the Council of 23 October 2018 on the protection of natural persons with regard to the processing of personal data by the Union institutions, bodies, offices and agencies and on the free movement of such data, and repealing Regulation (EC) No 45/2001 and Decision</p>		

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	No 1247/2002/EC (OJ L 295, 21.11.2018, p. 39).	No 1247/2002/EC (OJ L 295, 21.11.2018, p. 39).		
Recital 33				
43	(33) In accordance with Regulation (EU, Euratom) 2018/1046, Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council ¹ , and Council Regulations (EC, Euratom) No 2988/95 ² , (Euratom, EC) No 2185/96 ³ and (EU) 2017/1939 ⁴ , the financial interests of the Union are to be protected by means of proportionate measures, including measures relating to the prevention, detection, correction and investigation of fraud, corruption and conflicts of interests, and, where appropriate, the imposition of administrative penalties. In particular, in accordance with Regulations (Euratom, EC) No 2185/96 and (EU, Euratom) No 883/2013, OLAF has the power to carry out administrative investigations, including on-the-spot checks and inspections, with a view to establishing whether there has been	(33) In accordance with Regulation (EU, Euratom) 2018/1046, Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council ¹ , and Council Regulations (EC, Euratom) No 2988/95 ² , (Euratom, EC) No 2185/96 ³ and (EU) 2017/1939 ⁴ , the financial interests of the Union are to be protected by means of proportionate measures, including measures relating to the prevention, detection, correction and investigation of fraud, corruption and conflicts of interests, and, where appropriate, the imposition of administrative penalties. In particular, in accordance with Regulations (Euratom, EC) No 2185/96 and (EU, Euratom) No 883/2013, OLAF has the power to carry out administrative investigations, including on-the-spot checks and inspections, with a view to establishing whether there has been		

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
	<p>fraud, corruption, conflicts of interests or any other illegal activity affecting the financial interests of the Union. EPPO is empowered, in accordance with Regulation (EU) 2017/1939, to investigate and prosecute fraud, corruption, conflicts of interests and other criminal offences affecting the financial interests of the Union as provided for in Directive (EU) 2017/1371 of the European Parliament and of the Council⁵. In accordance with Regulation (EU, Euratom) 2018/1046, any person or entity receiving funds from the Union budget is to fully cooperate in the protection of the Union's financial interests, grant the necessary rights and access to the Commission, OLAF, the Court of Auditors and, in respect of those Member States participating in enhanced cooperation pursuant to Regulation (EU) 2017/1939, EPPO and ensure that any third parties involved in the implementation of funds financed from the Union budget grant equivalent rights.</p> <p>1. Regulation (EU, Euratom) No 883/2013 of the European</p>	<p>fraud, corruption, conflicts of interests or any other illegal activity affecting the financial interests of the Union. EPPO is empowered, in accordance with Regulation (EU) 2017/1939, to investigate and prosecute fraud, corruption, conflicts of interests and other criminal offences affecting the financial interests of the Union as provided for in Directive (EU) 2017/1371 of the European Parliament and of the Council⁵. In accordance with Regulation (EU, Euratom) 2018/1046, any person or entity receiving funds from the Union budget is to fully cooperate in the protection of the Union's financial interests, grant the necessary rights and access to the Commission, OLAF, the Court of Auditors and, in respect of those Member States participating in enhanced cooperation pursuant to Regulation (EU) 2017/1939, EPPO and ensure that any third parties involved in the implementation of funds financed from the Union budget grant equivalent rights.</p> <p>1. Regulation (EU, Euratom) No 883/2013 of the European</p>		

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
	<p>Parliament and of the Council of 11 September 2013 concerning investigations conducted by the European Anti-Fraud Office (OLAF) and repealing Regulation (EC) No 1073/1999 of the European Parliament and of the Council and Council Regulation (Euratom) No 1074/1999 (OJ L 248, 18.9.2013, p. 1).</p> <p>2. Council Regulation (EC, Euratom) No 2988/95 of 18 December 1995 on the protection of the European Communities financial interests (OJ L 312, 23.12.1995, p. 1).</p> <p>3. Council Regulation (Euratom, EC) No 2185/96 of 11 November 1996 concerning on-the-spot checks and inspections carried out by the Commission in order to protect the European Communities' financial interests against fraud and other irregularities (OJ L 292, 15.11.1996, p. 2).</p> <p>4. Council Regulation (EU) 2017/1939 of 12 October 2017 implementing enhanced cooperation on the</p>	<p>Parliament and of the Council of 11 September 2013 concerning investigations conducted by the European Anti-Fraud Office (OLAF) and repealing Regulation (EC) No 1073/1999 of the European Parliament and of the Council and Council Regulation (Euratom) No 1074/1999 (OJ L 248, 18.9.2013, p. 1).</p> <p>2. Council Regulation (EC, Euratom) No 2988/95 of 18 December 1995 on the protection of the European Communities financial interests (OJ L 312, 23.12.1995, p. 1).</p> <p>3. Council Regulation (Euratom, EC) No 2185/96 of 11 November 1996 concerning on-the-spot checks and inspections carried out by the Commission in order to protect the European Communities' financial interests against fraud and other irregularities (OJ L 292, 15.11.1996, p. 2).</p> <p>4. Council Regulation (EU) 2017/1939 of 12 October 2017 implementing enhanced cooperation on the</p>		

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	<p>establishment of the European Public Prosecutor's Office ('the EPPO') (OJ L 283, 31.10.2017, p. 1).</p> <p>5. Directive (EU) 2017/1371 of the European Parliament and of the Council of 5 July 2017 on the fight against fraud to the Union's financial interests by means of criminal law (OJ L 198, 28.7.2017, p. 29).</p>	<p>establishment of the European Public Prosecutor's Office ('the EPPO') (OJ L 283, 31.10.2017, p. 1).</p> <p>5. Directive (EU) 2017/1371 of the European Parliament and of the Council of 5 July 2017 on the fight against fraud to the Union's financial interests by means of criminal law (OJ L 198, 28.7.2017, p. 29).</p>		
Recital 34				
44	<p>(34) Horizontal financial rules adopted by the European Parliament and the Council pursuant to Article 322 of the Treaty on the Functioning of the European Union apply to this Regulation. Those rules are laid down in Regulation (EU, Euratom) 2018/1046 and determine in particular the procedure for establishing and implementing the budget through grants, procurement, prizes, indirect implementation, and provide for checks on the responsibility of financial actors. Rules adopted pursuant to Article 322 of the Treaty on the Functioning of the</p>	<p>(34) Horizontal financial rules adopted by the European Parliament and the Council pursuant to Article 322 of the Treaty on the Functioning of the European Union apply to this Regulation. Those rules are laid down in Regulation (EU, Euratom) 2018/1046 and determine in particular the procedure for establishing and implementing the budget through grants, procurement, prizes, indirect implementation, and provide for checks on the responsibility of financial actors. Rules adopted pursuant to Article 322 of the Treaty on the Functioning of the</p>		

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
	European Union also include a general regime of conditionality for the protection of the Union's budget.	European Union also include a general regime of conditionality for the protection of the Union's budget.		
Formula				
45	HAVE ADOPTED THIS REGULATION:	HAVE ADOPTED THIS REGULATION:		
CHAPTER I				
46	CHAPTER I GENERAL PROVISIONS	CHAPTER I GENERAL PROVISIONS	CHAPTER I GENERAL PROVISIONS	
Article 1				
47	Article 1 Subject matter, scope and objectives	Article 1 Subject matter, scope and objectives	Article 1 <i>Article 1¹</i> Subject matter, scope and objectives 1. To be added in recital (11): The overall amount of the Social Climate Fund should reflect the level of decarbonisation ambition of the inclusion of greenhouse gas emissions from buildings and road transport into the	

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
			scope of Directive 2003/87/EC.	
Article 1, first paragraph				
48	The Social Climate Fund ('the Fund') is established.	The Social Climate Fund ('the Fund') is established.	The Social Climate Fund ('the Fund') is established from 2027 until 2032 .	
Article 1, second paragraph				
49	It shall provide support to Member States for the financing of the measures and investments included in their Social Climate Plans ('the Plans').	It shall provide support to Member States for the financing of the measures and investments included in their Social Climate Plans ('the Plans').	It shall provide financial support to Member States for the financing of the measures and investments included in their Social Climate Plans ('the Plans').	
Article 1, third paragraph				
50	The measures and investments supported by the Fund shall benefit households, micro-enterprises and transport users, which are vulnerable and particularly affected by the inclusion of greenhouse gas emissions from buildings and road transport into the scope of Directive 2003/87/EC, especially households in energy poverty and citizens without public transport alternative to individual cars (in remote and rural areas).	The measures and investments supported by the Fund shall benefit households, micro-enterprises and transport users, which are vulnerable and particularly affected by the inclusion of greenhouse gas emissions from buildings and road transport into the scope of Directive 2003/87/EC <u>impact of the transition towards climate neutrality, including by carbon pricing</u> , especially households in energy poverty and citizens <u>in</u>	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 with limited or inadequate public transport alternative to individual cars (in	

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
		<u>mobility poverty, paying special attention to those living without public transport alternative to individual cars (in rural, insular, peripheral, mountainous, remote and less accessible rural areas) or less developed regions or territories, including less developed peri-urban areas, the outermost regions, and carbon-intensive regions with high unemployment.</u>	remote and rural areas).	
Article 1, fourth paragraph				
51	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	The general objective of the Fund is to contribute to <u>a socially fair</u> the transition towards climate neutrality <u>that leaves no one behind, in particular</u> 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, <u>especially those in energy poverty or mobility poverty</u> through temporary direct income support and through measures and investments intended to increase	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 and	

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
	from renewable sources, and granting improved access to zero- and low-emission mobility and transport.	energy efficiency of buildings, decarbonisation of heating and cooling of buildings, including the integration <i>and storage</i> of energy from renewable sources, and granting improved access to zero- and low-emission <i>efficient and affordable</i> mobility and transport <i>in accordance with Article 6, with the objective to phase out gradually and not prolong fossil fuel dependency and avoid carbon lock-in.</i>	storage in buildings of energy from renewable sources, and granting improved access to zero- and low-emission mobility and transport.	
Article 2				
52	Article 2 Definitions	Article 2 Definitions	Article 2 Definitions	
Article 2, first paragraph, introductory part				
53	For the purposes of this Regulation, the following definitions apply:	For the purposes of this Regulation, the following definitions apply:	For the purposes of this Regulation, the following definitions apply:	
Article 2, first paragraph, point (1)				
54	(1) ‘building renovation’ means all kinds of energy-related building renovation, including the insulation of the building envelope, that is to	(1) ‘building renovation’ means all kinds <i>any kind</i> of energy-related building renovation <i>and accompanying safety measures,</i>	(1) ‘building renovation’ means all kinds of energy-related building renovation, including the insulation of the building envelope, that is to	

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
	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;	including <u>by contributing to the renovation requirements established in Directive .../... [on the energy performance of buildings (recast) [2021/0426(COD)]</u> , aimed to <u>reduce the building's energy consumption, including:</u> the insulation of the building envelope, that is to say walls, roof, floor, the replacement of windows; <u>passive ventilation; the installation of heat pumps and cooling systems;</u> the replacement of heating, cooling and cooking appliances; <u>the upgrade of electrical installations</u> and the installation of on-site production of energy <u>from renewable sources, heat recuperation systems or the connection to nearby systems using energy and storage</u> from renewable sources;	say walls, roof, floor, the replacement of windows, the replacement of heating, cooling and cooking appliances, ventilation and the installation of on-site production of energy from renewable sources;	
Article 2, first paragraph, point (2)				
55	(2) 'energy poverty' means energy poverty as defined in point [(49)] of Article 2 of Directive (EU) [yyyy/nnn] of the of the European Parliament and of the Council ¹ ; _____	(2) 'energy poverty' means <u>poverty affecting households in the lowest income deciles, including lower middle-income ones that have a significant share of energy expenditure to disposable income, including as a</u>	(2) 'energy poverty' means energy poverty as defined in point [(49)] of Article 2 of Directive (EU) [yyyy/nnn] of the of the European Parliament and of the Council ¹ ; _____	

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
	1. [Directive (EU) [yyyy/nnn] of the of the European Parliament and of the Council (OJ C [...], [...], p. [...]).] [Proposal for recast of Directive 2012/27/EU on energy efficiency]	<u>result of low-quality housing, arrears on utility bills due to financial difficulties, or limited access to essential and affordable energy services that underpin a decent standard of living and health, including adequate warmth, cooling, lighting and energy to power appliances</u> energy poverty as defined in point [(49)] of Article 2 of Directive (EU) [yyyy/nnn] of the of the European Parliament and of the Council¹; 1. [Directive (EU) [yyyy/nnn] of the of the European Parliament and of the Council (OJ C [...], [...], p. [...]).] [Proposal for recast of Directive 2012/27/EU on energy efficiency]	1. [Directive (EU) [yyyy/nnn] of the of the European Parliament and of the Council (OJ C [...], [...], p. [...]).] [Proposal for recast of Directive 2012/27/EU on energy efficiency]	
Article 2, first paragraph, point (2a)				
55a		<u>(2a) ‘mobility poverty’ means poverty affecting households in the lowest deciles, including lower middle-incomes ones, that have a high share of mobility expenditure to disposable income or a limited access to affordable public or alternative modes of transport required to meet essential socio-</u>		

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
		<u><i>economic needs, with a particular focus on households in rural, insular, peripheral, mountainous, remote and less accessible areas or less developed regions or territories, including less developed peri-urban areas and the outermost regions, caused by one or a combination of the following factors that depend on national or local specificities: low income, high fuel expenditures, the phase-out of internal combustion engine cars, high costs or lack of affordable or available public or alternative modes of transport;</i></u>		
Article 2, first paragraph, point (3)				
56	(3) ‘estimated total costs of the Plan’ means estimated total costs of the measures and investments included in the submitted Plan;	(3) ‘estimated total costs of the Plan’ means estimated total costs of the measures and investments included in the submitted Plan;	(3) ‘estimated total costs of the Plan’ means estimated total costs of the measures and investments included in the submitted Plan;	
Article 2, first paragraph, point (4)				
57	(4) ‘financial allocation’ means non-repayable financial support under the Fund that is available for allocation or that has been allocated to a Member State;	(4) ‘financial allocation’ means non-repayable financial support under the Fund that is available for allocation or that has been allocated to a Member State;	(4) ‘financial allocation’ means non-repayable financial support under the Fund that is available for allocation or that has been allocated to a Member State;	

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
Article 2, first paragraph, point (5)				
58	<p>(5) ‘household’ means private household as defined in Article 2, point (15) of Regulation (EU) 2019/1700 of the European Parliament and of the Council¹;</p> <p>1. Regulation (EU) 2019/1700 of the European Parliament and of the Council of 10 October 2019 establishing a common framework for European statistics relating to persons and households, based on data at individual level collected from samples, amending Regulations (EC) No 808/2004, (EC) No 452/2008 and (EC) No 1338/2008 of the European Parliament and of the Council, and repealing Regulation (EC) No 1177/2003 of the European Parliament and of the Council and Council Regulation (EC) No 577/980 (OJ L 261I, 14.10.2019, p. 1).</p>	<p>(5) ‘household’ means private household as defined in Article 2, point (15) of Regulation (EU) 2019/1700 of the European Parliament and of the Council¹;</p> <p>1. Regulation (EU) 2019/1700 of the European Parliament and of the Council of 10 October 2019 establishing a common framework for European statistics relating to persons and households, based on data at individual level collected from samples, amending Regulations (EC) No 808/2004, (EC) No 452/2008 and (EC) No 1338/2008 of the European Parliament and of the Council, and repealing Regulation (EC) No 1177/2003 of the European Parliament and of the Council and Council Regulation (EC) No 577/980 (OJ L 261I, 14.10.2019, p. 1).</p>	<p>(5) ‘household’ means private household as defined in Article 2, point (15) of Regulation (EU) 2019/1700 of the European Parliament and of the Council¹ a person living alone or a group of persons who live together, providing oneself or themselves with the essentials of living;</p> <p>1. Regulation (EU) 2019/1700 of the European Parliament and of the Council of 10 October 2019 establishing a common framework for European statistics relating to persons and households, based on data at individual level collected from samples, amending Regulations (EC) No 808/2004, (EC) No 452/2008 and (EC) No 1338/2008 of the European Parliament and of the Council, and repealing Regulation (EC) No 1177/2003 of the European Parliament and of the Council and Council Regulation (EC) No 577/980 (OJ L 261I, 14.10.2019, p. 1).</p>	

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
Article 2, first paragraph, point (6)				
59	(6) ‘milestone’ means a qualitative achievement used to measure progress towards the achievement of a measure or investment;	(6) ‘milestone’ means a qualitative achievement used to measure progress towards the achievement of a measure or investment;	(6) ‘milestone’ means a qualitative achievement used to measure progress towards the achievement of a measure or investment;	
Article 2, first paragraph, point (7)				
60	(7) ‘target’ means a quantitative achievement used to measure progress towards the achievement of a measure or investment;	(7) ‘target’ means a quantitative achievement used to measure progress towards the achievement of a measure or investment;	(7) ‘target’ means a quantitative achievement used to measure progress towards the achievement of a measure or investment;	
Article 2, first paragraph, point (8)				
61	<p>(8) ‘energy from renewable sources’ means energy from renewable non-fossil sources as defined in Article 2, second subparagraph, point (1) of Directive (EU) 2018/2001 of the European Parliament and of the Council¹;</p> <p>1. Directive (EU) 2018/2001 of the European Parliament and of the Council of 11 December 2018 on the promotion of the use of energy from renewable sources (OJ L 328, 21.12.2018,</p>	<p>(8) ‘energy from renewable sources’ means energy from renewable non-fossil sources as defined in Article 2, second subparagraph, point (1) of Directive (EU) 2018/2001 of the European Parliament and of the Council¹;</p> <p>1. Directive (EU) 2018/2001 of the European Parliament and of the Council of 11 December 2018 on the promotion of the use of energy from renewable sources (OJ L 328, 21.12.2018,</p>	<p>(8) ‘energy from renewable sources’ means energy from renewable non-fossil sources as defined in– Article 2, second subparagraph, point (1) of Directive (EU) 2018/2001 of the European Parliament and of the Council¹;</p> <p>1. Directive (EU) 2018/2001 of the European Parliament and of the Council of 11 December 2018 on the promotion of the use of energy from renewable sources (OJ L 328, 21.12.2018,</p>	

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
	p. 82).	p. 82).	p. 82).	
Article 2, first paragraph, point (9)				
62	<p>(9) ‘micro-enterprise’ means an enterprise that employs fewer than 10 persons and whose annual turnover or annual balance sheet does not exceed EUR 2 million, calculated in accordance with Articles 3 to 6 of Annex I to Commission Regulation (EU) No 651/2014¹;</p> <p>1. Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty Text with EEA relevance (OJ L 187, 26.6.2014, p. 1).</p>	<p>(9) ‘micro-enterprise’ means an enterprise that employs fewer than 10 persons and whose annual turnover or annual balance sheet does not exceed EUR 2 million, calculated in accordance with Articles 3 to 6 of Annex I to Commission Regulation (EU) No 651/2014¹;</p> <p>1. Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty Text with EEA relevance (OJ L 187, 26.6.2014, p. 1).</p>	<p>(9) ‘micro-enterprise’ means an enterprise that employs fewer than 10 persons and whose annual turnover or annual balance sheet does not exceed EUR 2 million, calculated in accordance with Articles 3 to 6 of Annex I to Commission Regulation (EU) No 651/2014¹;</p> <p>1. Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty Text with EEA relevance (OJ L 187, 26.6.2014, p. 1).</p>	
Article 2, first paragraph, point (10)				
63	<p>(10) ‘transport users’ means households or micro-enterprises that use various transport and mobility options;</p>	<p>(10) ‘transport users’ means households or micro-enterprises that use various transport and mobility options;</p>	<p>(10) ‘transport users’ means households or micro-enterprises that use various transport and mobility options;</p>	

