

OCTOBER 2025

# Race to the top

Reform and investment  
proposals for the Social  
Climate Plans

## Background

Member States are currently finalising their National Social Climate Plans (hereafter ‘SCPs’ or ‘Plans’), aiming to have final versions approved and operational by January 1, 2026. Europe faces an annual funding gap of over EUR 400 billion,<sup>1</sup> while the growing cost of living fuels broader social unrest. In a context of constrained fiscal space and geopolitical turbulence, EU countries cannot afford to miss out on the EUR 86.7 billion opportunity of the Social Climate Fund (SCF). The fund will be crucial to protect the most vulnerable social groups before the new Emissions Trading System in the transport and heating sector (ETS2) enters into force in 2027.

This briefing provides actionable recommendations for Member States on reforms and investments to include in their Social Climate Plans. It takes stock of reforms and investments proposed so far by various Member States in their draft Plans as presented in the [Social Climate Fund Tracker](#) (publicly available Social Climate Plan drafts are linked at the “[Useful Resources](#)” section below). It also highlights best and worst practices of stakeholder inclusion, aiming to encourage more inclusive planning.

The briefing compares and contrasts measures through a traffic light assessment intended to trigger a ‘race to the top’ among Member States. The assessment is based on **four key principles** from the joint briefing on drafting Social Climate Plans<sup>2</sup> published in September 2024 and endorsed by over 37 civil society organisations. These four principles also form the analytical backbone of the Social Climate Fund Tracker, which consists of 21 criteria,<sup>3</sup> ultimately informing our rating of the SCPs.

- [Empowering and structural reforms and investments](#)
- [Inclusive and meaningful public participation](#)
- [Effective targeting of end beneficiaries](#)
- [Policy coherence & broader funding mobilisation](#)

At the time of drafting only Latvia’s and Sweden’s Social Climate Plans had been officially submitted to the European Commission. Our analysis is based on publicly available documents - draft SCP versions, public presentations by official representatives and Technical Support Instrument studies<sup>4</sup>, covering: Belgium, Bulgaria, Czechia, Denmark, Estonia, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, and Sweden.

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<sup>1</sup> I4CE, [European Climate Investment Deficit report An investment pathway for Europe’s future](#), I4CE, February 2024.

<sup>2</sup> REScoop.eu, [Green Solidarity: Guiding principles for a truly just Social Climate Fund](#), REScoop.eu, 25 September 2024.

<sup>3</sup> REScoop.eu, [Social Climate Fund Tracker](#), REScoop.eu, 2025.

<sup>4</sup> European Commission, [Support to the Social Climate Fund and the revised EU Emissions Trading System](#), European Commission, 2024.

## KEY RECOMMENDATIONS

### 1) Empowering and structural reforms and investments

- Prioritise worst performing buildings with full upfront financing for vulnerable households.
- Prioritise fossil free, active and public transport.
- Promote empowering solutions that include citizen participation, such as energy communities.

### 2) Inclusive and meaningful public participation

- Ensure open and broad public participation.
- Set up a coordination and monitoring committee to oversee the Plan's implementation, consisting of diverse stakeholders.

### 3) Effective targeting of end beneficiaries

- Use indicators beyond income, as reflected in other national strategies (e.g., on building renovations and energy poverty).
- Work with civil society, energy communities and other intermediaries to reach affected groups who usually fall through the cracks.

### 4) Policy coherence & broader funding mobilisation

- Ensure the Social Climate Plan builds on existing strategies and investments to facilitate its successful implementation.
- Mobilise additional funds (e.g., ETS1, broader ETS2 revenues, Modernisation Fund) to top up the measures in the Plan.

## Summary of assessments

	<b>Frontrunners</b>	<b>Room for Improvement</b>	<b>Laggards</b>
<b>Empowering and structural reforms and investments</b>	Poland, Latvia	Romania, Portugal, Belgium	Germany, Greece, Sweden
<b>Inclusive and meaningful public participation</b>	Poland	Estonia, Sweden, Spain, Slovenia, Slovakia, Portugal, Italy, Latvia, Belgium	Denmark, France, Germany, Hungary, Ireland
<b>Effective targeting of end beneficiaries</b>	Poland, Greece, Latvia	Slovakia, Italy, Czechia, Bulgaria, Portugal, Romania, Belgium	Sweden
<b>Policy coherence &amp; broader funding mobilisation</b>	Poland, Estonia	Latvia, Slovakia, Romania, Spain	Czechia, Germany, Portugal, Belgium

