

Social Climate Fund

Infosessie door Minaraad en VLEVA

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06/02/2025



Overview

- **Purpose:**
 - ✓ Applicable from 30 June 2024
 - ✓ To address the social impacts arising from the new emission trading system for buildings and road transport (ETS2) on **vulnerable groups in the EU, especially those affected by energy poverty or transport poverty.**
- **Period: 2026-2032**
 - ✓ The Fund would start operating at least one year before ETS2 kicks in as of 2027, and ETS2 may start one year later - in 2028, in case of exceptionally high gas or oil prices.
- **Size: EUR 65 billion** To mobilize at least EUR 86.7 billion with at least 25% Member States' national contributions.



How will it work?

- **Policy-based:**
 - ✓ Consistency with other EU instruments and programmes.
- **Plan-based:**
 - ✓ Social Climate Plans by 30 June 2025.
 - ✓ Plans should include the measures and investments and the milestones and targets measuring their results.
 - ✓ Assessment and approval of the Plans by a decision of the Commission.
- **Performance-based:**
 - ✓ Payments after Member States prove achievement of milestones and targets.



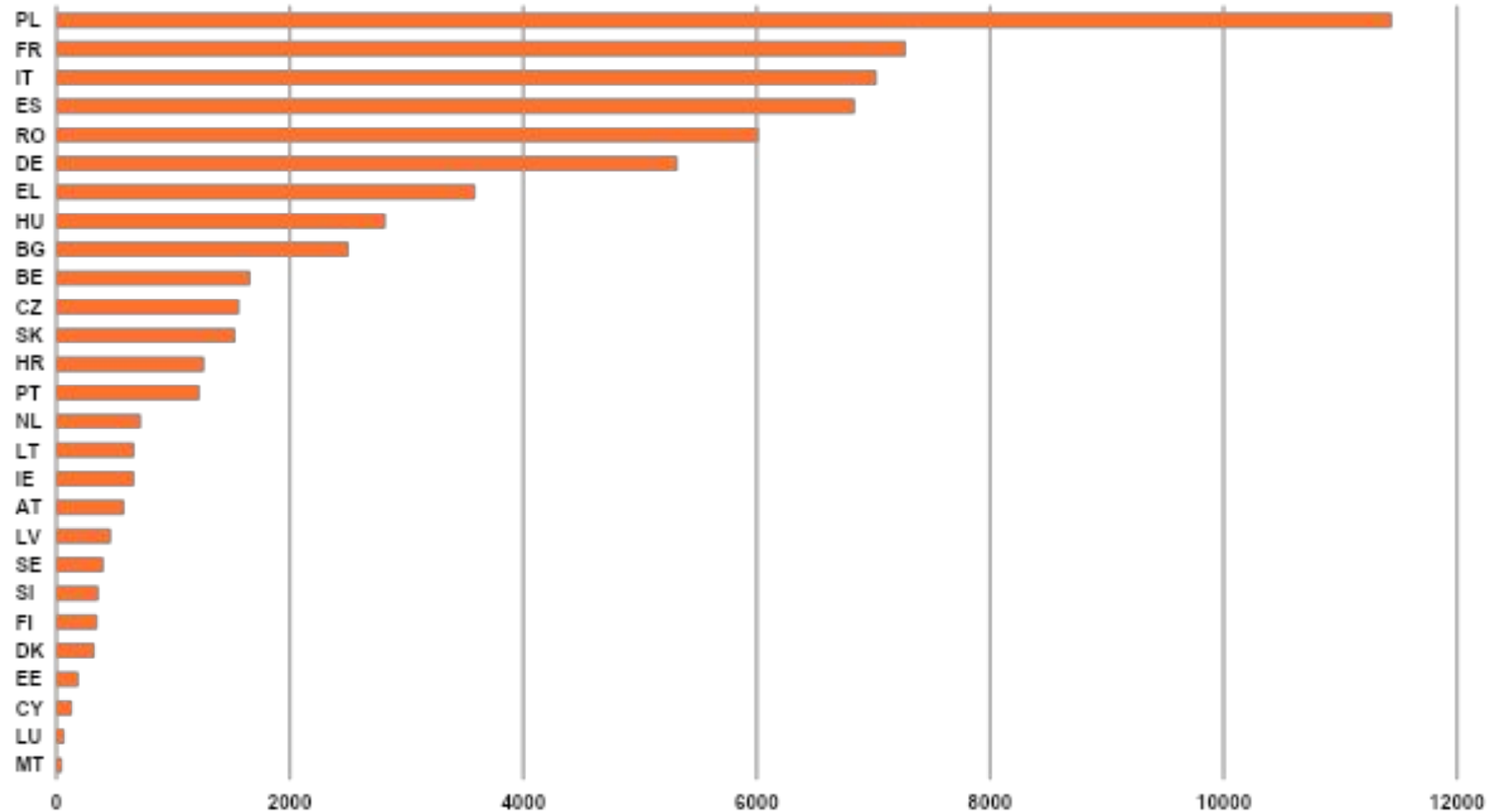
A targeted fund

- The **identification of the target groups** is key for the implementation of the SCF, and all the measures and investments have to principally benefit them.
 - ✓ Vulnerable households
 - ✓ Vulnerable transport users
 - ✓ Vulnerable micro-enterprises
- Target groups are defined with a reference to **transport poverty and energy poverty, as well as to the effects of ETS2**



How will it be distributed?

Total SCF allocation per Member State (in EUR million, current prices)



Member States action

- Designate a body responsible for the implementation
- Draft the SCPs in close and meaningful consultation with the relevant stakeholders (good practices published)
- Consult the Commission on their draft SCPs as early as possible
- Submit the final SCP by 30 June 2025
- Implement and monitor the Social Climate Plans until 2032
- To note:
 - Using Cohesion policy Managing Authority /Audit Authority has important advantages
 - COM Guidance on DNSH and Social Climate Plans adopted early March > training 6/3
 - Guidance on Implementation and Assurance a priori before June



Partnership principle

- Public consultation on the initial SCP and for each substantial change
- Social Climate Plans must include:
 - ✓ summary of the SCP public consultation
 - ✓ how the input of the stakeholders is reflected in the SCP
- Key stakeholders:
 - ✓ local and regional authorities
 - ✓ representatives of economic and social partners
 - ✓ relevant civil society organisations,
 - ✓ youth organisations
- Commission published good practices of public consultation for the SCPs



What can be financed?



Support investments in **energy efficiency & renovation of buildings, clean heating & cooling**



Compliance with **do no significant harm (DNSH)** – tailored Commission guidance



Finance **zero- & low-emission mobility & transport, including public transport**



Provide **temporary direct income support** to the vulnerable households



Pending impacts of investments - **max. 37,5% of the Plans**

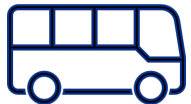
Good practices



✓ Buildings

Installation of heat pumps & decentralised generation of renewable providing grants of up to 100% to low-income owner-occupiers to replace fossil fuel heating systems with climate-friendly alternatives.

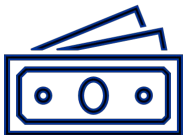
- Example: 2022 energy programme in Austria



✓ Transport

Electronic vouchers (“wallets”) to improve the access of low-income residents to different urban mobility services,, on-demand or sharing services. The implementation can be electronic, app-based or card-based.

- Hasselt and Leuven (Belgium) transport wallet scheme



✓ Direct income support

Temporary benefits to vulnerable households (vouchers, transfers).

- Short-term measures to alleviate immediate price increases





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