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
Article 2, first paragraph, point (11)				
64	(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 <u>or at risk of energy poverty</u> or households <u>in the lowest income deciles</u> , including lower middle-income ones, that are significantly affected by the price impacts <u>impact</u> of the inclusion of buildings into the scope of Directive 2003/87/EC <u>transition towards climate neutrality, including by carbon pricing</u> , 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 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;	
Article 2, first paragraph, point (12)				
65	(12) ‘vulnerable micro-enterprises’ means micro-enterprises that are significantly affected by the price impacts of the inclusion of buildings into the scope of Directive 2003/87/EC and lack the means to renovate the building they occupy;	(12) ‘vulnerable micro-enterprises’ means micro-enterprises that are significantly affected by the price impacts of the inclusion of <u>greenhouse gas emissions from</u> buildings <u>and road transport</u> into the scope of Directive 2003/87/EC, <u>as part of the just transition towards climate neutrality, leaving no one behind</u> , and lack the means to renovate the building they occupy <u>or upgrade road vehicles on which they rely</u>	(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;	

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
		<u><i>in the course of business;</i></u>		
Article 2, first paragraph, point (13)				
66	(13) ‘vulnerable transport users’ means transport users, including from lower middle-income households, that are significantly affected by the price impacts of the inclusion of road transport into the scope of Directive 2003/87/EC and lack the means to purchase zero- and low-emission vehicles or to switch to alternative sustainable modes of transport, including public transport, particularly in rural and remote areas.	(13) ‘vulnerable transport users’ means transport users, including from lower middle-income households, that are significantly affected by the price impacts of the inclusion of road transport into the scope of Directive 2003/87/EC and lack the means to purchase zero- and low-emission vehicles or to switch to alternative sustainable modes of transport <u>in the lowest income deciles, including lower middle-income ones, that are at risk of mobility poverty and significantly affected by the impact of the transition towards climate neutrality</u> , including public transport, particularly in rural and remote areas <u>by carbon pricing</u> .	(13) ‘vulnerable transport users’ means transport users, including from lower middle-income households; that are significantly affected by the price impacts of the inclusion of road transport into the scope of Directive 2003/87/EC and lack the means to purchase zero- and low-emission vehicles or to switch to alternative sustainable modes of transport, including public transport, particularly in rural and remote areas .	
Article 2, first paragraph, point (13a)				
66a			(13a) ‘technical building system’ means technical equipment for space heating, space cooling, ventilation, domestic hot water, building automation and control, on-site renewable energy	

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			generation and storage, or a combination thereof, including those systems using energy from renewable sources, of a building or building unit.	
CHAPTER II				
67	CHAPTER II SOCIAL CLIMATE PLANS	CHAPTER II SOCIAL CLIMATE PLANS	CHAPTER II SOCIAL CLIMATE PLANS	
Article 3				
68	Article 3 Social Climate Plans	Article 3 Social Climate Plans	Article 3 Social Climate Plans	
Article 3(1)				
69	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,	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 <u>and following a meaningful consultation of local and regional level authorities, economic and social partners and relevant civil</u>	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 existing or new national measures and investments to address the impact of carbon	

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
	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.	<u>society organisations</u> . The Plan shall contain a coherent set of measures and investments to address <u>energy and mobility poverty, in particular the impact of the transition towards climate neutrality, including</u> the impact of carbon pricing on vulnerable households, vulnerable micro-enterprises, and vulnerable transport users in order to ensure affordable <u>and sustainable</u> heating, cooling and mobility while accompanying and accelerating necessary measures to meet the climate targets of the Union.	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.	
Article 3(1a)				
69a			1a. Each Member State shall ensure consistency between their Plan and their updated National and Energy Climate Plan referred to in Article 14(2) of Regulation (EU) 2018/1999.	
Article 3(2)				
70	2. The Plan may include national measures providing temporary direct income support to vulnerable households and households that are	2. The Plan may include national <u>or, where applicable, regional</u> measures providing temporary direct income support to vulnerable	2. The Plan may include national measures providing temporary direct income support to vulnerable households and households that are	

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
	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.	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 <u>Directive 2003/87/EC transition towards climate neutrality, including by carbon pricing.</u>	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.	
Article 3(3), introductory part				
71	3. The Plan shall include national projects to:	3. The Plan shall include national, <u>regional or local</u> projects to:	3. The Plan shall include national projects measures and investments to:	
Article 3(3), point (a)				
72	(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;	(a) finance measures and investments to increase energy efficiency of buildings, to implement energy efficiency improvement measures, to carry out building renovation <u>and accompanying safety measures, where appropriate in combination with improvements in line with fire and seismic safety standards,</u> and to decarbonise heating and cooling of buildings, including the integration of energy production from renewable <u>and storage of</u>	(a) finance measures and investments to increase energy efficiency of buildings, to implement energy efficiency improvement measures including related to technical building systems , to carry out building renovation, and to decarbonise heating and cooling of buildings, including the integration of energy production from renewable energy sources;	

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		energy <u>from renewable</u> sources <u>in accordance with Article 6</u> ;		
Article 3(3), point (b)				
73	(b) finance measures and investments to increase the uptake of zero- and low-emission mobility and transport.	(b) finance measures and investments to increase the uptake of <u>mobility and transport, including by directing measures and investments towards a modal shift from private to public, shared and active mobility, in accordance with Article 6</u> zero- and low-emission mobility and transport.	(b) finance measures and investments to increase the uptake of zero- and low-emission mobility and transport.	
Article 3(3a)				
73a			3a. Where a Member State already has in place a national emission trading system for buildings and road transport or carbon tax, the national measures already in place to mitigate the social impact and challenges may be included in the Plan provided that they comply with this Regulation.	

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
Article 4				
74	Article 4 Content of Social Climate Plans	Article 4 Content of Social Climate Plans	Article 4 Content of Social Climate Plans	
Article 4(1), introductory part				
75	1. Social Climate Plans shall set out in particular the following elements:	1. Social Climate Plans shall set out in particular the following elements:	1. The Social Climate Plans shall set out in particular the following elements:	
Article 4(1), point (-a), introductory part				
75a		<u>(-a) detailed quantitative information on energy and mobility poverty concerning the following:</u>		
Article 4(1), point (-a)(i)				
75b		<u>(i) the definition, in exact terms, of energy and mobility poverty applied at national level, on the basis of the definitions set out in Article 2;</u>		
Article 4(1), point (-a)(ii)				
75c		<u>(ii) a mapping of the number of vulnerable households, vulnerable</u>		

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
		<u>micro-enterprises, and vulnerable transport users identified at the start of the Plan, on the basis of the definitions set out in Article 2, to identify the potential beneficiaries of the Plan;</u>		
Article 4(1), point (-a)(iii)				
75d		<u>(iii) national targets and objectives to reduce the number of vulnerable households, vulnerable micro-enterprises, and vulnerable transport users over the duration of the Plan;</u>		
Article 4(1), point (a)				
76	(a) concrete measures and investments in accordance with Article 3 to reduce the effects referred to in point (c) of this paragraph together with an explanation of how they would contribute effectively to the achievement of the objectives set out in Article 1 within the overall setting of a Member State's relevant policies;	(a) concrete measures and investments in accordance with Article 3 to reduce <u>Articles 3 and 6 to address</u> the effects referred to in point (c) of this paragraph together with an explanation of how they would contribute effectively to the achievement of the objectives set out in Article 1 within the overall setting of a Member State's relevant policies;	(a) concrete measures and investments in accordance with Article 3 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;	

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
Article 4(1), point (b)				
77	(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;	(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;	(b) concrete accompanying measures needed to accomplish the measures and investments of the Plan and reduce the effects referred to in point (c), if deemed necessary by the Member State for the implementation of the Plan as well as information on existing or planned financing of measures and investments from other Union, international, public or private sources;	
Article 4(1), point (ba)				
77a			(ba) information on existing or planned financing of measures and investments from other Union, international, public or, where relevant, private sources which contribute to the measures and investments set out in the Plan;	
Article 4(1), point (ba)				
77b		<u>(ba) the coherence and mutual reinforcement of the accompanying measures to reduce</u>		

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
		<u>the effects referred to in point (c);</u>		
Article 4(1), point (c)				
78	(c) an estimate of the likely effects of that increase in prices on households, and in particular on incidence of energy poverty, on micro-enterprises and on transport users, comprising in particular an estimate and the identification of vulnerable households, vulnerable micro-enterprises and vulnerable transport users; these impacts are to be analysed with a sufficient level of regional disaggregation, taking into account elements such as access to public transport and basic services and identifying the areas mostly affected, particularly territories which are remote and rural;	(c) an estimate of the likely effects of that increase in prices on households, and in particular on incidence of <u>a price increase on</u> energy poverty, on micro-enterprises and on transport users, comprising in particular an estimate and the identification of <u>and mobility poverty, on</u> 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 <u>national specificities and</u> elements such as access to public transport and basic services and identifying the areas mostly affected, particularly territories which are <u>rural, insular, peripheral, mountainous,</u> remote and <u>less accessible areas or less developed regions or territories, including less developed peri-urban areas and the outermost regions which will need particular attention and support for the transition towards climate neutrality</u> rural ;	(c) an estimate of the likely effects of that the increase in prices resulting from the inclusion of buildings and road transport into the scope of Directive 2003/87/EC 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 effects are to be analysed with a sufficient at the appropriate territorial level of regional disaggregation as defined by each Member State , 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 ;	

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Article 4(1), point (d)				
79	(d) where the Plan provides for measures referred to in Article 3(2), the criteria for the identification of eligible final recipients, the indication of the envisaged time limit for the measures in question and their justification on the basis of a quantitative estimate and a qualitative explanation of how the measures in the Plan are expected to reduce energy and transport poverty and the vulnerability of households, micro-enterprises and transport users to an increase of road transport and heating fuel prices;	(d) where the Plan provides for measures referred to in Article 3(2), the criteria for the identification of eligible final recipients, the indication of the envisaged time limit for the measures in question and their justification on the basis of a quantitative estimate and a qualitative explanation of how the measures in the Plan are expected to reduce energy and transport <u>mobility</u> poverty and the vulnerability of households, micro-enterprises and transport users to an increase of road transport and heating fuel prices; <u>as well as a justification on how those measures complement existing activities of Member States to that effect;</u>	(d) where the Plan provides for measures referred to in Article 3(2), the criteria for the identification of eligible final recipients, the indication of the envisaged time limit for the measures in question and their justification on the basis of a quantitative estimate and a qualitative explanation of how the measures in the Plan are expected to reduce energy and transport poverty and the vulnerability of households, micro-enterprises and and households that are transport users to an increase of road transport and heating fuel prices;	
Article 4(1), point (e)				
80	(e) envisaged milestones, targets and an indicative timetable for the implementation of the measures and investments to be completed by 31 July 2032;	(e) envisaged milestones, targets and an indicative timetable for the implementation of the measures and investments to be completed by <u>each biennial integrated national energy and climate</u>	(e) envisaged milestones, targets and an indicative timetable for the implementation of the measures and investments to be completed by 31 July 2032;	

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		<u>progress report pursuant to Article 23 and by</u> 31 July 2032;		
Article 4(1), point (ea)				
80a		<u>(ea) an indicative timetable, where applicable, for the support for vehicles in accordance with Article 6(2), point (d);</u>		
Article 4(1), point (eb)				
80b		<u>(eb) how the measures and investments, where relevant, promote sustainable and quality jobs;</u>		
Article 4(1), point (f)				
81	(f) the estimated total costs of the Plan accompanied by appropriate cost justification and explanations of how it is in line with the principle of cost efficiency and commensurate to the expected impact of the Plan;	(f) the estimated total costs of the Plan accompanied by appropriate cost justification and explanations of how it is in line with the principle of cost efficiency and commensurate to the expected impact of the Plan;	(f) the estimated total costs of the Plan ¹ accompanied by appropriate cost justification and explanations of how it is they are in line with the principle of cost efficiency and commensurate to the expected impact of the Plan; 1. N.B.: Clarification regarding VAT : when submitting the Plan the total	

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			estimated cost should be presented without VAT for comparability purposes among the Plans (as Member States have different VAT levels on different items of expenditure). As payments at EU level are not linked to invoices but to milestones and targets, it is up to the Member States to decide which underlying costs (which could include VAT) may be covered when implementing their national measures and investments.	
Article 4(1), point (g)				
82	(g) the envisaged national contribution to the total estimated costs, calculated in accordance with Article 14;	(g) the envisaged national contribution to the total estimated costs, calculated in accordance with Article 14;	(g) the envisaged national contribution to the total estimated costs, calculated in accordance with Article 14;	
Article 4(1), point (h)				
83	(h) an explanation of how the Plan ensures that no investment or measure, included in the Plan does significant harm to environmental	(h) an explanation of how the Plan ensures that no investment or measure, included in the Plan does significant harm to environmental	(h) an explanation of how the Plan ensures that no investment or nor measure, included in the Plan does significant harm to environmental	

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	objectives within the meaning of Article 17 of Regulation (EU) 2020/852; the Commission shall provide technical guidance to the Member States targeted to the scope of the Fund to that effect; no explanation is required for the measures referred to in Article 3(2);	objectives within the meaning of Article 17 of Regulation (EU) 2020/852; the Commission shall provide technical guidance to the Member States targeted to the scope of the Fund to that effect; no explanation is required for the measures referred to in Article 3(2);	objectives within the meaning of Article 17 of Regulation (EU) 2020/852; the Commission shall provide technical guidance to the Member States targeted to the scope of the Fund to that effect; no explanation is required for the measures referred to in Article 3(2);	
Article 4(1), point (i)				
84	<p>(i) the arrangements for the effective monitoring and implementation of the Plan by the Member State concerned, in particular of the proposed milestones and targets, including indicators for the implementation of measures and investments, which, where relevant, shall be those available with the Statistical office of the European Union European Statistical Office and the European Energy Poverty Observatory as identified by Commission Recommendation 2020/1563¹ on energy poverty;</p> <p>1. OJ L 357, 27.10.2020, p. 35.</p>	<p>(i) the arrangements for the effective monitoring and implementation of the Plan by the Member State concerned, <u>to be undertaken in close consultation with local and regional level authorities, economic and social partners and relevant civil society organisations in accordance with national law and practices</u>, in particular of the proposed milestones and targets, including indicators for the implementation of measures and investments, which, where relevant, shall be those available with the Statistical office of the European Union European Statistical Office and the European Energy Poverty Observatory as identified by Commission Recommendation</p>	<p>(i) the arrangements for the effective monitoring and implementation of the Plan by the Member State concerned, in particular of the proposed milestones and targets, including indicators for the implementation of measures and investments, which, where relevant, shall be those available with the Statistical office of the European Union European Statistical Office and the European Energy Poverty Observatory as identified by Commission Recommendation 2020/1563¹ on energy poverty the relevant common indicators from Annex (X), and if none of them is relevant for a specific measure or investment, additional individual indicators</p>	

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
		2020/1563 ¹ on energy poverty; <u>1. OJ L 357, 27.10.2020, p. 35.</u>	proposed by the Member State; 1. OJ L 357, 27.10.2020, p. 35.	
Article 4(1), point (j)				
85	(j) for the preparation and, where available, for the implementation of the Plan, a summary of the consultation process, conducted in accordance with Article 10 of Regulation (EU) 2018/1999 and with the national legal framework, of local and regional authorities, social partners, civil society organisations, youth organisations and other relevant stakeholders, and how the input of the stakeholders is reflected in the Plan;	(j) for the preparation and, where available, for the implementation of the Plan, a summary of the consultation process, conducted in accordance with Article 10 of Regulation (EU) 2018/1999 and <u>Article 8 of Regulation (EU) 2021/1060 and</u> with the national legal framework, of local and regional authorities, social partners, civil society organisations, youth organisations and other relevant stakeholders, and how the input of the stakeholders is reflected in the Plan <u>as well as their specific roles on the design, implementation and monitoring;</u>	(j) for the preparation and, where available, for the implementation of the Plan, a summary of the consultation process, conducted in accordance with Article 10 of Regulation (EU) 2018/1999 and with the national legal framework, of local and regional authorities, social partners, civil society organisations, youth organisations and other relevant stakeholders, and how the their input of the stakeholders is reflected in the Plan;	
Article 4(1), point (k)				
86	(k) an explanation of the Member State's system to prevent, detect and correct corruption, fraud and conflicts of interests, when using the funds provided under the Fund,	(k) an explanation of the Member State's system to prevent, detect and correct corruption, fraud and conflicts of interests, when using the funds provided under the Fund,	(k) an explanation of the Member State's system to prevent, detect and correct corruption, fraud and conflicts of interests, when using the funds financial allocations	

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	and the arrangements that aim to avoid double funding from the Fund and other Union programmes.	and the arrangements that aim to avoid double funding from the Fund and other Union programmes.	provided under the Fund, and the arrangements that aim to avoid double funding from the Fund and other Union programmes.	
Article 4(1), point (ka)				
86a		<u>(ka) the proportion of the Fund set aside for community-led local climate transition projects.</u>		
Article 4(1a)				
86b			1a. The Plan may include technical assistance actions necessary for the effective administration and implementation of the measures and investments set out in the Plan.	
Article 4(2)				
87	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	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	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	

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
	<p>cohesion policy operational programmes under Regulation (EU) 2021/1058¹, under their Recovery and Resilience Plans in accordance with Regulation (EU) 2021/241 of the European Parliament and of the Council², 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 Council³.</p> <p>1. 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). 2. 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).</p>	<p>cohesion policy operational programmes under Regulation (EU) 2021/1058¹, under their Recovery and Resilience Plans in accordance with Regulation (EU) 2021/241 of the European Parliament and of the Council², 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 Council³.</p> <p>1. 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). 2. 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).</p>	<p>cohesion policy operational programmes under Regulation (EU) 2021/10582021/1060¹, under their Recovery and Resilience Plans in accordance with Regulation (EU) 2021/241 of the European Parliament and of the Council², under their long-term buildingsbuilding renovation strategiesplans pursuant to Directive 2010/31/EU and[recast proposal], under their updated integrated national energy and climate plans under Regulation (EU) 2018/1999. They shall also be complementary to the, and under their territorial just transition plans pursuant to Regulation (EU) 2021/1056 of the European Parliament and of the Council³.</p> <p>1. 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). 2. Regulation (EU) 2021/241 of the European Parliament and of the Council of 12 February 2021 establishing the Recovery and</p>	

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
	3. 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).	3. 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).	Resilience Facility (OJ L 57, 18.2.2021, p. 17). 3. 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).	
Article 4(2a)				
87a		<u>2a. The Commission is empowered to adopt, within [insert date three months from the entry into force of this Regulation], a delegated act in accordance with Article 25 to supplement this Regulation by setting out a template based on which Member States are to prepare their Plan.</u>		
Article 4(3)				
88	3. When preparing their Plans, Member States may request the Commission to organise an exchange of good practices. Member States may also request technical support under the ELENA facility, established by an	3. When preparing their Plans, Member States may request the Commission to organise an exchange of good practices. Member States may also request technical support under the ELENA facility, established by an	3. When preparing their Plans, Member States may request the Commission to organise an exchange of good practices. Member States may also request technical support under the ELENA facility, established by an	

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
	<p>Agreement of the Commission with the European Investment Bank in 2009, or under the Technical Support Instrument established by Regulation (EU) 2021/240 of the European Parliament and of the Council¹.</p> <p>1. Regulation (EU) 2021/240 of the European Parliament and of the Council of 10 February 2021 establishing a Technical Support Instrument (OJ L 57, 18.2.2021, p. 1).</p>	<p>Agreement of the Commission with the European Investment Bank in 2009, or under the Technical Support Instrument established by Regulation (EU) 2021/240 of the European Parliament and of the Council¹.</p> <p>1. Regulation (EU) 2021/240 of the European Parliament and of the Council of 10 February 2021 establishing a Technical Support Instrument (OJ L 57, 18.2.2021, p. 1).</p>	<p>Agreement of the Commission with the European Investment Bank in 2009, or under the Technical Support Instrument established by Regulation (EU) 2021/240 of the European Parliament and of the Council¹.</p> <p>1. Regulation (EU) 2021/240 of the European Parliament and of the Council of 10 February 2021 establishing a Technical Support Instrument (OJ L 57, 18.2.2021, p. 1).</p>	
Article 4(3a)				
88a			<p>3a. To assist Member States in providing the information referred in article 4(1)(c), the Commission shall provide a common value to be considered for the carbon price resulting from the inclusion of greenhouse gas emissions from buildings and road transport within the scope of Directive 2003/87/EC.</p>	