## 1) Empowering and structural reforms and investments



### Front-runners

**In Latvia**, two planned investments stand out. Firstly, the nation-wide - ‘transport on demand’ services, covering rural areas with the highest levels of transport poverty in terms of inaccessible public transportation. This measure, if designed well, will likely be effective in reducing dependency on private vehicles and also in improving the livelihood of rural citizens. Another measure relates to improving the energy efficiency of buildings, offering financial support intensity of 100% to vulnerable households. Other positive planned investments include: social leasing of electric cars for vulnerable households, accessibility improvements at railway stations, cycling infrastructure improvements, and leasing or purchasing micromobility tools.

**In Poland**, planned investments focus on improving energy efficiency of buildings, replacing coal heating with heat pumps, top-up existing programmes (Clean Air Programme) and introduce innovative solutions to tackle energy poverty such as supporting energy communities through pilot development projects. The Plan brings a new quality to policy shaping and funds programming through the involvement of experts and CSOs in the drafting and actual incorporation of their recommendations and proposals in the document. The Plan lacks however a reform component, which could strengthen the positive impact of investments, and further consideration is needed in the transport component, which focuses on public transport but is insufficient to mitigate fuel poverty. Nevertheless, this does not change the fact that it is the best document created so far by the Polish government in the field of climate policy planning.



### Room for improvement

**Romania** didn’t make any draft of its Social Climate Plan publicly available at the time of publication of this report. Nevertheless, working group discussions indicate planned investments in energy efficiency in buildings, decarbonisation of heating systems, energy communities and social leasing of low-emission vehicles. A “transport on demand” investment that could facilitate access to public transport to those most impacted by transport poverty is still under discussion, and it is still unclear what reforms will be included in Romania’s Plan.

**In Portugal**, there are strides for structural change, through measures promoting building energy efficiency, envelope retrofit, and equipment replacement to reduce fossil fuel use, greener and public mobility, collaborative community energy models, and energy literacy, including and directly targeting families and citizens in energy poverty. These measures address the main causes of energy poverty while promoting

a more just energy transition. However, the Plan does not address historic bottlenecks in the implementation of the proposed measures (e.g. split incentives between owners and tenants, difficulty in engaging vulnerable consumers, excessive bureaucracy, price inflation of renovation works, inclusion of energy poor citizens in energy communities and governance, corporate capture of community-based energy initiatives). Moreover, the funding proposed is vastly insufficient according to recent estimates to drive the necessary transformations in the buildings and transport sectors. Also, the SCP does not include important measures proposed in other national plans (Long Term Renovations Strategy, National Energy Poverty strategy), leading to potential problems in their follow up and implementation in the short term.

**In Belgium**, the final Social Climate Plan has not yet been published. However, expectations are that there will be limited new actions or recognition for citizen energy initiatives and energy communities. The anticipated actions are likely to focus mainly on housing renovation, in particular for social rental housing and houses of vulnerable households. In addition, sustainable mobility in transport-poor regions may be strengthened through increased investment in public transport and cycling infrastructure. The Flemish federation of energy communities, REScoop Flanders, recommends concentrating on fewer, well-prioritised actions rather than dispersing resources across a wide range of minor measures. The strategy is expected to extend or deepen the 11 existing instruments rather than introducing new actions. The key challenge will lie in implementation. Will energy communities be recognised as competent actors capable of delivering part of these services? Will risk-mitigation tools, financing mechanisms, and operational support for civil society organisations be included? A core request from REScoop Flanders has been that collective renovation initiatives actively involve renewable energy communities as implementing partners, based on a fair share of the allocated support to make such participation feasible.



**Germany** has not made any draft of its Social Climate Plan available. Recently, a vague proposal was published regarding financial support for households with low and middle incomes to transition to climate-neutral mobility. This support is expected to be financed through resources from the SCF, along with an additional EUR 3 billion from the Climate and Transformation Fund (KTF) by 2029. However, it remains unclear how much funding from the SCF will be allocated to this measure.

**In Greece** there are various investments in the Social Climate Plan that pave the way for the continued use of fossil fuels. These include: a) An investment regarding on-demand transport, which includes the procurement of 'low emission' buses, b) an investment which mentions the possibility of supporting vulnerable households with social leasing of hybrid vehicles, c) an investment which relates to covering the school transportation needs for students with disabilities includes the procurement of 'low emission' buses, and d) an investment on supporting micro-enterprises includes the procurement of 'low emission' private vehicles.