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
Article 4(3b)				
88b			3b. The Plans shall be prepared in accordance with the template set out in Annex XX.	
CHAPTER III				
89	CHAPTER III SUPPORT FROM THE FUND FOR SOCIAL CLIMATE PLANS	CHAPTER III SUPPORT FROM THE FUND FOR SOCIAL CLIMATE PLANS	CHAPTER III SUPPORT FROM THE FUND FOR SOCIAL CLIMATE PLANS	
Article 5				
90	Article 5 Principles governing the Fund and eligibility	Article 5 Principles governing the Fund and eligibility	Article 5 Principles governing the Fund and eligibility	
Article 5(1)				
91	1. The Fund shall provide financial support to Member States to fund the measures and investments set out in their Plans.	1. The Fund shall provide financial support to Member States to fund the measures and investments set out in their Plans.	1. The Fund shall provide financial support to Member States to fund the measures and investments set out in their Plans.	
Article 5(2), introductory part				
92	2. Payment of support shall be conditional upon achieving the milestones and targets for measures	2. Payment of support shall be conditional upon achieving <u>made in accordance with the costs</u>	2. Payment of support shall be conditional upon achieving the milestones and targets for measures	

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
	and investments set out in the Plans. Those milestones and targets shall be compatible with the Union's climate targets and cover in particular:	<u>indicated to achieve</u> the milestones and targets for measures and investments set out in the Plans <u>in accordance with Article 6</u> . Those milestones and targets shall be compatible with the Union's climate targets, <u>in line with the principles of the European Pillar of Social Rights</u> , and cover in particular:	and investments set out in the Plans. Those milestones and targets shall be compatible with the Union's climate targets and the objectives of the Regulation EU 2021/1119, and shall cover in particular:	
Article 5(2), point (a)				
93	(a) energy efficiency;	(a) energy efficiency;	(a) energy efficiency;	
Article 5(2), point (b)				
94	(b) building renovation;	(b) building renovation, <u>including by contributing to the achievement of the renovation requirements established in Directive .../... [on the energy performance of buildings (recast) [2021/0426(COD)]]</u> ;	(b) building renovation;	
Article 5(2), point (c)				
95	(c) zero- and low-emission mobility and transport;	(c) zero- and low-emission mobility and transport <u>mobility and transport in accordance with Article 6</u> ;	(c) zero- and low-emission mobility and transport;	

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
Article 5(2), point (d)				
96	(d) greenhouse gas emissions reductions;	(d) greenhouse gas emissions reductions, <u>with the objective to phase out gradually and not prolong fossil fuel dependency and avoid carbon lock-in, relating to measures and investments in accordance with Article 6;</u>	(d) greenhouse gas emissions reductions;	
Article 5(2), point (e)				
97	(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.	(e) reductions in the number of vulnerable households, especially i.e. households in <u>or at risk of</u> energy poverty, of vulnerable micro-enterprises and of vulnerable transport users, including in rural, <u>insular, peripheral, mountainous, remote and less accessible</u> and remote areas or less developed regions or territories, including less developed peri-urban areas and the outermost regions which will need particular attention and support for the transition towards climate neutrality;	(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.	

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
Article 5(2), point (ea)				
97a		<u>(ea) contribution to, where relevant, sustainable and quality jobs.</u>		
Article 5(3)				
98	3. The Fund shall only support measures and investments respecting the principle of ‘do no significant harm’ referred to in Article 17 of Regulation (EU) 2020/852.	3. The Fund shall only support measures and investments <u>that are consistent with the technical criteria established in the framework of Regulation (EU) 2020/852 and</u> respecting the principle of ‘do no significant harm’ referred to in Article 17 of <u>that</u> Regulation (EU) 2020/852 . <u>Recipients of the Fund shall respect applicable Union and national law on social and labour rights.</u>	3. The Fund shall only support measures and investments respecting the principle of ‘do no significant harm’ referred to in Article 17 of Regulation (EU) 2020/852.	
Article 6				
99	Article 6 Measures and investments to be included in the estimated total costs of the Social Climate Plans	Article 6 Measures and investments to be included in the estimated total costs of the Social Climate Plans	Article 6 Eligible measures and investments to be included in the estimated total costs of the Social Climate Plans	

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
Article 6(1)				
100	<p>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).</p>	<p>1. Member States may include the costs of measures providing temporary direct income support, <u>including the reduction of electricity taxes and fees, as a transitional measure to</u> to vulnerable households and vulnerable households that are <u>and</u> <u>vulnerable</u> transport users <u>affected by energy poverty or mobility poverty</u>, to absorb the increase in road transport and heating fuel prices. Such support shall <u>constitute intermediary support to those vulnerable households, decreasing</u> decrease over time, <u>subject to the implementation of structural measures or investments with long-lasting impacts to effectively lift those beneficiaries out of energy and mobility poverty. Such support shall</u> and be limited to the direct impact <u>a maximum of 40% of the emission trading for buildings and road transport. Eligibility for such direct income support shall cease within the time limits identified under</u> <u>total estimated cost of each Plan for the period 2024-2027 and shall be set for the period 2028-</u></p>	<p>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, among others, the following measures and investments in the estimated total costs 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). Plans, provided they principally target vulnerable households, vulnerable micro-enterprises or vulnerable transport users and intend to:</p>	

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
		<u>2032 in accordance with the assessment by the Commission made in accordance with Article 24(3), with a view to phasing out such support by the end of 2032</u> 4(1) point (d).		
Article 6(2), introductory part				
101	2. Member States may include the costs of the following measures and investments in the estimated total costs of the Plans, provided they principally benefit vulnerable households, vulnerable micro-enterprises or vulnerable transport users and intend to:	2. Member States may include the costs of the following measures and investments <u>with lasting impacts</u> in the estimated total costs of the Plans, provided they principally benefit vulnerable households, vulnerable micro-enterprises or vulnerable transport users and intend to:	2. Member States may include the costs of the following measures and investments in the estimated total costs of the Plans, provided they principally benefit vulnerable households, vulnerable micro-enterprises or vulnerable transport users and intend to:	
Article 6(2), point (a)				
102	(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;	(a) support <u>quality, cost- and energy efficient</u> building renovations, especially <u>to contribute to the achievement of the renovation requirements established in Directive .../... [on the energy performance of buildings (recast) [2021/0426(COD)]]</u> and for those occupying worst-performing buildings, <u>with a special attention</u>	(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;	

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
		<u>to tenants and social housing,</u> including in the form of financial support or fiscal incentives such as deductibility of renovation costs from the rent, <u>or specific support for the renovation of social housing in order to facilitate access to affordable energy-efficient housing</u> independently of the ownership of the buildings concerned;		
Article 6(2), point (aa)				
102a		<u>(aa) ensure access to affordable energy-efficient housing, including by providing sufficient energy-efficient and affordable housing stock, including social housing;</u>		
Article 6(2), point (b)				
103	(b) contribute to the decarbonisation, including the electrification, of heating and cooling of, and cooking in, buildings and the integration of energy from renewable sources that contribute to the achievements of energy savings;	(b) contribute to the <u>cost-efficient</u> decarbonisation, including the electrification, of heating and cooling of, and cooking in, buildings <u>by ensuring access to affordable and energy-efficient systems,</u> and the integration <u>and storage</u> of energy from renewable sources, <u>including through citizen</u>	(b) contribute to the decarbonisation, including the electrification, of heating and cooling of, and cooking in, buildings, and the integration of energy from renewable sources that contribute to the achievements of energy savings or to reducing energy poverty;	

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
		<p><u>energy communities and peer-to-peer energy sharing, to power any residual demand, smart internal electricity installations or cover connection costs to smart grids and any other measures</u> that contribute <u>unequivocally</u> to the achievements of energy savings <u>as well as connection to district heating networks, such as vouchers, subsidies or zero-interest loans to invest in products and services to increase the energy performance of buildings or to integrate renewable energy sources in buildings</u>;</p>		
Article 6(2), point (ba)				
103a		<p><u>(ba) provide targeted, accessible and affordable information, education, awareness and advice on cost-effective measures and investments and available support for building renovations and energy efficiency, as well as sustainable and affordable mobility and transport alternatives, including through energy audits of buildings, tailored energy consultations or tailored mobility management services</u>;</p>		

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
Article 6(2), point (c)				
104	(c) support public and private entities in developing and providing affordable energy efficiency renovation solutions and appropriate funding instruments in line with the social goals of the Fund;	(c) support public and private entities, <u>including social-housing providers, in particular public-private cooperation</u> , in developing and providing <u>safe and</u> affordable energy efficiency renovation solutions and appropriate funding instruments in line with the social goals of the Fund, <u>including smart-grid solutions</u> ;	(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;	
Article 6(2), point (d)				
105	(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 <u>financial support or fiscal incentives to improve access to zero- emission vehicles, while maintaining technological neutrality, and to bicycles, including incentivising access to, and the further development of, the second-hand zero-emission vehicles market</u> 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 <u>the purchase of zero-emission vehicles; the</u>	(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;	

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
		<p><u>support shall be limited to vehicles which are available at or below the average market price for such vehicles in a Member State in a given year; measures to support low-emission vehicles shall be primarily considered only where access to zero-emission mobility is not yet feasible, in particular for rural, remote and less accessible areas. Member States shall provide</u> –a timetable for gradually reducing the support, <u>in accordance with the technical criteria established by the Commission under Commission Delegated Regulation (EU) 2021/2139</u> shall be provided;</p>		
Article 6(2), point (e)				
106	<p>(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;</p>	<p>(e) grant free access to public transport or adapted tariffs for access to <u>incentivise the use of affordable and accessible zero- and low-emission</u> public transport, as well as <u>supporting private and public entities, including cooperatives, in developing and providing</u> fostering sustainable mobility on demand, <u>shared mobility services and attractive active</u> and shared mobility</p>	<p>(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;</p>	

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
		services <u>options, especially in rural, insular, mountainous, remote and less accessible areas, in less developed regions or territories, including less developed peri-urban areas and the outermost regions;</u>		
Article 6(2), point (f)				
107	(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.	(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.	(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 in geographical areas or for less developed regions or territories, including less developed peri-urban areas identified in the Plan;	
Article 6(2a)				
107a			1a. Member States may include measures providing temporary direct income support to vulnerable households and households that are vulnerable transport users to absorb the increase in road transport and	

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
			heating energy prices. Such support from the Fund shall decrease over time and shall be limited to the direct impact of the emission trading for buildings and road transport. These measures shall not represent more than 35% of the estimated total cost of the Plan as referred to in Article 4(1)(f).	
Article 6(2a)				
107b		<u>2a. Member States shall promote, where relevant, sustainable and quality jobs when implementing the measures and investments in accordance with paragraph 2.</u>		
Article 6(2b)				
107c			1b. Member States may include technical assistance to cover expenses related to training, programming, monitoring, control, audit and evaluation activities which are required for the management of the Fund and the achievement of its objectives, for example studies, IT expenses, consultation of stakeholders, information and communication	

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
			actions. This shall be up to [2.5%] of the estimated total cost of the plan as referred to in Article 4 (1)(f).	
Article 6(2b)				
107d		<u>2b. By 31 July 2023, the Commission shall provide guidance on cost-effective measures and investments in the context of paragraph 2. By 31 July 2026 and every two years thereafter, the Commission shall evaluate the cost-effectiveness of the measures and investments implemented by the Member States as part of their Plans on the basis of the biennial integrated national energy and climate progress report pursuant to Article 23. The Commission shall report on best practices and shall adjust the guidance accordingly.</u>		
Article 6(2c)				
107e			1c. 1c. ¹ Member States may include measures and investments undertaken from 1 January until 31 December 2026 and that are still ongoing on 1	

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
			<p>January 2027 provided that they concur with the implementation of the Plans as approved in accordance with Article 16(1) and provided that they comply with the requirements set out in this Regulation.</p> <p>1. Corresponding recital "In order to anticipate the effects of and ensure a smooth transition to the extension of the ETS to building and road transport, measures and investments undertaken from 1 January until 31 December 2026 should be eligible for funding."</p>	
Article 7				
108	Article 7 Exclusions from the estimated total costs of Social Climate Plans	Article 7 Exclusions from the estimated total costs of Social Climate Plans	Article 7 Exclusions from the estimated total costs scope of Social Climate Plans	
Article 7(1), introductory part				
109	1. The Fund shall not support, and the estimated total costs of Plans shall not include measures in the form of direct income support	1. The Fund shall not support, and the estimated total costs of Plans <u>shall not include</u> <u>replace</u> measures in the form of direct income	1. The Fund shall not support, and the estimated total costs of Plans shall not include measures in the form of direct income support	

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
	pursuant to Article 3(2) of this Regulation for households already benefiting:	support pursuant to Article 3(2) of this Regulation <u>to the extent that those are additional and complementary to the support provided</u> for households already benefiting:	pursuant to Article 3(2) of this Regulation for households already benefiting:	
Article 7(1), point (a)				
110	(a) from public intervention in the price level of the fuels covered by Chapter IVa of Directive 2003/87/EC;	(a) from public intervention in the price level of the fuels <u>used for combustion in the heating and cooling of buildings or road transport covered by Chapter IVa of Directive 2003/87/EC</u> ;	(a) from public intervention in the price level of the fuels covered by Chapter IVa of Directive 2003/87/EC;	
Article 7(1), point (b)				
111	(b) from public interventions in the price setting for the supply of gas in accordance with Article 3(3) of Directive 2009/73/EC;	(b) from public interventions in the price setting for the supply of gas in accordance with Article 3(3) of Directive 2009/73/EC;	(b) from public interventions in the price setting for the supply of gas in accordance with Article 3(3) of Directive 2009/73/EC;	
Article 7(2)				
112	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	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 <u>resulting from the inclusion of the</u>	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	

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
	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.	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.	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.	
Article 8				
113	Article 8 Pass-on of benefits to households, micro-enterprises and transport users	Article 8 Pass-on of benefits to households, micro-enterprises and transport users	Article 8 Pass-on of benefits to households, micro-enterprises and transport users	
Article 8, first paragraph				
114	Member States may include into the estimated total costs financial support provided to public or private entities other than vulnerable households, vulnerable micro-enterprises and vulnerable transport uses, if those entities carry out measures and investments ultimately benefitting vulnerable households, vulnerable micro-enterprises and vulnerable transport users.	Member States may include into the estimated total costs financial support provided to public or private entities, <u>strictly excluding financial intermediaries</u> , other than vulnerable households, vulnerable micro-enterprises and vulnerable transport uses <u>users in energy poverty or mobility poverty</u> , if those entities carry out measures and investments <u>on their behalf and which ultimately directly benefit those</u> benefitting vulnerable households, vulnerable micro-enterprises, and vulnerable	Member States may include into the estimated total costs financial the Plans support provided to public or private entities other than vulnerable households, vulnerable micro-enterprises and vulnerable transport uses users , if those entities carry out measures and investments ultimately benefitting vulnerable households, vulnerable micro-enterprises and vulnerable transport users.	

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
		transport users <u><i>provided that these entities comply with the social and environmental safeguards referred to in Article 5.</i></u>		
Article 8, second paragraph				
115	Member States shall provide for the necessary statutory and contractual safeguards to ensure that the entire benefit is passed on to the households, micro-enterprises and transport users.	Member States shall provide for the necessary statutory and contractual safeguards to ensure that the entire benefit is passed on to the households, micro-enterprises and transport users. <u><i>Such entities shall comply with the requirements on visibility set out in Article 22a.</i></u>	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.	
Article 8, second paragraph a				
115a		<u><i>The Commission shall issue guidance on minimum principles and safeguards and promote best practices.</i></u>		
Article 9				
116	Article 9 Budget	Article 9 Budget	Article 9 Budget Article 9¹ Resources from the Emissions Trading System for Buildings and Road Transport	

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
			<p>1. Corresponding Recital: The Social Climate Fund should be exceptionally and temporarily financed by the revenue generated from the auctioning of ETS allowances in the buildings and road transport sector up to EUR 59 000 million, which should constitute external assigned revenue. In the event an own resource based on an ETS in the buildings and road transport sector is established during the implementation of the Fund, the Commission should present the necessary proposals to ensure the continuity and effectiveness of the implementation of the Fund, in the framework of the post 2027 Multiannual Financial Framework, without prejudging the outcome of the post 2027 Multiannual Financial Framework negotiations.</p>	

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
Article 9(1)				
117	<p>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.</p>	<p>1. The financial envelope for the implementation of the Fund for the period <u>[date of entry into force]</u> 2025-2027 shall be <u>at least EUR 11 140 000 000</u> EUR 23 700 000 000 in current prices. <u>The Fund shall be complemented by revenue resulting from the auctioning of 150 million allowances in accordance with Article 30d(3) of [ETS Directive] [5 250 000 000 indicative amount] for this period. That funding shall be implemented in accordance with this Regulation.</u></p>	<p>1. The financial envelope A maximum of EUR 59 000 000 000 for the period 2027 to 2032 in current prices shall be made available, in accordance with Articles 30d (3), (3a) and 10a(8a) of Directive 2003/87/EC, for implementation under this Regulation to finance the measures and investments of the Social Climate Plans, corresponding to a total net redistribution between Member States via the Fund amounting to a maximum of EUR 18 600 000 000¹. That amount Fund for the period 2025-2027 shall be EUR 23 700 000 000 in current prices made available in the form of external assigned revenue within the meaning of Article 21(5) of the Financial Regulation.</p> <p>1. Corresponding Recital: Pursuant to Article 30d(3a) of Directive 2003/87/EC, the Commission is to auction allowances covered by Chapter IVa of that Directive up to an amount of EUR 59 000 000 000 to be transferred</p>	

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
			to the Fund. Once transferred to the Fund, a maximum financial allocation should be calculated for each Member State in accordance with an allocation key providing in particular additional support to those Member States that are more impacted by the inclusion of the building and road transport in the scope of Directive 2008/37/EC. This results in a net amount of a maximum of EUR 18 600 000 000 being redistributed among Member States.	
Article 9(1a)				
117a			1a. By derogation from Article 22(2) of the Financial Regulation and without prejudice to Article 19, commitment appropriations covering the amount referred to in paragraph 1 shall be made available automatically up to the respective amount referred to in paragraph 1 as of the date of the establishment of the Fund.	

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
Article 9(2)				
118	2. The financial envelope for the implementation of the Fund for the period 2028-2032 shall be EUR 48 500 000 000 in current prices, subject to the availability of the amounts under the annual ceilings of the applicable multiannual financial framework referred to in Article 312 TFEU.	2. The financial envelope for the implementation of the Fund for the period 2028-2032 shall be <u>established after a revision of this Regulation</u> 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 <u>and the assessment and, where appropriate and if the conditions are met, targeted review in accordance with [Article 30a(1a)] of Directive 2003/87/EC.</u>	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.	
Article 9(2a)				
118a		<u>2a. Additional allocations shall be made available subject to the specific technical adjustment based on the carbon-price fluctuation provided for in Article 4b of ... [Council Regulation (EU, Euratom) 2020/2093¹ as amended] so as to ensure that the available appropriations for the Social Climate Fund in the Union budget increase in alignment with the carbon price. The prolongation of</u>		

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
		<p><u>the specific technical adjustment based on carbon-price fluctuation shall be considered in the context of the negotiations of the applicable multiannual financial framework.</u></p> <p><u>1. Council Regulation (EU, Euratom) 2020/2093 of 17 December 2020 laying down the multiannual financial framework for the years 2021 to 2027 (OJ L 433I, 22.12.2020, p. 11).</u></p>		
Article 9(2b)				
118b		<p><u>2b. In accordance with [Article 30d(5)] of Directive 2003/87/EC, Member States shall use revenues from the allowances auctioned in accordance with Chapter IVa of Directive 2003/87/EC first for the national co-financing of their Plans and, for any remaining revenue, for social climate measures and investments in accordance with Article 6 of this Regulation, except for the revenues established as own resources in accordance with Article 311(3) TFEU and entered</u></p>		

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
		<u>in the Union budget as general income.</u>		
Article 9(3)				
119	<p>3. The amounts referred to in paragraphs 1 and 2 may also cover expenses pertaining to preparatory, monitoring, control, audit and evaluation activities which are required for the management of the Fund and the achievement of its objectives, in particular studies, meetings of experts, consultation of stakeholders, information and communication actions, including inclusive outreach actions, and corporate communication of the political priorities of the Union, insofar as they are related to the objectives of this Regulation, expenses linked to IT networks focusing on information processing and exchange, corporate information technology tools, and all other technical and administrative assistance expenses incurred by the Commission for the management of the Fund. Expenses may also cover the costs of other supporting activities such as quality control and monitoring of projects on the ground and the</p>	<p>3. The amounts referred to in paragraphs 1 and 2 may also cover expenses pertaining to preparatory, monitoring, control, audit and evaluation activities which are required for the management of the Fund and the achievement of its objectives, in particular studies, meetings of experts, consultation of stakeholders, information and communication actions, including inclusive outreach actions, and corporate communication of the political priorities of the Union, insofar as they are related to the objectives of this Regulation, expenses linked to IT networks focusing on information processing and exchange, corporate information technology tools, and all other technical and administrative assistance expenses incurred by the Commission for the management of the Fund. Expenses may also cover the costs of other supporting activities such as quality control and monitoring of projects on the ground and the</p>	<p>3. The amountsassigned revenues referred to in paragraphs 1 and 2paragraph 1 may also cover expenses pertaining to preparatory, monitoring, control, audit and evaluation activities which are required for the management of the Fund and the achievement of its objectives, in particular studies, meetings of experts, consultation of stakeholders, information and communication actions, including inclusive outreach actions, and corporate communication of the political priorities of the Union, insofar as they are related to the objectives of this Regulation, expenses linked to IT networks focusing on information processing and exchange, corporate information technology tools, and all other technical and administrative assistance expenses incurred by the Commission for the management of the Fund. Expenses may also cover the costs of other supporting activities such as quality control and monitoring of</p>	

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
	costs of peer counselling and experts for the assessment and implementation of the eligible actions.	costs of peer counselling and experts for the assessment and implementation of the eligible actions.	projects on the ground and the costs of peer counselling and experts for the assessment and implementation of the eligible actions.	
Article 10				
120	Article 10 Resources from shared management programmes and use of resources	Article 10 Resources from shared management programmes and use of resources	Article 10 Resources from and to shared management programmes and use of resources	
Article 10(1)				
121	1. Resources allocated to Member States under shared management may, at their request, be transferred to the Fund subject to the conditions set out in the relevant provisions of Regulation (EU) 2021/1060. The Commission shall implement those resources directly in accordance with Article 62(1), first subparagraph, point (a) of Regulation (EU, Euratom) 2018/1046. Those resources shall be used exclusively for the benefit of the Member State concerned.	1. Resources allocated to Member States under shared management may, at their request, be transferred to the Fund subject to the conditions set out in the relevant provisions of Regulation (EU) 2021/1060. The Commission shall implement those resources directly in accordance with Article 62(1), first subparagraph, point (a) of Regulation (EU, Euratom) 2018/1046. Those resources shall be used exclusively for the benefit of the Member State concerned.	1. Resources allocated to Member States under shared management may, at their request, be transferred to the Fund subject to the conditions set out in the relevant provisions of Regulation (EU) 2021/1060. The Commission shall implement those resources directly in accordance with Article 62(1), first subparagraph, point (a) of Regulation (EU, Euratom) 2018/1046. Those resources shall be used exclusively for the benefit of the Member State concerned.	

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
Article 10(1a)				
121a			<p>1a. Member States may request in their Social Climate Plans submitted in accordance with Article 3(1) the transfer of up to 15 % of the maximum financial allocation to funds under shared management provided for in the Regulation (EU) 2021/1060. The transferred resources shall finance measures and investments as defined under Article 6 and shall be implemented in accordance with the rules of the funds to which the resources are transferred.</p>	
Article 10(2)				
122	<p>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</p>	<p>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</p>	<p>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) 2021/10582021/1060 with the implementation of measures and investments benefitting from this Fund, where applicable in view of the synergies with those Union</p>	

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
	conformity with the objectives of the Fund. Member States shall state their intention to entrust those authorities in their Plans.	conformity with the objectives of the Fund. Member States shall state their intention to entrust those authorities in their Plans.	funds and in conformity with the objectives of the Fund. Member States shall state their intention to entrust those authorities in their Plans. In such a case, the existing management and control mechanisms put in place by the Member States, as approved by the Commission, shall be deemed to comply with the requirements of this Regulation.	
Article 10(3)				
123	3. Member States may include in their Plan, as part of the estimated total costs, the payments for additional technical support pursuant to Article 7 of Regulation (EU) 2021/240 and the amount of the cash contribution for the purpose of the Member State compartment pursuant to the relevant provisions of Regulation (EU) 2021/523. Those costs shall not exceed 4 % of the financial total allocation for the Plan, and the relevant measures, as set out in the Plan, shall comply with this Regulation.	3. Member States may include in their Plan, as part of the estimated total costs, the payments for additional technical support pursuant to Article 7 of Regulation (EU) 2021/240 and the amount of the cash contribution for the purpose of the Member State compartment pursuant to the relevant provisions of Regulation (EU) 2021/523. Those costs shall not exceed 4 % of the financial total allocation for the Plan, and the relevant measures, as set out in the Plan, shall comply with this Regulation.	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.	

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
Article 10a				
123a		<u>Article 10a</u> <u>Specific challenges facing island Member States, islands and the outermost regions.</u>		
Article 10a, first paragraph				
123b		<u>When preparing their social climate plans in accordance with Article 3, Member States shall take particular account of the situation of the island Member States, islands and the outermost regions. Island Member States, islands and the outermost regions face serious socio-economic challenges deriving from the green transition towards climate neutrality and net-zero emissions, having regard to their specific needs and social impacts. An adequate minimum amount of funds shall be allocated to those territories with the corresponding justification, taking into account the particular challenges of those territories.</u>		

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
Article 11				
124	Article 11 Implementation	Article 11 Implementation	Article 11 Implementation	
Article 11, first paragraph				
125	<p>The Fund shall be implemented by the Commission in direct management in accordance with the relevant rules adopted pursuant to Article 322 TFEU, in particular Regulation (EU, Euratom) 2018/1046 and Regulation (EU, Euratom) 2020/2092 of the European Parliament and of the Council¹.</p> <p>1. Regulation (EU, Euratom) 2020/2092 of the European Parliament and of the Council of 16 December 2020 on a general regime of conditionality for the protection of the Union budget (OJ L 433I, 22.12.2020, p. 1).</p>	<p>The Fund shall be implemented by the Commission in direct management in accordance with the relevant rules adopted pursuant to Article 322 TFEU, in particular Regulation (EU, Euratom) 2018/1046 and Regulation (EU, Euratom) 2020/2092 of the European Parliament and of the Council¹.</p> <p>1. Regulation (EU, Euratom) 2020/2092 of the European Parliament and of the Council of 16 December 2020 on a general regime of conditionality for the protection of the Union budget (OJ L 433I, 22.12.2020, p. 1).</p>	<p>The Fund shall be implemented by the Commission in direct management in accordance with the relevant rules adopted pursuant to Article 322 TFEU, in particular Regulation (EU, Euratom) 2018/1046 and– Regulation (EU, Euratom) 2020/2092 of the European Parliament and of the Council¹.</p> <p>1. Regulation (EU, Euratom) 2020/2092 of the European Parliament and of the Council of 16 December 2020 on a general regime of conditionality for the protection of the Union budget (OJ L 433I, 22.12.2020, p. 1).</p>	
Article 12				
126	Article 12 Additionality and complementary funding	Article 12 Additionality and complementary funding	Article 12 Additionality and complementary funding	

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
Article 12(1)				
127	<p>1. Support under the Fund shall be additional to the support provided under other Union funds, programmes and instruments. Measures and investments supported under the Fund may receive support from other Union funds, programmes and instruments provided that such support does not cover the same cost.</p>	<p>1. Support under the Fund shall be additional to, <u>and used in synergy, complementarity, coherence and consistency with,</u> the support provided under other Union, <u>national and, where appropriate, regional</u> funds, programmes and instruments, <u>in particular the Modernisation Fund, the InvestEU Programme, the Technical Support Instrument, the Recovery and Resilience Facility, and the Funds covered by Regulation (EU) 2021/1060.</u> Measures and investments supported under the Fund may receive support from other Union funds, programmes and instruments provided that such support does not cover the same cost.</p>	<p>1. Support under the Fund shall be additional to the support provided under other Union funds, programmes and instruments. Measures and investments supported under the Fund may receive support from other Union funds, programmes and instruments provided that such support does not cover the same cost.</p>	
Article 12(2)				
128	<p>2. Support from the Fund shall be additional and shall not substitute recurring national budgetary expenditure.</p>	<p>2. Support from the Fund shall be additional and shall not substitute recurring national budgetary expenditure.</p>	<p>2. Support from the Fund shall be additional and shall not substitute recurring national budgetary expenditure.</p>	

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
Article 12(2a)				
128a			2a. For technical assistance to Member States, administrative costs directly linked to the implementation of the Plan shall not be considered as recurring national budgetary expenditure.	
Article 13				
129	Article 13 Maximum financial allocation	Article 13 Maximum financial allocation	Article 13 Maximum financial allocation	
Article 13(1)				
130	1. The maximum financial allocation shall be calculated for each Member State as specified in Annex I and Annex II.	1. <u>Without prejudice to Article 9(1a)</u> , the maximum financial allocation shall be calculated for each Member State as specified in Annex I and Annex II.	1. The maximum financial allocation shall be calculated for each Member State as specified in Annex I and Annex II.	
Article 13(2)				
131	2. Each Member State may submit a request up to its maximum financial allocation to implement its Plan.	2. Each Member State may submit a request up to its maximum financial allocation to implement its Plan.	2. Each Member State may submit a request up to its maximum financial allocation to implement its Plan.	

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
Article 13(2a)				
131a		<u>2a. Each Member State may submit a request up to its maximum financial allocation to implement its Plan and up to the maximum of its share of the additional allocation made available pursuant to Article 9(1a), as specified in Annex II and based on the methodology for the calculation as referred to in Annex I.</u>		
Article 13a				
131b		<u>Article 13a Pre-financing</u>		
Article 13a(1)				
131c		<u>1. Subject to the adoption by the Commission of the implementing act referred to in Article 16(1) of this Regulation, when a Member State requests pre-financing together with the submission of the Plan, the Commission shall make a pre-financing payment of an amount of up to 13 % of the financial contribution referred to</u>		

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
		<u>in Article [] of this Regulation. By way of derogation from Article 116(1) of Regulation (EU, Euratom) 2018/1046, the Commission shall make the corresponding payment within, to the extent possible, two months after the conclusion by the Commission of the individual legal commitment referred to in Article 18 of this Regulation.</u>		
Article 13a(2)				
131d		<u>2. In cases of pre-financing under paragraph 1 of this Article, the financial contributions referred to in Article [] shall be adjusted proportionally.</u>		
Article 14				
132	Article 14 National contribution to the total estimated costs	Article 14 National contribution to the total estimated costs	Article 14 National contribution to the total estimated costs	
Article 14(1)				
133	1. Member States shall contribute at least to 50 percent of the total estimated costs of their Plans.	1. Member States shall contribute at least to 50 percent of the total estimated costs of their Plans.	1. Member States shall contribute at least to 50 percent of the total estimated costs of their Plans.	

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
Article 14(1a)				
133a		<u><i>1a. By way of derogation from the first subparagraph, Member States shall contribute at least to 60 % of the total estimated costs of the measures and investments referred to in Article 6(1) in their Plans. The contribution of Member States with a gross domestic product (GDP) per capita at market prices below 65 % of the Union average during the period 2016 to 2018 shall be limited to a maximum of 40 % of the total estimated costs of the measures and investments referred to in Article 6(2) in their Plans.</i></u>		
Article 14(2)				
134	2. Member States shall inter alia use revenues from the auctioning of their allowances in accordance with Chapter IVa of Directive 2003/87/EC for their national contribution to the total estimated costs of their Plans.	2. Member States shall inter alia use <u>first use any</u> revenues from the auctioning of their allowances in accordance with Chapter IVa of Directive 2003/87/EC for their national contribution to the total estimated costs of their Plans.	2. Member States shall inter alia use revenues from the auctioning of their allowances in accordance with Chapter IVa of Directive 2003/87/EC for their national contribution to the total estimated costs of their Plans.	

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
Article 15				
135	Article 15 Commission assessment	Article 15 Commission assessment	Article 15 Commission assessment	
Article 15(1)				
136	1. The Commission shall assess the Plan and, where applicable, any amendment to that Plan submitted by a Member State in accordance with Article 17, for compliance with the provisions of this Regulation. When carrying out that assessment, the Commission shall act in close cooperation with the Member State concerned. The Commission may make observations or seek additional information. The Member State concerned shall provide the requested additional information and may revise the Plan if needed, including after the submission of the Plan. The Member State concerned and the Commission may agree to extend the deadline for assessment by a reasonable period if necessary.	1. The Commission shall assess the Plan and, where applicable, any amendment to that Plan submitted by a Member State in accordance with Article 17, for compliance with the provisions of this Regulation. When carrying out that assessment, the Commission shall act in close cooperation with the Member State concerned. The Commission may make observations or seek additional information. The Member State concerned shall provide the requested additional information and may revise the Plan if needed, including after the submission of the Plan. The Member State concerned and the Commission may agree to extend the deadline for assessment by a reasonable period if necessary.	1. The Commission shall assess the Plan and, where applicable, any amendment to that Plan submitted by a Member State in accordance with Article 17, for compliance with the provisions of this Regulation. When carrying out that assessment, the Commission shall act in close cooperation with the Member State concerned. The Commission may make observations or seek additional information within two months of the submission of the Plan by the Member State. The Member State concerned shall provide the requested additional information and may revise the Plan if needed, including after the submission of the Plan. The Member State concerned and the Commission may agree to extend the deadline for assessment by a reasonable period if necessary.	

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
Article 15(1a)				
136a			1a. The Commission shall also assess whether transfers requested in compliance with Article 10 meet the objectives of this Regulation.	
Article 15(2), introductory part				
137	2. The Commission shall assess the relevance, effectiveness, efficiency and coherence of the Plan as follows:	2. The Commission shall assess the relevance, effectiveness, efficiency and coherence of the Plan as follows:	2. The Commission shall assess the relevance, effectiveness, efficiency and coherence of the Plan taking into account the specific challenges and the financial allocation of the Member State concerned , as follows:	
Article 15(2), point (a), introductory part				
138	(a) For the purpose of assessing relevance, the Commission shall take into account the following criteria:	(a) For the purpose of assessing relevance, the Commission shall take into account the following criteria:	(a) For the purpose of assessing relevance, the Commission shall take into account the following criteria:	
Article 15(2), point (a)(i)				
139	(i) whether the Plan represents a response to the social impact on and challenges faced by vulnerable	(i) whether the Plan represents <u>an adequate and effective</u> response to the social impact on and	(i) whether the Plan represents a response to contributes to address the social impact on and challenges	

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
	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 allocation of the Member State concerned;	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 <u>the impact of the transition towards climate neutrality, including by carbon pricing, especially by</u> households in energy poverty <u>and mobility poverty</u> , 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 <u>the Union's 2030 climate and energy targets and objectives</u> <u>and</u> 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	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 allocation of the Member State concerned;	

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
		State concerned;		
Article 15(2), point (a)(ia)				
139a		<u>(ia) whether the Plan has been developed with the meaningful consultation, of local and regional level authorities, economic and social partners, and relevant civil society organisations in accordance with the principles of the European code of conduct on partnerships established by Commission Delegated Regulation (EU) No 240/2014;</u>		
Article 15(2), point (a)(ii)				
140	(ii) whether the Plan is expected to ensure that no measure or investment included in the Plan does significant harm to environmental objectives within the meaning of Article 17 of Regulation (EU) 2020/852;	(ii) whether the Plan is expected to ensure that no measure or investment <u>measures and investments</u> included in the Plan does <u>do not cause</u> significant harm to environmental objectives within the meaning of Article 17 of Regulation (EU) 2020/852;	(ii) whether the Plan is expected to ensure that no measure or investment included in the Plan does significant harm to environmental objectives within the meaning of Article 17 of Regulation (EU) 2020/852;	
Article 15(2), point (a)(iia)				
140a		<u>(iia) whether the recipients of the Fund respect applicable Union</u>		

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
		<u>and national law on social and labour rights;</u>		
Article 15(2), point (a)(iii)				
141	(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.	(iii) whether the Plan contains <u>innovative and existing</u> measures and <u>effective</u> investments <u>in solutions</u> that contribute to the green transition, including to addressing the challenges resulting therefrom, <u>addressing the social impacts</u> and in particular to the achievement of the 2030 <u>and 2050</u> climate and energy objectives of the Union and the 2030 milestones of the Mobility Strategy.	(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 in view of the long-term objective of climate neutrality in the Union by 2050.	
Article 15(2), point (b), introductory part				
142	(b) For the purpose of assessing effectiveness, the Commission shall take into account the following criteria :	(b) For the purpose of assessing effectiveness, the Commission shall take into account the following criteria :	(b) For the purpose of assessing effectiveness, the Commission shall take into account the following criteria :	
Article 15(2), point (b)(i)				
143	(i) whether the Plan is expected to have a lasting impact on the challenges addressed by that Plan and in particular on vulnerable	(i) whether the Plan is expected to have a lasting impact on the <u>Union's 2030 target, on climate neutrality and on the</u> challenges	(i) whether the Plan is expected to have a lasting impact on the challenges addressed by that Plan and in particular on vulnerable	

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
	households, vulnerable micro-enterprises and vulnerable transport users, especially households in energy poverty, in the Member State concerned;	addressed by that Plan and in particular on vulnerable households, vulnerable micro-enterprises, and vulnerable transport users, especially households in energy <u>poverty and mobility</u> poverty, in the Member State concerned;	households, vulnerable micro-enterprises and vulnerable transport users, especially households in energy poverty, in the Member State concerned;	
Article 15(2), point (b)(ii)				
144	(ii) whether the arrangements proposed by the Member State concerned are expected to ensure the effective monitoring and implementation of the Plan, including the envisaged timetable, milestones and targets, and the related indicators;	(ii) whether the arrangements proposed by the Member State concerned are expected to ensure the effective monitoring and implementation of the Plan, including the envisaged timetable, milestones and targets, and the related indicators;	(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;	
Article 15(2), point (b)(iii)				
145	(iii) whether the measures and investments proposed by the Member State concerned are consistent and complying with the requirements under Directive [yyyy/nnn] [Proposal for recast of Directive 2012/27/EU], Directive (EU) 2018/2001, Directive 2014/94/EU of the European Parliament and of the Council ¹ ,	(iii) whether the measures and investments proposed by the Member State concerned are consistent and complying with the requirements under Directive [yyyy/nnn] [Proposal for recast of Directive 2012/27/EU], Directive (EU) 2018/2001, Directive 2014/94/EU of the European Parliament and of the Council ¹ ,	(iii) whether the measures and investments proposed by the Member State concerned are consistent and complying with the requirements under Directive (EU) [yyyy/nnn] [Proposal for recast of Directive 2012/27/EU], Directive (EU) 2018/2001, Regulation of the European Parliament and of the Council [yyyy/nnn] of	

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
	<p>Directive (EU) 2019/1161 of the European Parliament and of the Council and Directive 2010/31/EU;</p> <p>1. Directive 2014/94/EU of the European Parliament and of the Council of 22 October 2014 on the deployment of alternative fuels infrastructure (OJ L 307, 28.10.2014, p. 1).</p>	<p>Directive (EU) 2019/1161 of the European Parliament and of the Council and Directive 2010/31/EU;</p> <p>1. Directive 2014/94/EU of the European Parliament and of the Council of 22 October 2014 on the deployment of alternative fuels infrastructure (OJ L 307, 28.10.2014, p. 1).</p>	<p>dd/mm/yyyy [Regulation on the deployment of alternative fuels infrastructure, and repealing Directive 2014/94/EU of the European Parliament and of the Council]¹, Directive (EU) 2019/1161 of the European Parliament and of the Council and Directive 2010/31/EU;</p> <p>1. Directive 2014/94/EU[Regulation (EU) yyyy/nnn of the European Parliament and of the Council.... (OJ).] [Proposal for Regulation of 22 October 2014 on the deployment of alternative fuels infrastructure, and repealing Directive 2014/94/EU of the European Parliament and of the Council] (OJ L 307, 28.10.2014, p. 1).</p>	
Article 15(2), point (b)(iiia)				
145a		<p><u>(iiia) whether the measures and investments proposed by the Member State concerned are internally coherent and foster complementarity, synergy,</u></p>		