**In Sweden** the Plan proposes only one measure: an electric vehicle premium for transport-vulnerable households. One suggestion from the consultations was to focus on public transport, but this was deemed as having too much of an urban focus by the committee drafting the Plan. The Plan includes no investments in the housing or heating & cooling sectors.

## 2) Inclusive and meaningful public participation



**In Poland**, there has been an operational Working Group in place since 2024. The draft Plan was published and consulted in June 2025, and several civil society recommendations were incorporated in the public consultation process:

- Poland's Ministry of Development Funds and Regional Policy has conducted public consultations on the Social Climate Plan, allowing citizens, including civil society groups like the Polish Green Network, to actively participate and influence the Plan's content. Historically, Poland's energy policy decisions have been centralised with limited bottom-up participation, which calls for significant cultural and procedural changes to embed participatory practices effectively. The consultation process proved that some energy policy processes are going in the right direction as the draft mentions that an SCP monitoring and implementation group will be created.
- Still, a broader, more systematic inclusion of local energy communities and marginalised groups in planning and decision-making processes is needed for a truly inclusive participation approach. Also, strengthening educational and advisory services at the local level, supported by expert central guidance, is recommended to increase meaningful engagement.
- Social NGOs engaged in a two-year mobilisation led by Habitat for Humanity Poland. They worked together with the National Federation for Solving the Problem of Homelessness, WRZOS (Working Community of Associations of Social Organisations), the National Auditing Union of Social Cooperatives, and EAPN Poland. They managed to bring into the SCP a pilot program aimed at developing supported and transitional housing. They also proposed a dedicated training program for social welfare staff to improve their capacity to support people in energy poverty.



## Room for improvement

**In Estonia**, the drafting of the Plan started out strong with early collection of stakeholders' feedback in March 2024. By May 2025 two webinars were held, covering the two main areas of the Plan (housing and transport), but these mainly informed stakeholders rather than solicited meaningful feedback. to further improve the Plan. This became evident through the tight schedule considering the deadline of June 2025 for the Ministry of Finance to submit the draft to the Commission. As of October 2025, it is still unknown whether any further changes were made to the draft based on stakeholder input.

**In Sweden**, two consultations were held before the drafted Plan was sent for referral in June 2025, giving the public and stakeholders three months to provide feedback. The first consultation meeting was held in November 2024 and the second was held in April 2025, and the consultations included representatives from businesses, regions, municipalities, academia, authorities and interest groups. In the final draft, there were however no signs of feedback from the consultations having been integrated into the Plan.

**In Spain**, the process started well. An initial online consultation was held in February-March 2025, where stakeholders were invited to submit proposals for inclusion in the draft Spanish Plan. A number of civil society alliances, individual organisations and sub-national governments submitted detailed proposals, and held follow-up meetings with government officials to consider them further. A workshop organised by the lead ministry in May provided a further opportunity to debate possible priorities and objectives for the Plan. This session was co-organized with civil society organisations working on renovation and transport. However, there is little further news of progress. There is no published summary of consultation responses and no public indication of any possible timescale for consulting over a draft Plan or submitting it to the European Commission. Previously to this workshop, both the Housing Ministry, the Transport Ministry and the Ecological Transition Ministry (responsible for the file) participated in a session organised by civil society organizations groups working on SCPs (Alliance for housing renovation leaving no one behind, together with the NGO Working Group on the Social Climate Plan and the Working Group on Social Inequalities in Transport) on October 2024.

A parallel and related initiative, the preparation of the draft National Strategy against Energy Poverty 2025-2030, was published for consultation in September 2025 and included measures likely to be included in/funded by Spain's Social Climate Plan. That process not only included NGOs, but also vulnerable households, which allowed the Ministry to hear first-hand barriers and issues that vulnerable households are facing.

**In Slovenia**, the preparation of the Social Climate Plan has included several stakeholder activities but remains limited in scope and inclusiveness. The process began with an expert workshop on 5 December 2024 on "Public transport as a solution to environmental and social challenges" organised by Focus



Association for Sustainable Development, followed by several hybrid stakeholder meetings in early 2025 — both at the ministry and online — involving municipalities, NGOs, and researchers. Focus then hosted a policy dialogue in February 2025 on energy poverty, and the Ministry of Environment, Climate and Energy organised its first general workshop on 3 April 2025 to present the SCP framework. Some measures, particularly in the transport component, draw on findings from a Targeted research programme on transport poverty (2022–2024),<sup>5</sup> although political adjustments later introduced new elements such as a “social e-leasing” scheme. A formal public consultation with the first draft, initially planned for after summer 2025, has been postponed to late October 2025, and as of mid October no draft or feedback summary has yet been published. While these steps mark progress toward more structured dialogue, the process remains fragmented, expert-driven, and lacking broad participation from citizens, grassroots groups, and vulnerable communities, underscoring the need for more transparent and inclusive engagement in the next phase.

**In Slovakia**, the public consultation significantly improved in the first half of 2025. Civil society representatives had several opportunities to participate in the discussions with the Office of the Deputy Prime Minister for the Recovery Plan and Knowledge Economy. On the other hand, the Minister of Environment and other members of the Slovak government repeatedly express opposition to the ETS2 transposition and phasing out (Russian) fossil fuels. So, there is a lack of political will to hold an evidence-based public discussion on ETS2 and mitigating its impacts on the vulnerable and energy-poor households. A few ministers are even spreading disinformation that ETS2 transposition could translate into annual additional costs of EUR 3000 per household. Moreover, the Office of the Deputy Prime Minister for the Recovery Plan and Knowledge Economy sent a draft Social Climate Plan to the European Commission for an informal consultation in the summer of 2025. The material was not shared until 17 October with the civil society members of the working group for the SCP preparation. The Slovak National Center for Human Rights (SNCHR) reported that the SCP participatory process lacked involvement of organisations representing different minorities – such as Roma, people with disabilities, and people living in poverty. The SNCHR itself only joined the consultation process after an invitation by the Climate Coalition. They did not receive the list of shortlisted measures for commenting. Experts from social NGOs, including very few working with the Roma community, had a chance to comment but mostly via consultations with the Technical Support Instrument experts. Positively, the Strategic Environmental Assessment (SEA) process<sup>6</sup> provides additional possibilities for improvements. Finally, the government should initiate an interministerial consultation procedure in autumn to finalise the SCP in 2025.

**In Portugal**, the Plan was presented by the Development and Cohesion Agency in four public sessions in Lisboa, Faro, Funchal and Ponta Delgada. The format did not allow for questions or comments from the

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<sup>5</sup> Znanstvenoraziskovalni center Slovenske akademije znanosti in umetnosti, [PREVOZNA REVŠČINA V REPUBLIKI SLOVENIJI Poročilo ciljnega raziskovalnega projekta V6-2251](#), 30 May 2024.

<sup>6</sup> EIA/SEA, [Sociálno-klimatický plán](#), EIA/SEA, 2025.

audience. In each session, a group of experts representing different stakeholders analysed and discussed the Plan in a roundtable. Another session was held in Porto on the 20<sup>th</sup> of October. Upon request, private sessions were held with ZERO and GEOTA, two national environmental associations. On the 10<sup>th</sup> of October, the Social Climate Plan was published for public consultation. However, only a summary version was made available. The complete draft with a full description of the proposed instruments, programs and measures has not been shared.

**In Italy**, the Ministry of Environment and Energy Security (MASE) has taken significant steps to promote dialogue through the three-phase public consultation on the Social Climate Plan. However, the process still offers room for strengthening inclusivity and long-term participation. The consultation concluded in June 2025 and successfully gathered input from institutional stakeholders and civil society, fostering constructive exchanges with ministry experts and demonstrating an encouraging openness to integrating external proposals. However, this technical openness needs to be matched by stronger political commitment to institutionalise participatory processes. Establishing permanent, multi-level engagement structures, such as thematic working groups or advisory platforms, would help ensure continuity, transparency, and genuine co-creation of policies over time. Moreover, future participatory exercises could benefit from broader outreach strategies to engage underrepresented communities and citizens directly affected by the transition measures, thus making participation not only consultative but truly inclusive and meaningful.

**In Latvia**, the process involving stakeholders was positive, largely due to the country receiving technical assistance support for drafting the Plan. However, once the draft Plan was created, a formal process of reconciliation with other ministries and institutions was initiated, which was extremely short (lasting only 3 working days). This effectively omitted the formal public consultations process. A public hearing on site and online took place, however, it took place after the deadline of first comments round for institutions, and this cannot be considered a sufficient public involvement replacing a longer period for consultations. After the public hearing two extra online thematic meetings took place upon request.