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
		<u><i>coherence and consistency with other Union instruments and programmes;</i></u>		
Article 15(2), point (b)(iiib)				
145b		<u><i>(iiib) whether the Plan contributes, where relevant, to sustainable and quality jobs;</i></u>		
Article 15(2), point (c), introductory part				
146	(c) For the purposes of assessing efficiency the Commission shall take into account the following criteria:	(c) For the purposes of assessing efficiency the Commission shall take into account the following criteria:	(c) For the purposes of assessing efficiency the Commission shall take into account the following criteria:	
Article 15(2), point (c)(i)				
147	(i) whether the justification provided by the Member State for the amount of the estimated total costs of the Plan is reasonable, plausible, in line with the principle of cost efficiency and commensurate to the expected national environmental and social impact;	(i) whether the justification provided by the Member State for the amount of the estimated total costs of the Plan is reasonable, plausible, in line with the principle of cost efficiency and commensurate to the expected national environmental and social impact, <u><i>while also taking into account national specificities that may impact the costs provided in the Plan;</i></u>	(i) whether the justification provided by the Member State for the amount of the estimated total costs of the Plan is reasonable, plausible, in line with the principle of cost efficiency and commensurate to the expected national environmental and social impact;	

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
Article 15(2), point (c)(ii)				
148	(ii) whether the arrangements proposed by the Member State concerned are expected to prevent, detect and correct corruption, fraud and conflicts of interests when using the funds provided under the Fund, including the arrangements that aim to avoid double funding from the Fund and other Union programmes;	(ii) whether the arrangements proposed by the Member State concerned are expected to prevent, detect and correct corruption, fraud and conflicts of interests when using the funds provided under the Fund, including the arrangements that aim to avoid double funding from the Fund and other Union programmes;	(ii) whether the arrangements proposed by the Member State concerned are expected to prevent, detect and correct corruption, fraud and conflicts of interests when using the funds financial allocation provided under the Fund, including the arrangements that aim to avoid double funding from the Fund and other Union programmes;	
Article 15(2), point (c)(iii)				
149	(iii) whether the milestones and targets proposed by the Member State are efficient in view of the scope, objectives and eligible actions of the Fund;	(iii) whether the milestones and targets proposed by the Member State are efficient in view of the scope, objectives and eligible actions of the Fund;	(iii) whether the milestones and targets proposed by the Member State are efficient in view of the scope, objectives and eligible actions of the Fund;	
Article 15(2), point (d)				
150	(d) For the purpose of assessing coherence, the Commission shall take into account whether the Plan contains measures and investments that represent coherent actions.	(d) For the purpose of assessing coherence, the Commission shall take into account whether the Plan contains measures and investments that represent coherent actions.	(d) For the purpose of assessing coherence, The Commission shall take into account whether the Plan contains measures and investments that represent coherent actions.	

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
Article 16				
151	Article 16 Commission decision	Article 16 Commission decision	Article 16 Commission decision	
Article 16(1), first subparagraph				
152	1. On the basis of the assessment in accordance with Article 15, the Commission shall decide on the Plan of a Member State, by means of an implementing act, within six months from the date of the submission of that Plan pursuant to Article 3(1) of this Regulation.	1. On the basis of the assessment in accordance with Article 15, the Commission shall decide on the Plan of a Member State, by means of an implementing act, within six three months from the date of the submission of that Plan pursuant to Article 3(1) of this Regulation.	1. On the basis of the assessment carried out in accordance with Article 15, the Commission shall decide on the Plan of a Member State, by means of an implementing act, within no later than five months from the date of the submission of that Plan pursuant to Article 3(1) of this Regulation.	
Article 16(1), second subparagraph, introductory part				
153	Where the Commission gives a positive assessment, that decision shall set out:	Where the Commission gives a positive assessment, that decision shall set out:	Where the Commission gives a positive assessment of a Plan, the implementing act referred to it in the first subparagraph , that decision shall set out:	
Article 16(1), second subparagraph, point (a)				
154	(a) the measures and investments to be implemented by the Member State, the amount of the estimated	(a) the measures and investments to be implemented by the Member State, the amount of the estimated	(a) the measures and investments to be implemented by the Member State, the amount of the estimated	

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
	total costs of the Plan and the milestones and targets;	total costs of the Plan and the milestones and targets;	total costs of the Plan and the milestones and targets;	
Article 16(1), second subparagraph, point (b)				
155	(b) the Union financial allocation allocated in accordance with Article 13 of this Regulation to be paid in instalments once the Member State has satisfactorily fulfilled the relevant milestones and targets identified in relation to the implementation of the Plan, which shall be subject, for the period 2028-2032, to the availability of the amounts referred to in Article 9(2) of this Regulation under the annual ceilings of the multiannual financial framework referred to in Article 312 TFEU;	(b) the Union financial allocation allocated in accordance with Article 13 <u>Articles 13 and 13a</u> of this Regulation to be paid in <u>pre-financing and</u> instalments once the Member State has satisfactorily fulfilled the relevant milestones and targets identified in relation to the implementation of the Plan, which shall be subject, for the period 2028-2032, to the availability of the amounts referred to in Article 9(2) of this Regulation under the annual ceilings of the multiannual financial framework referred to in Article 312 TFEU;	(b) the Union maximum financial allocation allocated in accordance with Article 13 13(1) of this Regulation to be paid in instalments, in accordance with Article 19 , once the Member State has satisfactorily fulfilled the relevant milestones and targets identified in relation to the implementation of the Plan, which shall be subject, for the period 2028-2032, to the availability of the amounts referred to in Article 9(2) of this Regulation under the annual ceilings of the multiannual financial framework referred to in	
Article 16(1), second subparagraph, point (c)				
156	(c) the national contribution;	(c) the national contribution;	(c) the national contribution ;	
Article 16(1), second subparagraph, point (d)				
157	(d) the arrangements and timetable for monitoring and implementation including, where relevant,	(d) the arrangements and timetable for monitoring and implementation including, where relevant,	(d) the arrangements and timetable for monitoring and implementation including, where relevant,	

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
	measures necessary for complying with Article 20 of this Regulation;	measures necessary for complying with Article 20 of this Regulation;	measures necessary for complying with Article 20 of this Regulation;	
Article 16(1), second subparagraph, point (e)				
158	(e) the relevant indicators relating to the fulfilment of the envisaged milestones and targets;	(e) the relevant indicators relating to the fulfilment of the envisaged milestones and targets;	(e) the relevant indicators relating to the fulfilment of the envisaged milestones and targets; and	
Article 16(1), second subparagraph, point (f)				
159	(f) the arrangements for providing full access by the Commission to the underlying relevant data.	(f) the arrangements for providing full access by the Commission to the underlying relevant data.	(f) the arrangements for providing full adequate access by the Commission to the underlying relevant data.	
Article 16(1a)				
159a		<u><i>1a. A Member State may start implementing measures and investments set out in its Plan as of... [insert the date of entry into application of this Regulation], before the Commission gives a positive decision under paragraph 1. This shall be without prejudice to the outcome of the Commission's assessment under Article 15 and its power to approve or reject the Plan. The Union financial allocation in respect of such ongoing measures</i></u>		

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
		<u>and investments shall remain conditional on the approval of the Plan by means of the Commission decision and on the fulfilment of the relevant milestones and targets by such a Member State. Where the Commission gives a positive assessment of the Plan, its decision referred to in paragraph 1 shall also include, where relevant, such ongoing measures and investments and take into account the fact that they are already being implemented.</u>		
Article 16(2), first subparagraph				
160	2. The financial allocation referred to in paragraph 1, point (b) shall be determined on the basis of the estimated total costs of the Plan proposed by the Member State concerned, as assessed under the criteria set out in Article 15(2).	2. The financial allocation referred to in paragraph 1, point (b) shall be determined on the basis of the estimated total costs of the Plan proposed by the Member State concerned, as assessed under the criteria set out in Article 15(2).	2.The maximum financial allocation referred to in paragraph 1, point (b) shall be determined on the basis of the estimated total costs of the Plan proposed by the Member State concerned, as assessed under the criteria set out in Article 15(2).	
Article 16(2), second subparagraph, introductory part				
161	The amount of the financial allocation shall be set as follows:	The amount of the financial allocation shall be set as follows:	The amount of the maximum financial allocation shall be set as follows:	

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
Article 16(2), second subparagraph, point (a)				
162	(a) where the Plan complies satisfactorily with the criteria set out in Article 15(2), and the amount of the estimated total costs of the package minus the national contribution is equal to, or higher than, the maximum financial allocation for that Member State referred to in Article 13(1), the financial allocation allocated to the Member State concerned shall be equal to the total amount of the maximum financial allocation referred to in Article 9;	(a) where the Plan complies satisfactorily with the criteria set out in Article 15(2), and the amount of the estimated total costs of the package minus the national contribution is equal to, or higher than, the maximum financial allocation for that Member State referred to in Article 13(1), the financial allocation allocated to the Member State concerned shall be equal to the total amount of the maximum financial allocation referred to in Article 9;	(a) where the Plan complies satisfactorily with the criteria set out in Article 15(2), and the amount of the estimated total costs of the package minus the national contribution Plan is equal to, or higher than, the maximum financial allocation for that Member State referred to in Article 13(1), the financial allocation allocated to the Member State concerned shall be equal to the total amount of the maximum financial allocation referred to in Article 9 13 (1) ;	
Article 16(2), second subparagraph, point (b)				
163	(b) where the Plan complies satisfactorily with the criteria set out in Article 15(2), and the amount of the estimated total costs of the package minus the national contribution is lower than the maximum financial allocation for that Member State referred to in Article 13(1), the financial allocation allocated to the Member State shall be equal to the amount of the estimated total costs of the	(b) where the Plan complies satisfactorily with the criteria set out in Article 15(2), and the amount of the estimated total costs of the package minus the national contribution is lower than the maximum financial allocation for that Member State referred to in Article 13(1), the financial allocation allocated to the Member State shall be equal to the amount of the estimated total costs of the	(b) where the Plan complies satisfactorily with the criteria set out in Article 15(2), and the amount of the estimated total costs of the package minus the national contribution Plan is lower than the maximum financial allocation for that Member State referred to in Article 13(1), the financial allocation allocated to the Member State shall be equal to the amount of the estimated total costs of the	

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
	package minus the national contribution;	package minus the national contribution;	package minus the national contribution Plan ;	
Article 16(2), second subparagraph, point (c)				
164	(c) where the Plan complies satisfactorily with the criteria set out in Article 15(2), but the assessment establishes weaknesses in the control systems, the Commission may require additional milestones and targets to be achieved before the first payment;	(c) where the Plan complies satisfactorily with the criteria set out in Article 15(2), but the assessment establishes weaknesses in the control systems, the Commission may require additional milestones and targets to be achieved before the first payment;	(c) where the Plan complies satisfactorily with the criteria set out in Article 15(2), but the assessment establishes weaknesses in the control systems, the Commission may require additional milestones and targets to be achieved the Member State to take steps to address these weaknesses before the first payment;	
Article 16(2), second subparagraph, point (d)				
165	(d) where the Plan does not comply satisfactorily with the criteria set out in Article 15(2), no financial allocation shall be allocated to the Member State concerned.	(d) where the Plan does not comply satisfactorily with the criteria set out in Article 15(2), no financial allocation shall be allocated to the Member State concerned.	(d) where the Plan does not comply satisfactorily with the criteria set out in Article 15(2), no financial allocation shall be allocated to the Member State concerned.	
Article 16(3)				
166	3. Where the Commission gives a negative assessment to a Plan, the decision referred to in paragraph 1	3. Where the Commission gives a negative assessment to a Plan, the decision referred to in paragraph 1	3. Where the Commission gives a negative assessment to a Plan, the decision referred to in paragraph 1	

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
	shall include the reasons for that negative assessment. The Member State concerned shall resubmit the Plan, after taking into account the assessment of the Commission.	shall include the reasons for that negative assessment. The Member State concerned shall resubmit the Plan, after taking into account the assessment of the Commission.	shall include the reasons for that negative assessment. The Member State concerned shall resubmit the Plan, after taking into account the assessment of the Commission.	
Article 17				
167	Article 17 Amendment of Social Climate Plans	Article 17 Amendment of Social Climate Plans	Article 17 Amendment of Social Climate Plans	
Article 17(1)				
168	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	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 <u>the Member State concerned may, following, the meaningful consultation of relevant stakeholders in accordance with the principles of the European code of conduct on</u>	1. Where a Social Climate Plan, including relevant milestones and targets, is no longer achievable or needs to be significantly adjusted , 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	

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
	request.	<u>partnerships established by Commission Delegated Regulation (EU) No 240/2014</u> 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.	request technical support for the preparation of such request.	
Article 17(1a), introductory part				
168a		<u>1a. Where additional allocations are made available pursuant to Article 9(1a), the Member State concerned may submit a targeted amendment of its Plan to the Commission in order to:</u>		
Article 17(1a), point (a)				
168b		<u>(a) increase the number of beneficiaries of, or the costs borne by, a measure or investment set out in its Plan;</u>		
Article 17(1a), point (b)				
168c		<u>(b) add measures or investments in accordance with Article 6.</u>		

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
Article 17(2)				
169	2. The Commission shall assess the amended Plan in accordance with Article 15.	2. The Commission shall assess the amended Plan in accordance with Article 15.	2. The Commission shall assess the amended Plan in accordance with Article 15.	
Article 17(3)				
170	3. Where the Commission gives a positive assessment to the amended Plan, it shall in accordance with Article 16(1) adopt, within three months of the official submission of the amended Plan by the Member State, a decision setting out the reasons for its positive assessment, by means of an implementing act.	3. Where the Commission gives a positive assessment to the amended Plan, it shall in accordance with Article 16(1) adopt, within three months of the official submission of the amended Plan by the Member State, a decision setting out the reasons for its positive assessment, by means of an implementing act. <u>Where a plan is amended as set out in paragraph 1a, point (a), that period shall be reduced to six weeks.</u>	3. Where the Commission gives a positive assessment to the amended Plan, it shall in accordance with Article 16(1) adopt, within three months of the official submission of the amended Plan by the Member State, a decision setting out the reasons for its positive assessment, by means of an implementing act.	
Article 17(4)				
171	4. Where the Commission gives a negative assessment to the amended Plan, it shall reject the request within the period referred to in paragraph 3, after having given the Member State concerned the possibility to present its	4. Where the Commission gives a negative assessment to the amended Plan, it shall reject the request within the period referred to in paragraph 3, after having given the Member State concerned the possibility to present its	4. Where the Commission gives a negative assessment to the amended Plan, it shall reject the request within the period referred to in paragraph 3, after having given the Member State concerned the possibility to present its	

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
	observations within three months of the communication of the Commission's assessment.	observations within three months of the communication of the Commission's assessment.	observations within three months of the communication of the Commission's assessment.	
Article 17(5)				
172	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.	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 <u>impact of the transition towards climate neutrality, including by carbon pricing</u> 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.	5. By 15 March 2027 2029 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.	
Article 17(5a)				
172a			5a. In case of minor adjustments to the Social Climate Plan, including minor updates in the measures and investments described, or the correction of clerical errors, a Member State shall simply notify the minor	

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
			adjustments to the Commission. Minor adjustments shall represent an increase or decrease of less than 5% of a target foreseen in the Plan.	
Article 18				
173	Article 18 Commitment of the financial allocation	Article 18 Commitment of the financial allocation	Article 18 Commitment of the financial allocation	
Article 18(1)				
174	1. After the Commission has adopted a decision as referred to in Article 16, it shall in due time conclude an agreement with the Member State concerned constituting an individual legal commitment within the meaning of Regulation (EU, Euratom) 2018/1046 covering the period 2025-2027. That agreement may be concluded at the earliest one year before the year of the start of the auctions under Chapter IVa of Directive 2003/87/EC.	1. After the Commission has adopted a decision as referred to in Article 16, it shall in due time conclude an agreement with the Member State concerned constituting an individual legal commitment within the meaning of Regulation (EU, Euratom) 2018/1046 covering the period 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 <u>from ... [the date of entry into force of this Regulation] until 2027.</u>	1. After the Commission has adopted a positive 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 2025-2027-2027 2032 . That agreement may be concluded at the earliest one year 12 months before the year of the start of the auctions under Chapter IVa of Directive 2003/87/EC. For each Member State, the legal commitment shall not exceed the maximum financial allocation referred to in	

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
			Article 13(1).	
Article 18(2)				
175	2. The individual legal commitment covering the period 2028-2032 shall be concluded subject to the availability of the amounts referred to in Article 9(2) of this Regulation under the annual ceilings of the multiannual financial framework referred to in Article 312 TFEU.	2. The individual legal commitment covering the period 2028-2032 shall be concluded subject to the availability of the amounts referred to in Article 9(2) of this Regulation under the annual ceilings of the multiannual financial framework referred to in Article 312 TFEU.	2. The individual legal commitment covering the period 2028-2032 shall be concluded subject to the availability of the amounts referred to in Article 9(2) of this Regulation under the annual ceilings of the multiannual financial framework referred to in Article 312 TFEU.	
Article 18(3)				
176	3. Budgetary commitments may be based on global commitments and, where appropriate, may be broken down into annual instalments spread over several years.	3. Budgetary commitments may be based on global commitments and, where appropriate, may be broken down into annual instalments spread over several years.	32. Budgetary commitments may be based on global commitments and, where appropriate, may be broken down into annual instalments spread over several years.	
Article 19				
177	Article 19 Rules on payments, suspension and termination of agreements regarding financial allocations	Article 19 Rules on payments, suspension and termination of agreements regarding financial allocations	Article 19 Rules on payments, suspension and termination of agreements regarding financial allocations	
Article 19(1)				

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178	1. Payments of financial allocations to the Member State concerned under this Article shall be made upon completion of the relevant agreed milestones and targets indicated in the Plan as approved in accordance with Article 16 and subject to available funding. Upon such completion, the Member State concerned shall submit to the Commission a duly justified request for payment of the financial allocation. Such requests for payment shall be submitted by the Member States to the Commission once or twice a year by 31 July.	1. Payments of financial allocations to the Member State concerned under this Article shall be made upon completion of the relevant agreed milestones and targets indicated in the Plan as approved in accordance with Article 16 and subject to available funding. Upon such completion, the Member State concerned shall submit to the Commission a duly justified request for payment of the financial allocation. Such requests for payment shall be submitted by the Member States to the Commission once or twice a year by 31 July.	1. Payments of financial allocations to the Member State concerned under this Article shall be made upon completion of the relevant agreed milestones and targets indicated in the Plan as approved in accordance with Article 16 and subject to available funding. Upon such completion, the Member State concerned shall submit to the Commission a duly justified request for payment of the financial allocation. Such requests for payment shall be submitted by the Member States to the Commission once or twice a year, by 31 January, or by 31 July.	
Article 19(2)				
179	2. The Commission shall assess without undue delay, and at the latest within two months of receiving the request, whether the relevant milestones and targets set out in the Commission decision referred to in Article 16 have been satisfactorily fulfilled. The satisfactory fulfilment of milestones and targets shall presuppose that measures related to previously satisfactorily fulfilled	2. The Commission shall assess without undue delay, and at the latest within two months of receiving the request, whether the relevant milestones and targets set out in the Commission decision referred to in Article 16 have been satisfactorily fulfilled. The satisfactory fulfilment of milestones and targets shall presuppose that measures related to previously satisfactorily fulfilled	2. The Commission shall assess without undue delay, and all the received requests at the latest within two months of the expiry of the deadlines referred to in paragraph 1 or, if earlier, after receiving the last request, whether the relevant milestones and targets set out in the Commission decision decisions referred to in Article 16 have been satisfactorily fulfilled. The satisfactory	