**In Belgium** (Flanders), there was no joint working group or open consultation on the results of the draft Plan. However, two consultation rounds were organised by invitation, on the 4<sup>th</sup> of November 2024 and the 28<sup>th</sup> of April 2025. An initial long list of potential actions was drafted and later narrowed down to a short list. Belgium also responded to the European invitation to engage a consultancy firm (Trinomics, which published a final report on the Plan<sup>7</sup>) guide the process, which organised also a consultation on the 12<sup>th</sup> of March 2025. Overall, the process remained expert-driven and lacked broad participation from citizens, grassroots organisations, and vulnerable households. The final Social Climate Plan has not yet been published. REScoop Vlaanderen, through its Social Impact Working Group, proactively brought together several civil society organisations to develop six proposals for the Social Climate Fund. Three of these were

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<sup>7</sup> Trinomics, [Support to the Preparation of Social Climate Plans Deliverable 2 Report on the impacts of ETS2, the identification of vulnerable groups and stakeholder engagement plans Final report for Belgium](#), Trinomics, 27 March 2025.

integrated into the core proposals<sup>8</sup> submitted by Reset.Vlaanderen, representing a broad network of civil society organisations. Despite these efforts, the Social Impact Group was never invited by the Ministry to present its recommendations directly, although individual members were able to highlight certain points in bilateral meetings. The Flemish Agency for Climate and Energy (VEKA) maintains a positive working relationship with REScoop Vlaanderen and annually commissions guidance and support to develop strategies on energy sharing and energy communities. However, this collaboration has not yet translated into operational funding, direct support, or formal recognition of energy communities within final policy frameworks, nor in addressing the operational challenges of reducing energy poverty.



**Denmark** has not yet published a draft of the Social Climate Plan. There has been one single online meeting, and the ministry is signaling willingness to receive input. However it has also been communicated that it will be up to the government to decide what is in the Plan and that any hearing will be conducted afterwards. A letter was sent from the ministry to the EU explaining that Denmark would be delayed partly due to a Danish tradition of not mixing social policy and climate policy<sup>9</sup>. A few weeks later, the Danish government published a political agreement to temporarily lower the tax on electricity for social reasons.<sup>10</sup> These mixed signals and the closed process is very far from the ambition set forth by the EU. Overall the participation process falls solidly in the category of tokenism.

**France** neither held consultations to date, nor communicated about the Social Climate Plan publicly. Inter-ministerial meetings were organised at the beginning of 2025 to work on the measures that could be included in the Plan, but the process is currently on hold, mainly due to the political instability in the country. Publication of the Social Climate Plan is uncertain.

**Germany** has not held any official public consultations to date, aside from two closed-door meetings with a few civil society representatives. There has also been no public communication regarding the Plan. The only time the Federal Ministry for the Environment, Nature Conservation and Nuclear Safety mentioned the Plan, was on the day of submission, explaining that the delayed submission would not affect the availability of financial resources from the Social Climate Fund. This gives the impression that the process is being downplayed and obfuscated. Inter-ministerial meetings were held at the end of 2024 and the beginning of 2025 to discuss potential measures for inclusion in the plan. However, the process was put on hold for

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<sup>8</sup> Reset.Vlaanderen, [Kickstart voor een sociale klimaattransitie](#), Reset.Vlaanderen, no date.

<sup>9</sup> Danish Ministry of Climate, Energy and Utilities, [Notification from Denmark to the Commission on the delay of the Danish Social Climate Plan](#), Danish Ministry of Climate, Energy and Utilities, 27 June 2025.

<sup>10</sup> Danish Ministry of Taxation, [L 24 Proposal for an Act amending the Electricity Tax Act and the Tax Assessment Act. \(Reduction of the general electricity tax in 2026 and 2027, etc.\)](#), Danish Ministry of Taxation, 8 October 2025.

several months due to parliamentary elections. Since then, there has been no further communication about the status of the SCP, and it remains unclear when the Social Climate Plan will be submitted.

**Hungary's** draft Social Climate Plan has yet to be published. Although the government acknowledges that the Social Climate Fund and the ETS2 are inseparably linked, it has chosen to take a cautious approach. At an event in late May 2025, a representative from the Ministry of Energy stated the government's opposition and unwillingness to transpose ETS2 into national legislation. An NGO consultation process was initiated by green and social NGOs in 2024 (coordinated by MTVSZ - NSC-FoE Hungary and Habitat for Humanity Hungary). Since then, a consultative NGO meeting was held with the Ministry of Energy (EM) and several civil-society-organised workshops and stakeholder meetings took place, where initial concepts and elements of the Plan were shared (by ministry officials) and NGO materials, recommendations were presented and discussed. A draft Plan for consultation was promised for summer 2025. However, by mid October 2025, no draft Plan or any related news has been published. The planning process seems to have stalled. The Ministry of Construction and Transport (ÉKM) has done little to make planning transparent. According to civil society organisations active in transport policy and transport poverty, the Ministry has failed to initiate any consultation or provide any information on the transport component of the plan.

**Ireland's** draft Social Climate Plan has not yet been published. A consultation process – held in early October 2025 – for the Social Climate Plan fell short of the inclusive and iterative participation model envisaged by the Social Climate Fund Regulation and the European Commission's guidance. The Government held a six-week online consultation survey and indicated plans for a single public event, but the absence of a full draft Plan for review during the six week consultation process meant that stakeholders could not meaningfully assess key elements such as definitions of vulnerability, targeting methods, financing structures, or monitoring arrangements. To align with good practice, Ireland should have ensured that the full draft Plan was published and open to comment, and that the planned public event forms part of an ongoing participatory process rather than a one-off exercise. Civil society organisations sought meetings with the Department of Climate, Energy and the Environment to discuss the Social Climate Plan, but these requests were not accommodated.

### 3) Effective targeting of end beneficiaries



**In Poland**, the Social Climate Plan has two measures that stand out as well-targeted to the most vulnerable households. It includes a Supported Housing and Training Program, including the renovation and reconstruction of existing residential buildings to create at least 1000 new assisted living and training apartments targeting people experiencing homelessness. Second, it contains a measure of training for

employees of social welfare institutions in the scope of services for the energy poor. The measure will provide detailed training for social workers in energy retrofitting and existing support programs making these accessible to vulnerable households. The Polish Plan also includes a Social and Municipal Housing Program. However, the income bracket of eligible households include also lower-middle-income households and employees that will increase the competitiveness of the local economy which is not a goal of the Social Climate Fund. The targeting should focus on the lowest income groups with limited employment opportunities. However, national definitions and identification of beneficiaries require refinement to better match Polish socioeconomic realities and ensure support reaches all vulnerable groups effectively (e.g. by extending beneficiary identification beyond obvious groups to include broader segments affected by energy transition costs). Also, challenges remain related to the incomplete recognition of all groups impacted by energy poverty and transport exclusion, risking insufficient or uneven distribution of Fund resources. Fuel poverty in the transport sector has not been diagnosed well enough and therefore the plan lacks good enough actions against it, while ETS2 will impact many citizens directly through fuel pricing.

**In Greece**, the Social Climate Plan (measures K4.1 and K4.2) foresees the creation of One Stop Shops, utilising existing chambers of commerce and local community centers, that can help microenterprises and vulnerable households respectively access relevant information. Support is provided for a switch to clean heating and cooling technologies, clean transportation, building renovations and ultimately navigating the funding application process.

**In Latvia**, planned measures will likely reach those suffering from energy and transport poverty. The support will not be targeted only to those who will be impacted by ETS2 the most. This is a justified and effective use of the SCF, as district heating plays a significant role in the country's energy system, and a lot of individuals use forest biomass in their heating systems. The measures intended for building energy efficiency and heating source replacement are planned to target worst performing buildings and citizens from lower income groups. For multi-apartment buildings, the support would also be provided to households of other income groups, since dwellers of these buildings can be diverse, but financial support intensity will vary for different apartment owners depending on the income group. Some transport investments are specifically targeted only to vulnerable households fitting certain transport poverty criteria. Other infrastructure investments will provide benefits to all citizens, i.e. transport on demand, cycling infrastructure, and battery electric trains. However, the current version of the Plan refers to 'vulnerable' households, but does not always provide clear understanding on how the specific target group will be selected. Further refinement of end beneficiaries is needed. Lastly, no solutions are provided for vulnerable tenants.