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	milestones and targets have not been reversed by the Member State concerned. The Commission may be assisted by experts.	milestones and targets have not been reversed by the Member State concerned. The Commission may be assisted by experts.	fulfilment of milestones and targets shall presuppose that measures related to previously satisfactorily fulfilled milestones and targets have not been reversed by the Member State concerned. The Commission may be assisted by experts.	
Article 19(3)				
180	3. Where the Commission makes a positive assessment, it shall adopt without undue delay a decision authorising the disbursement of the financial allocation in accordance with Regulation (EU, Euratom) 2018/1046.	3. Where the Commission makes a positive assessment, it shall adopt without undue delay a decision authorising the disbursement of the financial allocation in accordance with Regulation (EU, Euratom) 2018/1046.	3. By way of derogation to Article 116 of the Financial Regulation , where the Commission makes a positive assessment, it shall adopt without undue delay a decision the individual decisions authorising the disbursement of the financial allocation in accordance with Regulation (EU, Euratom) 2018/1046, subject to the availability of funding and ensuring the equal treatment of the Member States.	
Article 19(4), first subparagraph				
181	4. Where, as a result of the assessment referred to in paragraph 3, the Commission establishes that the milestones and targets set out in the Commission decision referred	4. Where, as a result of the assessment referred to in paragraph 3 2 , the Commission establishes that the milestones and targets set out in the Commission decision	4. Where, as a result of the assessment referred to in paragraph 3, the Commission establishes that the milestones	

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
	to in Article 16 have not been satisfactorily fulfilled, the payment of all or part of the financial allocation shall be suspended. The Member State concerned may present its observations within one month of the communication of the Commission's assessment.	referred to in Article 16 have not been satisfactorily fulfilled, the payment of all or part of the financial allocation shall be suspended. The <u>amount of the financial allocation suspended shall be in line with the costs of the measures for which the milestones and targets are not satisfactorily met. The</u> Member State concerned may present its observations within one month of the communication of the Commission's assessment.	and targets set out in the Commission decision referred to in Article 16 have not been satisfactorily fulfilled, the payment of all or the part of the financial allocation corresponding to the unfulfilled target or milestone shall be suspended. The Member State concerned may present its observations within one month of the communication of the Commission's assessment.	
Article 19(4), second subparagraph				
182	The suspension shall only be lifted where the milestones and targets have been satisfactorily fulfilled as set out in the Commission decision referred to in Article 16.	The suspension shall only be lifted where the milestones and targets have been satisfactorily fulfilled as set out in the Commission decision referred to in Article 16.	The suspension shall only be lifted where the milestones and targets have been satisfactorily fulfilled as set out in the Commission decision referred to in Article 16.	
Article 19(4a)				
182a		<u>4a. Where the Commission establishes that the Member State concerned under this Article has not brought into force the law, regulations and administrative provisions necessary to comply</u>		

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
		<u>with Directive (EU) [yyyy/nnn] of the European Parliament and the Council amending Chapter IVa of Directive/EU [(COD)2021/0211], the payment of the financial allocation shall be suspended. The suspension shall only be lifted where the Member State concerned has brought those laws, regulations and administrative provisions into force.</u>		
Article 19(5)				
183	5. By way of derogation from Article 116(2) of Regulation (EU, Euratom) 2018/1046, the payment deadline shall start running from the date of the communication of the decision authorising the disbursement to the Member State concerned pursuant to paragraph 3 of this Article, or from the date of the communication of the lifting of a suspension pursuant to the second subparagraph of paragraph 4 of this Article.	5. By way of derogation from Article 116(2) of Regulation (EU, Euratom) 2018/1046, the payment deadline shall start running from the date of the communication of the decision authorising the disbursement to the Member State concerned pursuant to paragraph 3 of this Article, or from the date of the communication of the lifting of a suspension pursuant to the second subparagraph of paragraph 4 of this Article.	5. By way of derogation from Article 116(2) of Regulation (EU, Euratom) 2018/1046, the payment deadline shall start running from the date of the communication of the decision authorising the disbursement to the Member State concerned pursuant to paragraph 3 of this Article, or from the date of the communication of the lifting of a suspension pursuant to the second subparagraph of paragraph 4 of this Article.	

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Article 19(6)				
184	6. Where the milestones and targets have not been satisfactorily fulfilled within a period of six months from the suspension, the Commission shall reduce the amount of the financial allocation proportionately after having given the Member State concerned the possibility to present its observations within two months from the communication of its conclusions.	6. Where the milestones and targets have not been satisfactorily fulfilled within a period of six months from the suspension, the Commission shall reduce the amount of the financial allocation proportionately after having given the Member State concerned the possibility to present its observations within two months from the communication of its conclusions.	6. Where the milestones and targets have not been satisfactorily fulfilled within a period of six twelve months from the suspension, the Commission shall reduce the amount of the financial allocation proportionately after having given the Member State concerned the possibility to present its observations within two months from the communication of its conclusions.	
Article 19(7)				
185	7. Where, within 12 months of the date of the conclusion of relevant agreements referred to in Article 18, no tangible progress has been made in respect of any relevant milestones and targets by the Member State concerned, the Commission shall terminate the relevant agreements referred to in Article 18 and shall de-commit the amount of the financial allocation. The Commission shall take a decision on the termination of agreements referred to in Article 18 after having given the Member	7. Where, within 12 months of the date of the conclusion of relevant agreements referred to in Article 18, no tangible progress has been made in respect of any relevant milestones and targets by the Member State concerned, the Commission shall terminate the relevant agreements referred to in Article 18 and shall de-commit the amount of the financial allocation. <u>Any pre-financing in accordance with Article [13a] shall be recovered in full.</u> The Commission shall take a decision on the	7. Where, within 12 18 months of the date of the conclusion of relevant agreements referred to in Article 18, no tangible progress has been made in respect of any relevant milestones and targets by the Member State concerned, the Commission shall terminate the relevant agreements referred to in Article 18 and shall de-commit the amount of the financial allocation without prejudice to Article 14(3) Financial Regulation. The Commission shall take a decision on the termination of agreements	

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
	State concerned the possibility to present its observations within a period of two months of the communication of its assessment as to whether no tangible progress has been made.	termination of agreements referred to in Article 18 after having given the Member State concerned the possibility to present its observations within a period of two months of the communication of its assessment as to whether no tangible progress has been made. <u><i>Any decommitted amounts shall be proportionally allocated to other Member States.</i></u>	referred to in Article 18 after having given the Member State concerned the possibility to present its observations within a period of two months of the communication of its assessment as to whether no tangible progress has been made.	
Article 19(7a)				
185a			8. All payments shall be made by 31st December 2033.	
Article 19(7b)				
185b			9. By way of derogation to Article 116 of the Financial Regulation, in case in a given year revenues assigned to this Fund in accordance with Article 30d (4a) of Directive 2003/87/EC are not sufficient to cover the requests for payments presented by the Member States, the Commission shall pay the Member States pro rata to the Member States' share as percentage of the maximum total	

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
			financial allocation as specified in Annex II and endeavour to pay as soon as new revenues become available.	
Article 19(7c)				
185c			10. By way of derogation from Article 13 and Annex II, any uncommitted and unused amount by the 31 st December 2033 shall be allocated by the Commission to Member States in accordance with the rules for distribution of allowances defined under Article 30d(4) of Directive 2003/87/EC in order to achieve the objectives as referred to in Article 1.	
Article 20				
186	Article 20 Protection of the financial interests of the Union	Article 20 Protection of the financial interests of the Union	Article 20 Protection of the financial interests of the Union	
Article 20(1)				
187	1. In implementing the Fund, the Member States, as beneficiaries of funds under the Fund, shall take all	1. In implementing the Fund, the Member States, as beneficiaries of funds under the Fund, shall <u>respect</u>	1. In implementing the Fund, the Member States The Member States, when implementing the	

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
	the appropriate measures to protect the financial interests of the Union and to ensure that the use of funds in relation to measures and investments supported by the Fund complies with the applicable Union and national law, in particular regarding the prevention, detection and correction of fraud, corruption and conflicts of interests. To this effect, the Member States shall provide an effective and efficient internal control system as further detailed in Annex III and the recovery of amounts wrongly paid or incorrectly used. Member States may rely on their regular national budget management systems.	<u>the fundamental values enshrined in Article 2 of the Treaty on European Union, including the rule of law. They shall</u> take all the appropriate measures to protect the financial interests of the Union and to ensure that the use of funds in relation to measures and investments supported by the Fund complies with the applicable Union and national law, in particular regarding the <u>protection of the Union budget in the case of breaches of the principles of the rule of law</u> , prevention, detection and correction of fraud, corruption and conflicts of interests. To this effect, the Member States shall provide an effective and efficient internal control system as further detailed in Annex III and the recovery of amounts wrongly paid or incorrectly used. Member States may rely on their regular national budget management systems.	Plans , as beneficiaries of funds under the Fund, shall take all the appropriate measures to protect the financial interests of the Union and to ensure that the use of funds under the financial allocations in relation to measures and investments supported by the Fund complies with the applicable Union and national law, in particular regarding the prevention, detection and correction of fraud, corruption and conflicts of interests. To this effect, the Member States shall provide an effective and efficient internal control system as further detailed in Annex III and the recovery of amounts wrongly paid or incorrectly used. Member States may rely on their regular national budget management systems.	
Article 20(1a)				
187a		<u>1a. In implementing the Fund, the Commission shall take all the appropriate measures in accordance with Regulation (EU, Euratom) 2020/2092 to ensure the</u>		

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
		<u><i>protection of funds in relation to measures and investments supported by the Fund in the case of breaches of the principles of the rule of law in the Member States. The Commission shall provide, to that effect, an effective and efficient internal control system and the recovery of amounts wrongly paid or incorrectly used.</i></u>		
Article 20(2), introductory part				
188	2. The agreements referred to in Article 18 shall provide for the obligations of the Member States:	2. The agreements referred to in Article 18 shall provide for the obligations of the Member States:	2. The agreements referred to in Article 18 shall provide for the obligations of the Member States:	
Article 20(2), point (a)				
189	(a) to regularly check that the financing provided has been properly used in accordance with all applicable rules and that any measure or investment under the Plan has been properly implemented in accordance with all applicable rules in particular regarding the prevention, detection and correction of fraud, corruption and conflicts of interests;	(a) to regularly check that the financing provided has been properly used in accordance with all applicable rules and that any measure or investment under the Plan has been properly implemented in accordance with all applicable rules in particular regarding the prevention, detection and correction of fraud, corruption and conflicts of interests;	(a) to regularly check that the financing provided has been properly used in accordance with all applicable rules and that any measure or investment under the Plan has been properly implemented in accordance with all applicable rules in particular regarding the prevention, detection and correction of fraud, corruption and conflicts of interests;	

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
Article 20(2), point (b)				
190	(b) to take appropriate measures to prevent, detect and correct fraud, corruption, and conflicts of interests as defined in Article 61 of Regulation (EU, Euratom) 2018/1046 affecting the financial interests of the Union and to take legal actions to recover funds that have been misappropriated, including in relation to any measure or investment implemented under the Plan;	(b) to take appropriate measures to prevent, detect and correct fraud, corruption, and conflicts of interests as defined in Article 61 of Regulation (EU, Euratom) 2018/1046 affecting the financial interests of the Union and to take legal actions to recover funds that have been misappropriated, including in relation to any measure or investment implemented under the Plan;	(b) to take appropriate measures to prevent, detect and correct fraud, corruption, and conflicts of interests as defined in Article 61 of Regulation (EU, Euratom) 2018/1046 affecting the financial interests of the Union and to take legal actions to recover funds that have been misappropriated, including in relation to any measure or investment implemented under the Plan;	
Article 20(2), point (c), introductory part				
191	(c) to accompany a request for payment by:	(c) to accompany a request for payment by:	(c) to accompany a request for payment by:	
Article 20(2), point (c)(i)				
192	(i) a management declaration that the funds were used for its intended purpose, that the information submitted with the request for payment is complete, accurate and reliable and that the control systems put in place give the necessary assurances that the funds were managed in accordance with	(i) a management declaration that the funds were used for its intended purpose, that the information submitted with the request for payment is complete, accurate and reliable and that the control systems put in place give the necessary assurances that the funds were managed in accordance with	(i) a management declaration that the funds financial allocations were used for its intended purpose, that the information submitted with the request for payment is complete, accurate and reliable and that the control systems put in place give the necessary assurances that the funds financial allocations	

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
	all applicable rules, in particular rules on avoidance of conflicts of interests, fraud prevention, corruption and double funding from the Fund and other Union programmes in accordance with the principle of sound financial management; and	all applicable rules, in particular rules on avoidance of conflicts of interests, fraud prevention, corruption and double funding from the Fund and other Union programmes in accordance with the principle of sound financial management; and	were managed in accordance with all applicable rules, in particular rules on avoidance of conflicts of interests, fraud prevention, corruption and double funding from the Fund and other Union programmes in accordance with the principle of sound financial management; and	
Article 20(2), point (c)(ii)				
193	(ii) a summary of the audits carried out in accordance with internationally accepted audit standards, including the scope of these audits in terms of amount of spending covered and period of time covered and an analysis of the weaknesses identified and any corrective actions taken;	(ii) a summary of the audits carried out in accordance with internationally accepted audit standards, including the scope of these audits in terms of amount of spending covered and period of time covered and an analysis of the weaknesses identified and any corrective actions taken;	(ii) a summary of the audits carried out in accordance with internationally accepted audit standards, including the scope of these audits in terms of amount of spending covered and period of time covered and an analysis of the weaknesses identified and any corrective actions taken;	
Article 20(2), point (d), introductory part				
194	(d) for the purpose of audit and control and to provide for comparable information on the use of funds in relation to measures and investments implemented under the Plan, to collect, record and store in an electronic system and ensure access to the following	(d) for the purpose of audit and control and to provide for comparable information on the use of funds in relation to measures and investments implemented under the Plan, to collect, record and store in an electronic system and ensure access to the following	(d) (ca) for the purpose of audit and control and to provide for comparable information on the use of funds financial allocations in relation to measures and investments implemented under the Plan, to collect, record and store in an electronic system and ensure	

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
	standardised categories of data:	standardised categories of data:	access to the following standardised categories of data:	
Article 20(2), point (d)(i)				
195	(i) name of the final recipients of funds, their VAT registration numbers or tax identification numbers and amount of the financial allocation from the Fund;	(i) name of the final recipients of funds, their VAT registration numbers or tax identification numbers and amount of the financial allocation from the Fund;	(i) name of the final recipients of funds the financial allocations , their VAT registration numbers or tax identification numbers, where applicable , and amount of the financial allocation from the Fund;	
Article 20(2), point (d)(ii)				
196	(ii) name of the contractor(s) and sub-contractor(s) and their VAT registration number(s) or tax identification number(s) where the final recipient of funds is a contracting authority in accordance with Union or national law on public procurement, and value of the contract(s);	(ii) name of the contractor(s) and sub-contractor(s) and their VAT registration number(s) or tax identification number(s) where the final recipient of funds is a contracting authority in accordance with Union or national law on public procurement, and value of the contract(s);	(ii) name of the contractor(s) and sub-contractor(s) and their VAT registration number(s) or tax identification number(s) and value of the contract(s) where the final recipient of funds the financial allocations is a contracting authority in accordance with Union or national law on public procurement, and value of the contract(s) ;	
Article 20(2), point (d)(iii)				
197	(iii) first name(s), last name(s), date of birth and VAT registration number(s) or tax identification	(iii) first name(s), last name(s), date of birth and VAT registration number(s) or tax identification	(iii) first name(s), last name(s), date of birth and VAT registration number(s) or tax identification	

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
	<p>number(s) of beneficial owner(s) of the recipient of funds or contractor, as defined in Article 3, point (6), of Directive (EU) 2015/849 of the European Parliament and of the Council¹;</p> <p>1. Directive (EU) 2015/849 of the European Parliament and of the Council of 20 May 2015 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, amending Regulation (EU) No 648/2012 of the European Parliament and of the Council, and repealing Directive 2005/60/EC of the European Parliament and of the Council and Commission Directive 2006/70/EC (OJ L 141, 5.6.2015, p. 73).</p>	<p>number(s) of beneficial owner(s) of the recipient of funds or contractor, as defined in Article 3, point (6), of Directive (EU) 2015/849 of the European Parliament and of the Council¹;</p> <p>1. Directive (EU) 2015/849 of the European Parliament and of the Council of 20 May 2015 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, amending Regulation (EU) No 648/2012 of the European Parliament and of the Council, and repealing Directive 2005/60/EC of the European Parliament and of the Council and Commission Directive 2006/70/EC (OJ L 141, 5.6.2015, p. 73).</p>	<p>number(s), where applicable, of beneficial owner(s) of the recipient of funds the financial allocations or contractor, as defined in Article 3, point (6), of Directive (EU) 2015/849 of the European Parliament and of the Council¹;</p> <p>1. Directive (EU) 2015/849 of the European Parliament and of the Council of 20 May 2015 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, amending Regulation (EU) No 648/2012 of the European Parliament and of the Council, and repealing Directive 2005/60/EC of the European Parliament and of the Council and Commission Directive 2006/70/EC (OJ L 141, 5.6.2015, p. 73).</p>	
Article 20(2), point (d)(iv)				
198	(iv) a list of any measures and investments implemented under the Fund with the total amount of public funding of those measures and investments and indicating the	(iv) a list of any measures and investments implemented under the Fund with the total amount of public funding of those measures and investments and indicating the	(iv) a list of any measures and investments implemented under the Fund with the total amount of public funding of those measures and investments and indicating the	

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
	amount of funds paid under other funds financed from the Union budget;	amount of funds paid under other funds financed from the Union budget;	amount of funds paid under other funds financed from the Union budget;	
Article 20(2), point (da)				
198a			The information requested in subparagraph (ii) is only required when public procurement procedures above the Union thresholds are concerned. Regarding subcontractors, information is only required at the first level of sub-contracting, only where information is recorded on the respective contractor, and only for sub-contracts above EUR 50 000 total value.	
Article 20(2), point (e)				
199	(e) to expressly authorise the Commission, OLAF, the Court of Auditors and, where applicable, EPPO to exert their rights as provided for in Article 129(1) of Regulation (EU, Euratom) 2018/1046 and to impose obligations on all final recipients of funds paid for implementing the measures and investments included	(e) to expressly authorise the Commission, OLAF, the Court of Auditors and, where applicable, EPPO to exert their rights as provided for in Article 129(1) of Regulation (EU, Euratom) 2018/1046 and to impose obligations on all final recipients of funds paid for implementing the measures and investments included	(e) (cb) to expressly authorise the Commission, OLAF, the Court of Auditors and, where applicable, in respect of those Member States participating in enhanced cooperation pursuant to Regulation (EU) 2017/1939, the EPPO to exert their rights as provided for in Article 129(1) of Regulation (EU, Euratom)	

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
	in the Plan, or to all other persons or entities involved in their implementation to expressly authorise the Commission, OLAF, the Court of Auditors and, where applicable, EPPO to exert their rights as provided for in Article 129(1) of Regulation (EU, Euratom) 2018/1046 and to impose similar obligations on all final recipients of funds disbursed;	in the Plan, or to all other persons or entities involved in their implementation to expressly authorise the Commission, OLAF, the Court of Auditors and, where applicable, EPPO to exert their rights as provided for in Article 129(1) of Regulation (EU, Euratom) 2018/1046 and to impose similar obligations on all final recipients of funds disbursed;	2018/1046 and to impose obligations on all final recipients of funds the financial allocations paid for implementing the measures and investments included in the Plan, or to all other persons or entities involved in their implementation to expressly authorise the Commission, OLAF, the Court of Auditors and, where applicable, EPPO to exert their rights as provided for in Article 129(1) of Regulation (EU, Euratom) 2018/1046 and to impose similar obligations on all final recipients of funds disbursed;	
Article 20(2), point (f)				
200	(f) to keep records in accordance with Article 132 of Regulation (EU, Euratom) 2018/1046.	(f) to keep records in accordance with Article 132 of Regulation (EU, Euratom) 2018/1046.	(f) (cc) to keep records in accordance with Article 132 of Regulation (EU, Euratom) 2018/1046, the point of reference being the payment transaction relevant to the respective measure or investment.	
Article 20(3)				
201	3. Personal data as referred to in paragraph 2, point (d) of this Article shall be processed by	3. Personal data as referred to in paragraph 2, point (d) of this Article shall be processed by	3. Personal data as referred to in paragraph 2, point (d)– of this Article shall be processed by	