## Room for improvement

**In Slovakia**, social and environmental NGOs initiated discussions that one-stop shops in cities are not sufficient to provide information and support for people vulnerable to transport and energy poverty.<sup>11</sup> Fortunately, ministries and governmental agencies participated in events focused on this topic and organised discussions with social NGOs to improve it. As a result, the draft measure expanded to consulting, expert assistance, capacity building, and training. The goal of this investment would be to increase the rate and quality of family home renovations and directly guide people toward measures supported by the Plan. There is high potential for improvements, e.g. sharing best practices, decreasing departmentalism and barriers between funding programmes and projects. The Slovak National Center for Human Rights (SNCHR) reported that there was no consultation of CSOs representing marginalised groups. They advocate for an expanded definition of a vulnerable household. This should include, for example: people living in income poverty but without access to hardship allowance, single-parent households, and individuals living in non-owner-occupied housing (e.g. in commercial rent or in a house owned by another family member).

**In Italy**, although the Plan allocates substantial resources to address the needs of energy and transport-poor households as well as vulnerable microenterprises, further refinement is needed to ensure that support effectively reaches those most at risk. In particular, the measures dedicated to energy investments for vulnerable microenterprises represent an important step, but their targeting criteria require improvement. The current eligibility approach, based primarily on turnover, does not accurately capture real vulnerability levels. A more effective method would be to assess the ratio of energy costs to gross operating margin (GOM), which better reflects firms' exposure to rising energy prices under the ETS2. Moreover, the plan's 30% efficiency improvement target remains modest and should be complemented by incentives promoting full electrification and deeper decarbonisation, especially for manufacturing microenterprises reliant on gas for process heat. For the SCP to serve as a true instrument of just transition, its targeting approach must also ensure coherence and integration across different dimensions of vulnerability. While the plan establishes a structured framework to address energy poverty, a comparable methodology is still lacking for transport poverty. It is therefore necessary to clarify how planned mobility measures, such as the proposed "Il Mio Conto Mobilità", will align with the objectives and indicators of the National Energy and Climate Plan.

**In Czechia**, several investments are proposed for tenants, which make a disproportionately large share of households in energy poverty and have almost not benefitted from energy efficiency funding to date. For these investments to reach the most vulnerable households and sustainably reduce their cost burden, it is necessary to use relevant eligibility criteria and that rents are limited for a significant period after the

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<sup>11</sup> Friends of the Earth-CEPA, [Lepší Sociálně-klimatický plán: Obnova zariadení sociálnych služieb krízovej intervencie, ktoré prevádzkujú neverejní poskytovatelia](#), Friends of the Earth-CEPA, 31 March 2025.



investments (at least 20 years). For the investment “Affordable Rental Housing” it is important not to reproduce income brackets that include above-average income households and exclusionary criteria such as “desirable profession” as was the case with the Affordable Rental Housing program when it was funded under the Recovery and Resilience Facility. For the investment “Renovation of buildings owned by the municipality and rented by vulnerable households”, it is important that the investment is tied to the social rent limits developed by the Ministry for Regional Development for social housing previously developed under the IROP and that the target group is defined in line with common criteria for energy poverty and housing exclusion. There is also a proposed investment for households suffering housing exclusion and living in hostels including social work.

**In Bulgaria**, the Plan recognizes the significant correlation between gas and solid fuel prices and increased energy consumption. There is a clear correlation between the use of solid fuels in cities and energy poverty<sup>12</sup>. However, the same link is not so clear in smaller settlements, where there is a long-term tradition to use firewood and coal for heating. Generally, Bulgaria has a definition for energy poverty and a definition for vulnerable customers, but lacks a structured mechanism for identifying households in energy and transport poverty. Even though the legislation does not appoint specific public officials to conduct the energy poverty vulnerability assessments, the SCP implies that the selection of SCP beneficiaries will be conducted by the municipalities. As a result, both the cost-supportive measures (e.g., subsidies on bills) and the investments include solid fuels users as a target group. The Plan envisages to support vulnerable households through home renovation, new home appliances, and energy sale through energy communities. The main criteria for eligibility would be the compliance with the energy poverty vulnerability definition. Specifically in the cases of multifamily buildings, the SCP has vaguely defined “major share” of vulnerable households living in the applicant building which does not provide the exact share or number of such residents. The SCP envisages a voucher-based program for energy efficient home appliances for cooking and heating for vulnerable households, which includes the home-delivery and connection of the new device. This approach eliminates upfront costs and makes the scheme accessible for low-income households. On a negative note, it is unclear how the fund foreseen in the “Warm Homes” investment will be made available to households. Vulnerable households should receive 100% upfront funding for renovation measures. Despite the availability of pilot OSS initiatives in Bulgaria, there is also no official technical assistance. This might make the implementation of certain investments, such as the Warm Homes one, challenging. Finally, there is no specific mention of inhabitants of informal settlements in the cost-supportive measures and the building sector investments. The Council of Europe has asked Bulgaria repeatedly to ensure equal access to basic services, including energy, to inhabitants of informal settlements, as well as making sure they are at least equally considered in the selection of candidates for social housing. Bulgaria took a first step into that direction by adopting the “service address” system, available for households without the option to register at their home address. However, the amendment is only very recent (2024) and without targeted support,