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
	Member States and by the Commission for the purpose, and corresponding duration, of discharge, audit and control, information, communication and publicity proceedings related to the use of funds related to the implementation of the agreements referred to in Article 18. The personal data shall be processed in accordance with Regulation (EU) 2016/679 or Regulation (EU) 2018/1725, whichever is applicable. Within the framework of the discharge procedure to the Commission, in accordance with Article 319 TFEU, the Fund shall be subject to reporting under the integrated financial and accountability reporting referred to in Article 247 of Regulation (EU, Euratom) 2018/1046, and, in particular, separately in the Annual Management and Performance Report.	Member States and by the Commission for the purpose, and corresponding duration, of discharge, audit and control, information, communication and publicity proceedings related to the use of funds related to the implementation of the agreements referred to in Article 18. The personal data shall be processed in accordance with Regulation (EU) 2016/679 or Regulation (EU) 2018/1725, whichever is applicable. Within the framework of the discharge procedure to the Commission, in accordance with Article 319 TFEU, the Fund shall be subject to reporting under the integrated financial and accountability reporting referred to in Article 247 of Regulation (EU, Euratom) 2018/1046, and, in particular, separately in the Annual Management and Performance Report.	Member States and by the Commission for the purpose, and corresponding duration, of discharge, audit and control, information, communication and publicity proceedings related to the use of funds financial allocations related to the implementation of the agreements referred to in Article 18. The personal data shall be processed in accordance with Regulation (EU) 2016/679 or Regulation (EU) 2018/1725, whichever is applicable. Within the framework of the discharge procedure to the Commission, in accordance with Article 319 TFEU, the Fund shall be subject to reporting under the integrated financial and accountability reporting referred to in Article 247 of Regulation (EU, Euratom) 2018/1046, and, in particular, separately in the Annual Management and Performance Report.	
Article 20(4)				
202	4. The Commission shall make available to the Member States an integrated and interoperable information and monitoring system	4. The Commission shall make available to the Member States an integrated and interoperable information and monitoring system	4. The Commission shall make available to the Member States an integrated and interoperable information and monitoring system	

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
	including a single data-mining and risk-scoring tool to access and analyse the relevant data. The Member States shall use the tool for audit and control purposes to avoid double funding and to prevent, detect and correct fraud, corruption and conflict of interests in relation to the measures and investments supported by the Fund. The Commission, OLAF, the Court of Auditors and, where applicable, EPPO may use the tool within its competences and rights referred to in paragraph 2, point (d) of this Article.	including a single data-mining and risk-scoring tool to access and analyse the relevant data. The Member States shall use the tool for audit and control purposes to avoid double funding and to prevent, detect and correct fraud, corruption and conflict of interests in relation to the measures and investments supported by the Fund. The Commission, OLAF, the Court of Auditors and, where applicable, EPPO may use the tool within its competences and rights referred to in paragraph 2, point (d) of this Article.	including a single data-mining and risk-scoring tool to access and analyse the relevant data. The Member States shall use the tool for audit and control purposes to avoid double funding and to prevent, detect and correct fraud, corruption and conflict of interests in relation to the measures and investments supported by the Fund. The Commission, OLAF, the Court of Auditors and, where applicable, EPPO may use the tool within its competences and rights referred to in paragraph 2, point (d) of this Article.	
Article 20(5), first subparagraph				
203	5. The agreements referred to in Article 18 shall also provide for the right of the Commission to reduce proportionately the support under the Fund and recover any amount due to the Union budget, in cases of fraud, corruption, and conflicts of interests affecting the financial interests of the Union that have not been corrected by the Member State, or a serious breach of an obligation resulting from such agreements.	5. The agreements referred to in Article 18 shall also provide for the right of the Commission to reduce proportionately the support under the Fund and recover any amount due to the Union budget, in cases of fraud, corruption, and conflicts of interests affecting the financial interests of the Union that have not been corrected by the Member State, or a serious breach of an obligation resulting from such agreements.	5. The agreements referred to in Article 18 shall also provide for the right of the Commission to reduce proportionately the support under the Fund and recover any amount due to the Union budget, in cases of fraud, corruption, and conflicts of interests affecting the financial interests of the Union that have not been corrected by the Member State, or a serious breach of an obligation resulting from such agreements.	

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
Article 20(5), second subparagraph				
204	When deciding on the amount of the recovery and reduction the Commission shall respect the principle of proportionality and shall take into account the seriousness of the fraud, corruption and conflict of interests affecting the financial interests of the Union, or of a breach of an obligation. The Member State shall be given the opportunity to present its observations before the reduction is made.	When deciding on the amount of the recovery and reduction the Commission shall respect the principle of proportionality and shall take into account the seriousness of the fraud, corruption and conflict of interests affecting the financial interests of the Union, or of a breach of an obligation. The Member State shall be given the opportunity to present its observations before the reduction is made.	When deciding on the amount of the recovery and reduction the Commission shall respect the principle of proportionality and shall take into account the seriousness of the fraud, corruption and conflict of interests affecting the financial interests of the Union, or of a breach of an obligation. The Member State shall be given the opportunity to present its observations before the reduction is made.	
Article 20(5a)				
204a		<u><i>5a. Where it is established that breaches of the principles of the rule of law in a Member State affect or seriously risk affecting the sound financial management of the Fund or the protection of the financial interests of the Union, the Commission shall take the appropriate measures in accordance with Regulation (EU, Euratom) 2020/2092 which may include, inter alia, a suspension of payments to the affected national authorities. In such cases, the</i></u>		

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
		<u><i>Commission shall take all necessary steps to ensure that the intended final beneficiaries of the Fund continue to have access to Union assistance, with the Commission ensuring disbursement via local and regional authorities, non-governmental organisations, or other entities with a proven capacity to ensure the sound financial management of the Fund.</i></u>		
CHAPTER IV				
205	CHAPTER IV COMPLEMENTARITY, MONITORING AND EVALUATION	CHAPTER IV COMPLEMENTARITY, MONITORING AND EVALUATION	CHAPTER IV COMPLEMENTARITY, MONITORING AND EVALUATION	
Article 21				
206	Article 21 Coordination and complementarity	Article 21 Coordination and complementarity	Article 21 Coordination and complementarity	
Article 21, first paragraph, introductory part				
207	The Commission and the Member States concerned shall, in a manner commensurate to their respective	The Commission and the Member States concerned shall, in a manner commensurate to their respective	The Commission and the Member States concerned shall, in a manner commensurate to their respective	

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
	responsibilities, foster synergies and ensure effective coordination between the Fund and other Union programmes and instruments, including InvestEU Programme, the Technical Support Instrument, the Recovery and Resilience Facility, and the Funds covered by Regulation (EU) 2021/1060. For that purpose, they shall:	responsibilities, foster synergies and ensure effective coordination between the Fund and other Union programmes and instruments, including the Modernisation Fund , InvestEU Programme, the Technical Support Instrument, the Recovery and Resilience Facility, and the Funds covered by Regulation (EU) 2021/1060. For that purpose, they shall:	responsibilities, foster synergies and ensure effective coordination between the Fund and other Union programmes and instruments, including InvestEU Programme, the Technical Support Instrument, the Recovery and Resilience Facility, the Modernisation Fund under Article 10d of Directive 2003/87/EC and the Funds covered by Regulation (EU) 2021/1060. For that purpose, they shall:	
Article 21, first paragraph, point (a)				
208	(a) ensure complementarity, synergy, coherence and consistency among different instruments at Union, national and, where appropriate, regional levels, both in the planning phase and during implementation;	(a) ensure complementarity, synergy, coherence and consistency among different instruments at Union, national and, where appropriate, local and regional levels, both in the planning phase and during implementation;	(a) ensure complementarity, synergy, coherence and consistency among different instruments at Union, national and, where appropriate, regional levels, both in the planning phase and during implementation;	
Article 21, first paragraph, point (b)				
209	(b) optimise mechanisms for coordination to avoid duplication of effort; and	(b) optimise mechanisms for coordination to avoid duplication of effort; and	(b) optimise mechanisms for coordination to avoid duplication of effort; and	

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
Article 21, first paragraph, point (c)				
210	(c) ensure close cooperation between those responsible for implementation and control at Union, national and, where appropriate, regional levels to achieve the objectives of the Fund.	(c) ensure close cooperation between those responsible for implementation and control at Union, national and, where appropriate, <u>local and regional levels, including relevant stakeholders in accordance with the principles of the European code of conduct on partnerships established by Commission Delegated Regulation (EU) No 240/2014</u> to achieve the objectives of the Fund.	(c) ensure close cooperation between those responsible for implementation and control at Union, national and, where appropriate, regional levels to achieve the objectives of the Fund.	
Article 22				
211	Article 22 Information, communication and publicity	Article 22 Information, communication and publicity	Article 22 Information, communication and publicity	
Article 22(1)				
212	1. Member States shall make the data referred to in Article 20(2), point (d), (i), (ii) and (iv) of this Regulation publicly available and up to date in a single website in open, machine-readable formats, as set out in Article 5(1) of Directive	1. Member States shall make the data referred to in Article 20(2), point (d), (i), (ii) and (iv) of this Regulation publicly available and up to date in a single website in open, machine-readable formats, as set out in Article 5(1) of Directive	1. Member States shall make the data referred to in Article 20(2), point (d), (i), (ii) and (iv) of this Regulation publicly available and up to date in a single website in open, machine-readable formats, as set out in Article 5(1) of Directive	

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
	<p>(EU) 2019/1024 of the European Parliament and of the Council¹, which shall allow data to be sorted, searched, extracted, compared and reused. The information referred to in Article 20(2), point (d), (i) and (ii) of this Regulation shall not be published in cases referred to in Article 38(3) of Regulation (EU, Euratom) 2018/1046 or if the direct income support paid is less than EUR 15 000.</p> <p>1. Directive (EU) 2019/1024 of the European Parliament and of the Council of 20 June 2019 on open data and the re-use of public sector information (OJ L 172, 26.6.2019, p. 56).</p>	<p>(EU) 2019/1024 of the European Parliament and of the Council¹, which shall allow data to be sorted, searched, extracted, compared and reused. The information referred to in Article 20(2), point (d), (i) and (ii) of this Regulation shall not be published in cases referred to in Article 38(3) of Regulation (EU, Euratom) 2018/1046 or if the direct income support paid is less than EUR 15 000.</p> <p>1. Directive (EU) 2019/1024 of the European Parliament and of the Council of 20 June 2019 on open data and the re-use of public sector information (OJ L 172, 26.6.2019, p. 56).</p>	<p>(EU) 2019/1024 of the European Parliament and of the Council¹, which shall allow data to be sorted, searched, extracted, compared and reused. The information referred to in Article 20(2), point (d), (i) and (ii) of this Regulation shall not be published in cases referred to in Article 38(3) of Regulation (EU, Euratom) 2018/1046 or if the case of direct income support paid is less than EUR 15 000 to vulnerable households.</p> <p>1. Directive (EU) 2019/1024 of the European Parliament and of the Council of 20 June 2019 on open data and the re-use of public sector information (OJ L 172, 26.6.2019, p. 56).</p>	
Article 22(2)				
213	<p>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</p>	<p><i>deleted</i></p>	<p>2. The recipients of Union funding shall acknowledge be informed of the origin of those funds and, except for natural persons or in cases where there is risk of commercially sensitive information being made public, ensure the visibility of the Union funding, in particular when</p>	

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
	the media and the public.		promoting the actions and their results, by providing coherent, effective and proportionate targeted information to multiple audiences, including the media and the public.	
Article 22(3)				
214	3. The Commission shall implement information and communication actions relating to the Fund, to actions taken pursuant to this Regulation and to the results obtained, including, where appropriate and with the agreement of the national authorities, through joint communication activities with the national authorities and the representation offices of the European Parliament and of the Commission in the Member State concerned.	3. The Commission shall implement information and communication actions relating to the Fund, to actions taken pursuant to this Regulation and to the results obtained, including, where appropriate and with the agreement of the national authorities, through joint communication activities with the national authorities and the representation offices of the European Parliament and of the Commission in the Member State concerned.	3. The Commission shall implement information and communication actions relating to the Fund, to actions taken pursuant to this Regulation and to the results obtained, including, where appropriate and with the agreement of the national authorities, through joint communication activities with the national authorities and the representation offices of the European Parliament and of the Commission in the Member State concerned.	
Article 22a				
214a		<u>Article 22a</u> <u>Visibility of Union funding</u>		

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
	Article 22a(1), introductory part			
214b		<u><i>1. Each Member State shall ensure:</i></u>		
	Article 22a(1), point (a)			
214c		<u><i>(a) the visibility for intermediary entities and final beneficiaries of Union support in all activities relating to operations supported by the Fund, including by displaying the Union emblem; and</i></u>		
	Article 22a(1), point (b)			
214d		<u><i>(b) communication to Union citizens of the role and achievements of the Fund through a single website portal providing access to all programmes involving that Member State.</i></u>		
	Article 22a(2), introductory part			
214e		<u><i>2. Member States shall acknowledge and, where applicable, shall ensure that intermediary entities acknowledge, support from the Fund and the origin of that</i></u>		

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
		<u>funding by:</u>		
Article 22a(2), point (a)				
214f		<u>(a) ensuring the visibility of the Union funding to the final beneficiaries and the public, including by displaying the emblem of the Union and an appropriate funding statement that reads ‘funded by the European Union – Social Climate Fund’ on documents and communication material relating to the implementation of the operation intended for the final beneficiaries or the public;</u>		
Article 22a(2), point (b)				
214g		<u>(b) providing on their official website, where such a site exists, and social media sites, a short description of the operation, proportionate to the level of support, including its aims and results, and highlighting the financial support from the Union; and</u>		

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
Article 22a(2), point (c)				
214h		<u>(c) communicating for operations involving financial instruments, including for temporary direct income support in accordance with Article 6(1), the amount of support from the Fund to the final recipients.</u>		
Article 22a(3)				
214i		<u>3. Where a Member State does not comply with the obligations under paragraphs 1 and 2, and where remedial actions have not been put into place, the Commission shall apply measures, taking into account the principle of proportionality, that cancel up to 5 % per year of the support from the Fund to the Member State concerned.</u>		
Article 23				
215	Article 23 Monitoring of implementation	Article 23 Monitoring of implementation	Article 23 Monitoring of implementation	

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
Article 23(1), introductory part				
216	1. Each Member State concerned shall, on a biennial basis, report to the Commission on the implementation of its Plan as part of its integrated national energy and climate progress report pursuant to Article 17 of Regulation (EU) 2018/1999 and in accordance with Article 28 thereof. The Member States concerned shall include in their progress report:	1. Each Member State concerned shall, on a biennial basis, report to the Commission on the implementation of its Plan as part of its integrated national energy and climate progress report pursuant to Article 17 of Regulation (EU) 2018/1999 and in accordance with Article 28 thereof, <u>and in meaningful consultation with relevant stakeholders in accordance with the principles of the European code of conduct on partnerships established by Commission Delegated Regulation (EU) No 240/2014</u> . The Member States concerned shall include in their progress report:	1. Each Member State concerned shall, In 2029 and after that on a biennial basis, each Member State shall report to the Commission on the implementation of its Plan as part of together with its integrated national energy and climate progress report pursuant to Article 17 of Regulation (EU) 2018/1999 and in accordance with Article 28 thereof. The monitoring of implementation shall be targeted and proportionate to the activities carried out in the Plan. The Member States concerned shall include in their progress report: the indicators set out in Annex (X).	
Article 23(1), point (a)				
217	(a) detailed quantitative information on the number of households in energy poverty;	(a) detailed quantitative information on the number of households in energy poverty <u>and in mobility poverty, in particular vulnerable households, vulnerable micro-enterprises, and vulnerable transport users;</u>	(a) detailed quantitative information on the number of households in energy poverty;	

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
Article 23(1), point (aa)				
217a		<u>(aa) detailed information on the application of the definitions of energy and mobility poverty in accordance with Article 2(2) and (2a) on the basis of concrete and measurable criteria;</u>		
Article 23(1), point (b)				
218	(b) when applicable, detailed information on progress towards the national indicative objective to reduce the number of households in energy poverty;	(b) when applicable, detailed information on progress towards the national indicative <u>targets and objectives</u> objective to reduce the number of households in energy poverty <u>and mobility poverty, in particular vulnerable households, vulnerable micro-enterprises, and vulnerable transport users;</u>	(b) when applicable, detailed information on progress towards the national indicative objective to reduce the number of households in energy poverty;	
Article 23(1), point (c)				
219	(c) detailed information on the results of the measures and investments, included in its Plan;	(c) detailed information on the results of the measures and investments, <u>in particular as regards to the emissions reduction achieved and the number of people benefitting from the measures</u> included in its Plan;	(c) detailed information on the results of the measures and investments, included in its Plan;	

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
Article 23(1), point (ca)				
219a		<u>(ca) an explanation of how the measures in the plan are expected to contribute to gender equality and equal opportunities for all and the mainstreaming of those objectives, in line with principles 2 and 3 of the European Pillar of Social Rights, with the UN Sustainable Development Goal 5 and, where relevant, with the national gender equality strategy;</u>		
Article 23(1), point (cb)				
219b		<u>(cb) detailed information on the share and targeting of direct income support included in its Plan;</u>		
Article 23(1), point (d)				
220	(d) information reported on greenhouse gas policies and measures and on projections as well as on energy poverty provided under Article 18 and Article 24 of Regulation (EU) 2018/1999;	(d) information reported on greenhouse gas policies and measures and on projections as well as on energy poverty provided under Article 18 and Article 24 of Regulation (EU) 2018/1999;	(d) information reported on greenhouse gas policies and measures and on projections as well as on energy poverty provided under Article 18 and Article 24 of Regulation (EU) 2018/1999;	

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
Article 23(1), point (e)				
221	(e) information reported under the long-term buildings renovation strategies pursuant to Directive 2010/31/EU;	(e) information reported under the long-term buildings renovation strategies pursuant to Directive 2010/31/EU;	(e) information reported under the long-term buildings renovation strategies pursuant to Directive 2010/31/EU;	
Article 23(1), point (f)				
222	(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;	(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;	(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;	
Article 23(1), point (g)				
223	(g) information on changes of its Plan in accordance with Article 17.	(g) information on changes of its Plan in accordance with Article 17.	(g) information on changes of its Plan in accordance with Article 17.	
Article 23(2)				
224	2. The Commission shall monitor the implementation of the Fund and measure the achievement of its objectives. The monitoring of implementation shall be targeted and proportionate to the activities carried out under the Fund.	2. The Commission shall monitor the implementation of the Fund and measure the achievement of its objectives. The monitoring of implementation shall be targeted and proportionate to the activities carried out under the Fund.	2. The Commission shall monitor the implementation of the Fund and measure the achievement of its objectives. The monitoring of implementation shall be targeted and proportionate to the activities carried out under the Fund.	

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
Article 23(2a)				
224a		<u><i>2a. The Commission shall monitor the share of costs related to the surrender of allowances under Chapter IVa of Directive .../.../EU [(COD)2021/0211] absorbed by fuel suppliers and passed on to final consumers. The Commission shall annually report its finding to the European Parliament.</i></u>		
Article 23(3)				
225	3. The performance reporting system of the Commission shall ensure that data for monitoring the implementation of the activities and results are collected efficiently, effectively and in a timely manner. To that end, proportionate reporting requirements shall be imposed on recipients of Union funding.	3. The performance reporting system of the Commission shall ensure that data for monitoring the implementation of the activities and results are collected efficiently, effectively and in a timely manner. To that end, proportionate reporting requirements shall be imposed on recipients of Union funding.	3. The performance reporting system of the Commission shall ensure that data for monitoring the implementation of the activities and results are collected efficiently, effectively and in a timely manner. To that end, proportionate reporting requirements shall be imposed on recipients of Union funding.	
Article 23(4)				
226	4. The Commission shall be empowered to adopt delegated acts in accordance with Article 25 to	4. The Commission shall be empowered to adopt delegated acts in accordance with Article 25 to	4. The Commission shall be empowered to adopt delegated acts in accordance with Article 25 to	

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
	supplement this Regulation in order to set out the common indicators to be used for reporting on the progress and for the purpose of monitoring and evaluation of the Fund towards the achievement of the objectives set out in Article 1.	supplement this Regulation in order to set out the common indicators to be used for reporting on the progress and for the purpose of monitoring and evaluation of the Fund towards the achievement of the objectives set out in Article 1. <u><i>including a template based on which Member States have to report. The Commission shall adopt those delegated acts no later than ... [3 months after the entry into force of this Regulation].</i></u>	supplement this Regulation in order to use the common indicators as set out the common indicators to be used in Annex (X) for reporting on the progress and for the purpose of monitoring and evaluation of the Fund towards the achievement of the objectives set out in Article 1.	
Article 23a				
226a		<u><i>Article 23a Transparency</i></u>		
Article 23a(1)				
226b		<u><i>1. The Commission shall transmit the Plans submitted by Member States, and the decisions, as made public by the Commission, simultaneously and on equal terms to the European Parliament and the Council without undue delay.</i></u>		

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
Article 23a(2)				
226c		<u>2. Information transmitted by the Commission to the Council or any of its preparatory bodies in the context of this Regulation or its implementation shall simultaneously be made available to the European Parliament, subject to confidentiality arrangements if necessary.</u>		
Article 23a(3)				
226d		<u>3. The Commission shall provide the competent committees of the European Parliament with an overview of its preliminary findings concerning the satisfactory fulfilment of the relevant milestones and targets included in the Plans submitted by Member States.</u>		
Article 23a(4)				
226e		<u>4. The competent committees of the European Parliament may invite the Commission to provide information on the state of play of the assessment by the Commission</u>		

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
		<u>of the Plans.</u>		
Article 23b				
226f		<u>Article 23b</u> <u>Social Climate Dialogue</u>		
Article 23b(1), introductory part				
226g		<u>1. In order to enhance the dialogue between the Union institutions, in particular the European Parliament, the Council and the Commission, and to ensure greater transparency and accountability, the competent committees of the European Parliament may invite the Commission twice a year to discuss the following matters:</u>		
Article 23b(1), point (a)				
226h		<u>(a) the Plans submitted by Member States;</u>		
Article 23b(1), point (b)				
226i		<u>(b) the assessment by the Commission of the Plans</u>		

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
		<u>submitted by Member States;</u>		
Article 23b(1), point (c)				
226j		<u>(c) the status of fulfilment of the milestones and targets of the Plans submitted by Member States;</u>		
Article 23b(1), point (d)				
226k		<u>(d) payment, suspension and termination procedures, including any observation presented and remedial measures taken by Member States to ensure a satisfactory fulfilment of the milestones and targets;</u>		
Article 23b(1), point (e)				
226l		<u>(e) any other relevant information and documentation provided by the Commission to the competent committee of the European Parliament in relation to the implementation of the Fund.</u>		

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
Article 23b(2)				
226m		<u><i>2. The European Parliament may express its views in resolutions as regards the matters referred to in paragraph 1.</i></u>		
Article 23b(3)				
226n		<u><i>3. The Commission shall take into account any elements arising from the views expressed through the social climate dialogue, including the resolutions from the European Parliament if provided.</i></u>		
CHAPTER V				
227	CHAPTER V FINAL PROVISIONS	CHAPTER V FINAL PROVISIONS	CHAPTER V FINAL PROVISIONS	
Article 24				
228	Article 24 Evaluation and review of the Fund	Article 24 Evaluation and review of the Fund	Article 24 Evaluation and review of the Fund	
Article 24(1)				
229	1. By 1 July 2028, the Commission shall provide the	1. By 1 July 2028 <u>2026</u> , the Commission shall provide the	1. By 1 July 2028 Two years after the start of the implementation	

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
	European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions with an evaluation report on the implementation and functioning of the Fund.	European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions with an evaluation report on the implementation and functioning of the Fund <u>until that date, taking into account in particular the results of the first reports submitted by Member States in accordance with Article 23.</u>	of the Plans , the Commission shall provide the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions with an evaluation report on the implementation and functioning of the Fund and shall submit, where appropriate any proposals for amendments of this Regulation.	
Article 24(2)				
230	2. By 31 December 2033, the Commission shall provide the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions with an independent ex post evaluation report.	2. By 31 December 2033, the Commission shall provide the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions with an independent ex post evaluation report.	2. By 31 December 2033, the Commission shall provide the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions with an independent ex post evaluation report.	
Article 24(2a)				
230a		<u>2a. For every year that the Fund is active, the Commission shall provide a report to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions of the CO2 reduction arising from the investments in</u>		

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
		<u>energy efficiency of building, integration of energy from renewable sources and granting improved access to zero- and low-emission mobility and transport.</u>		
Article 24(3), first subparagraph				
231	<p>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 Council¹. It shall also consider the continued relevance of the financial envelope of the Fund in relation to possible developments concerning the</p>	<p>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 <u>referred to in paragraph 1</u> 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 Council¹. It shall also consider the continued relevance of the financial envelope of the Fund in relation to possible</p>	<p>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 Council¹. It shall also consider the continued relevance of the financial envelope of the Fund the use of assigned revenues in relation to possible</p>	

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
	<p>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.</p> <p>1. 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).</p>	<p>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. <u>in particular, assess:</u></p> <p>1. 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).</p> <p>2. In Article 24(3), new letter points a, b and c have been added in the middle of the existing text. The article has hence been divided into two new subparagraphs.</p>	<p>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.</p> <p>1. 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).</p>	
Article 24(3), first subparagraph, point (a)				
231a		<p><u>(a) to which extent the objectives of the Fund laid down in Article 1 have been achieved, the efficiency</u></p>		

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
		<u>of the use of the resources and the Union added value;</u>		
Article 24(3), first subparagraph, point (b)				
231b		<u>(b) on a country-by-country basis, the progress and effect of the implementation of structural investments and measures and the use of the direct income support in light of the achievement of the milestones and targets in the Plans, and the subsequent need for, and required level of, direct income support in that context, pursuant to the rules set out in Article 6(1) for the period 2028-2032;</u>		
Article 24(3), first subparagraph, point (c)				
231c		<u>(c) the application of the definitions of energy and mobility poverty as reported by Member States in accordance with Article 23(1)(aa) and whether a more detailed approach may be necessary in the future, and, where appropriate, present a proposal to the European Parliament and to the Council;</u>		

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
Article 24(3), second subparagraph				
231d		<p><u>It shall consider the continued relevance of all objectives and actions set out in Article 6 in light of the impact on greenhouse gas emissions from the emission trading system pursuant to Directive 2003/87/EC and from the national measures taken to meet the binding annual greenhouse gas emission reductions by Member States pursuant to Regulation (EU) 2018/842 of the European Parliament and of the Council¹. It shall also consider the continued relevance of the financial envelope of the Fund in relation to possible developments concerning the auctioning of allowances under the emission trading system pursuant to Directive 2003/87/EC and other relevant considerations. As part of the evaluation report referred to in paragraph 1, the Commission shall also consider the prolongation of the specific technical adjustment based on carbon-price fluctuation referred to in Article 9 in the context of the negotiations of the next</u></p>		

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
		<u>multiannual financial framework.</u> <u>1. 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).</u>		
Article 24(4)				
232	4. Where appropriate, the evaluation report shall be accompanied by a proposal for amendments to this Regulation.	4. Where appropriate, the evaluation report shall be accompanied by a proposal for amendments to this Regulation.	4. Where appropriate, the evaluation report shall be accompanied by a proposal for amendments to this Regulation.	
Article 24(4a)				
232a			4a. By 31 December 2033, the Commission shall provide the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions with an independent <i>ex post</i>	

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
			evaluation report.	
Article 24(5)				
233	5. The ex post evaluation report shall consist of a global assessment of the Fund and shall include information on its impact.	5. The ex post evaluation report shall consist of a global assessment of the Fund and shall include information on its impact.	5. The ex post evaluation report shall consist of a global assessment of the Fund and shall include information on its impact.	
Article 25				
234	Article 25 Exercise of delegation	Article 25 Exercise of delegation	Article 25 Exercise of delegation	
Article 25(1)				
235	1. The power to adopt delegated acts shall be conferred on the Commission subject to the conditions laid down in this Article.	1. The power to adopt delegated acts shall be conferred on the Commission subject to the conditions laid down in this Article.	1. The power to adopt delegated acts shall be conferred on the Commission subject to the conditions laid down in this Article.	
Article 25(2)				
236	2. The power to adopt delegated acts referred to in Article 23(4) shall be conferred on the Commission for an indeterminate period of time.	2. The power to adopt delegated acts referred to in <u>Articles 4(2a) and Article</u> 23(4) shall be conferred on the Commission for an indeterminate period of time.	2. The power to adopt delegated acts referred to in Article 23(4) shall be conferred on the Commission for an indeterminate period of time.	

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
Article 25(3)				
237	3. The delegations of power referred to in Article 23(4) may be revoked at any time by the European Parliament or by the Council. A decision to revoke shall put an end to the delegation of the power specified in that decision. It shall take effect on the day following the publication of the decision in the Official Journal of the European Union or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.	3. The delegations of power referred to in Article Articles 4(2a) and 23(4) may be revoked at any time by the European Parliament or by the Council. A decision to revoke shall put an end to the delegation of the power specified in that decision. It shall take effect on the day following the publication of the decision in the Official Journal of the European Union or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.	3. The delegations of power referred to in Article 23(4) may be revoked at any time by the European Parliament or by the Council. A decision to revoke shall put an end to the delegation of the power specified in that decision. It shall take effect on the day following the publication of the decision in the Official Journal of the European Union or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.	
Article 25(4)				
238	4. Before adopting a delegated act, the Commission shall consult experts designated by each Member State in accordance with the principles laid down in the Interinstitutional Agreement of 13 April 2016 on Better Law-Making.	4. Before adopting a delegated act, the Commission shall consult experts designated by each Member State in accordance with the principles laid down in the Interinstitutional Agreement of 13 April 2016 on Better Law-Making.	4. Before adopting a delegated act, the Commission shall consult experts designated by each Member State in accordance with the principles laid down in the Interinstitutional Agreement of 13 April 2016 on Better Law-Making.	
Article 25(5)				
239	5. As soon as it adopts a delegated	5. As soon as it adopts a delegated	5. As soon as it adopts a delegated	

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
	act, the Commission shall notify it simultaneously to the European Parliament and to the Council.	act, the Commission shall notify it simultaneously to the European Parliament and to the Council.	act, the Commission shall notify it simultaneously to the European Parliament and to the Council.	
Article 25(6)				
240	6. A delegated act adopted pursuant to Article 23(4) shall enter into force only if no objection has been expressed either by the European Parliament or by the Council within a period of two months of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by two months at the initiative of the European Parliament or of the Council.	6. A delegated act adopted pursuant to Article 23(4) shall enter into force only if no objection has been expressed either by the European Parliament or by the Council within a period of two months of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by two months at the initiative of the European Parliament or of the Council.	6. A delegated act adopted pursuant to Article 23(4) shall enter into force only if no objection has been expressed either by the European Parliament or by the Council within a period of two months of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by two months at the initiative of the European Parliament or of the Council.	
Article 26				
241	Article 26 Entry into force	Article 26 Entry into force	Article 26 Entry into force	
Article 26, first paragraph				
242	This Regulation shall enter into	This Regulation shall enter into	This Regulation shall enter into	

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
	force on the twentieth day following that of its publication in the Official Journal of the European Union.	force on the twentieth day following that of its publication in the Official Journal of the European Union.	force on the twentieth day following that of its publication in the Official Journal of the European Union.	
Article 26, second paragraph				
243	<p>It shall apply from the date by which the Member States shall bring into force the laws, regulations and administrative provisions necessary to comply with Directive (EU) [yyyy/nnn] of the European Parliament and the Council¹ amending Directive 2003/87/EC as regards Chapter IVa of Directive 2003/87/EC.</p> <p>1. [Directive (EU) yyyy/nnn of the European Parliament and of the Council.... (OJ).] [Directive amending Directive 2003/87/EC]</p>	<i>deleted</i>	<p>It shall apply from the date by which the Member States shall bring into force the laws, regulations and administrative provisions necessary to comply with Directive (EU) [yyyy/nnn] of the European Parliament and the Council¹ amending Directive 2003/87/EC as regards Chapter IVa of Directive 2003/87/EC.</p> <p>1. [Directive (EU) yyyy/nnn of the European Parliament and of the Council.... (OJ).] [Directive amending Directive 2003/87/EC]</p>	
Article 26, third paragraph				
244	This Regulation shall be binding in its entirety and directly applicable in all Member States.	This Regulation shall be binding in its entirety and directly applicable in all Member States.		

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
Formula				
245	Done at Brussels,	Done at Brussels,		
Formula				
246	For the European Parliament	For the European Parliament		
Formula				
247	The President	The President		
Formula				
248	For the Council	For the Council		
Formula				
249	The President	The President		
Annex I, first heading				
250	Methodology for the calculation of the maximum financial allocation per Member State under the Fund pursuant to Article 13		For technical reasons, the annexes of the SCF regulation outlining the Commission, EP and Council positions are included in a	

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
			separate word document.	

EUROPEAN COMMISSION

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

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

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

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

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

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

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.

EUROPEAN PARLIAMENT

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

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

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

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

$$\delta_i = \min\left(\frac{arrear_s_i}{arrear_s_{EU}}, f_i\right)$$

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

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;

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

arrear_s_{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 all Member States, α_i cannot be lower than 0,07 % of the sum of the financial envelopes as referred to in Article 9(1) and (2). 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

Additional allocations pertaining from Article 9(1a) shall be allocated to Member States on the basis of the following share.

Maximum financial allocation per EU Member State

Member State	Share as % of total	TOTAL [date of entry into force]-2032 (in EUR, current prices)	Amount for [date of entry into force]-2027 (in EUR, current prices)	Amount for 2028-2032 (in EUR, current prices)
Belgium	2.56	[1 844 737 639]	[605 544 073]	[1 239 193 566]
Bulgaria	3.85	[2 778 104 958]	[911 926 420]	[1 866 178 538]
Czechia	2.40	[1 735 707 679]	[569 754 460]	[1 165 953 219]
Denmark	0.50	[361 244 536]	[118 580 270]	[242 664 266]
Germany	8.19	[5 910 983 488]	[1 940 308 984]	[3 970 674 504]
Estonia	0.29	[207 004 992]	[67 950 392]	[139 054 600]
Ireland	1.02	[737 392 966]	[242 052 816]	[495 340 150]
Greece	5.52	[3 986 664 037]	[1 308 641 796]	[2 678 022 241]
Spain	10.53	[7 599 982 898]	[2 494 731 228]	[5 105 251 670]
France	11.20	[8 087 962 701]	[2 654 912 964]	[5 433 049 737]
Croatia	1.94	[1 403 864 753]	[460 825 411]	[943 039 343]
Italy	10.81	[7 806 923 117]	[2 562 660 358]	[5 244 262 759]
Cyprus	0.20	[145 738 994]	[47 839 531]	[97 899 463]
Latvia	0.71	[515 361 901]	[169 170 042]	[346 191 859]
Lithuania	1.02	[738 205 618]	[242 319 573]	[495 886 046]
Luxemburg	0.10	[73 476 421]	[24 118 991]	[49 357 430]
Hungary	4.33	[3 129 860 199]	[1 027 391 783]	[2 102 468 416]
Malta	0.01	[5 112 942]	[1 678 348]	[3 434 594]
Netherlands	1.11	[800 832 270]	[262 877 075]	[537 955 195]
Austria	0.89	[643 517 259]	[211 237 660]	[432 279 599]
Poland	17.61	[12 714 118 688]	[4 173 471 093]	[8 540 647 595]
Portugal	1.88	[1 359 497 281]	[446 261 573]	[913 235 708]
Romania	9.26	[6 682 901 998]	[2 193 694 977]	[4 489 207 021]
Slovenia	0.55	[397 623 987]	[130 522 001]	[267 101 985]
Slovakia	2.36	[1 701 161 680]	[558 414 568]	[1 142 747 112]
Finland	0.54	[386 966 933]	[127 023 772]	[259 943 161]
Sweden	0.62	[445 050 067]	[146 089 842]	[298 960 225]
EU27	100%	[72 200 000 000]	[23 700 000 000]	[48 500 000 000]

ANNEX III

Key requirements for the Member State's control system

- (7) 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.
- (8) 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.
- (9) 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.

- (10) 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).
- (11) 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.
- (12) 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.

COUNCIL POSITION¹

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:

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

¹ Changes made by the Council to the Commission proposal are marked in ~~strike through~~ for deletions and in **bold underlined** for additions.

With

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

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

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

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

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

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)	<u>TOTAL 2027-2032</u> <u>(in EUR, current prices)</u>
Belgium	2.56	1 844 737 639	605 544 073	1 239 193 566	<u>1 507 472 586</u>
Bulgaria	3.85	2 778 104 958	911 926 420	1 866 178 538	<u>2 270 196 572</u>
Czechia	2.40	1 735 707 679	569 754 460	1 165 953 219	<u>1 418 376 081</u>
Denmark	0.50	361 244 536	118 580 270	242 664 266	<u>295 199 829</u>
Germany	8.19	5 910 983 488	1 940 308 984	3 970 674 504	<u>4 830 305 066</u>
Estonia	0.29	207 004 992	67 950 392	139 054 600	<u>169 159 204</u>
Ireland	1.02	737 392 966	242 052 816	495 340 150	<u>602 578 740</u>
Greece	5.52	3 986 664 037	1 308 641 796	2 678 022 241	<u>3 257 800 252</u>
Spain	10.53	7 599 982 898	2 494 731 228	5 105 251 670	<u>6 210 512 340</u>
France	11.20	8 087 962 701	2 654 912 964	5 433 049 737	<u>6 609 276 999</u>
Croatia	1.94	1 403 864 753	460 825 411	943 039 343	<u>1 147 202 499</u>
Italy	10.81	7 806 923 117	2 562 660 358	5 244 262 759	<u>6 379 618 614</u>
Cyprus	0.20	145 738 994	47 839 531	97 899 463	<u>119 094 192</u>
Latvia	0.71	515 361 901	169 170 042	346 191 859	<u>421 140 612</u>
Lithuania	1.02	738 205 618	242 319 573	495 886 046	<u>603 242 818</u>
Luxemburg	0.10	73 476 421	24 118 991	49 357 430	<u>60 043 059</u>
Hungary	4.33	3 129 860 199	1 027 391 783	2 102 468 416	<u>2 557 641 991</u>
Malta	0.01	5 112 942	1 678 348	3 434 594	<u>4 178 166</u>

Netherlands	1.11	800 832 270	262 877 075	537 955 195	<u>654 419 722</u>
Austria	0.89	643 517 259	211 237 660	432 279 599	<u>525 865 904</u>
Poland	17.61	12 714 118 688	4 173 471 093	8 540 647 595	<u>10 389 653 776</u>
Portugal	1.88	1 359 497 281	446 261 573	913 235 708	<u>1 110 946 532</u>
Romania	9.26	6 682 901 998	2 193 694 977	4 489 207 021	<u>5 461 097 201</u>
Slovenia	0.55	397 623 987	130 522 001	267 101 985	<u>324 928 189</u>
Slovakia	2.36	1 701 161 680	558 414 568	1 142 747 112	<u>1 390 145 971</u>
Finland	0.54	386 966 933	127 023 772	259 943 161	<u>316 219 516</u>
Sweden	0.62	445 050 067	146 089 842	298 960 225	<u>363 683 573</u>
EU27	100%	72 200 000 000	23 700 000 000	48 500 000 000	<u>59 000 000 000</u>

ANNEX III

Key requirements for the Member State's control system

- (1) The Member State shall provide an effective and efficient internal control system, **in accordance with their institutional, legal and financial framework**, 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 **Social** Climate Action Social Plan and the allocation of the related **responsibilities and** functions;
- the designation of the authority **or authorities** responsible for signing the management declaration accompanying the payment requests;
- procedures ensuring that this authority **or these authorities** 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~~ 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)~~ **in respect of those Member States participating in enhanced cooperation pursuant to Regulation (EU) 2017/1939, the EPPO,** to the data on final recipients.

ANNEX X

List of common indicators

ANNEX XX

Template for the Social Climate Plans