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<sup>12</sup> European Climate Initiative, [InventAir: Inventories of energy poverty to support clean air policies in Eastern European countries](#), European Climate Initiative, 2018-2019.

inhabitants of informal settlements may not be able to access the cost-supportive measures envisioned in the NSCP or benefit from the building renovation investments.

**In Portugal**, energy efficiency, renewable energy integration, and building renovation programs are proposed, directly targeting vulnerable households. In two new subsidy-based programs, the criteria for identifying these households go beyond the social tariff attribution (which is set by severe social and economic vulnerability) and now also includes middle level income households (60% and 70% below median), expanding the targeting from severe economic hardship to a broader segment of beneficiaries in energy poverty. Nevertheless, the indicators defined in the National Energy Poverty Mitigation Strategy are still not used to guide these instruments, leading to purely income-based targeting, which falls short of capturing all the relevant dimensions and expressions of this multidimensional issue. Consequently, the proposed measures still leave out certain households in energy vulnerability which are not captured in conventional economic indicators. Owners and tenants can both apply to the programs, which is an improvement from past programs, but no provisions are made in order to avoid rent increase and overcome the problem of split incentives, which will likely lead to the exclusion of a considerable number of tenants and subsequently a part of the energy poor population, as shown in scientific literature. Other identified vulnerable groups are also not targeted. There is a new program that will provide subsidies to collective entities (companies, third sector) that own buildings for energy retrofit interventions in historical or social neighborhoods or in low energy performance buildings, occupied by vulnerable households. The link between economic and social vulnerability, and poor energy performance of buildings is a positive development. However, previous initiatives in the country show that engaging these entities and prompting them to participate is a challenge that requires further action for a successful implementation.

**Romania** has developed a more comprehensive methodology for the identification of affected groups in the Plan, that goes beyond the exclusive focus on income of current legislation regarding “vulnerable consumers”. This methodology would allow for investments at local administrative unit level, ensuring efficient channeling of funding in areas with the highest rates of energy and transport poverty. Nevertheless, transport poverty will need to be defined into legislation and further developed from a methodological point of view. Challenges are also foreseen in preparing the implementation, especially in ensuring effective communication and capacity support for the most affected communities as to facilitate acceptance of proposed investments, prepare projects and facilitate absorption.

**In Belgium (Flanders)** a broad range of targeting criteria was used in the past, but this has recently been simplified to a few general income-based categories. The planned measures are expected to focus on the lower half of the income distribution, though they may not specifically reach those most affected by energy poverty. Implementation will likely rely on existing structures, such as the public one-stop shops (Energiehuizen) and social housing programmes. As a result, the forthcoming Social Climate Plan may largely deepen existing approaches rather than introduce new ones — with the added risk that it could compensate for other budget cuts in a context where all public budgets face tightening constraints. An open question remains regarding the potential role of other civil society actors, such as energy communities, in

implementation and targeting. Since targeting based on income data is less practical for these actors, collaboration with public institutions will likely be necessary. In the area of sustainable transport, the expected focus will be on strengthening public transport and cycling infrastructure, particularly in areas suffering from transport poverty. While these are relevant and sustainable modes of mobility, funding support appears less targeted toward specific end beneficiaries. It also remains uncertain whether civil society proposals — such as social leasing schemes for vulnerable households — will be included in the final Plan. Direct compensation for using fossils will be foreseen for vulnerable households, and this support will be handled at the federal Belgian level. The strategy should remain to support at maximum vulnerable households with renewable energy, and to keep compensations (e.g., subsidies on bills) for those not able to shift to renewables as a temporary measure.



**In Sweden**, the Plan only proposes one measure, an electric vehicle premium for transport-vulnerable households, leaving 120,000 energy poor households in the housing and heating sector without action. Heating in Sweden is largely decarbonised, meaning that heating costs in general will not increase under ETS2, yet inefficient forms of electric heating are overrepresented among lower income households who oftentimes lack the financial ability to invest in more efficient technologies. As it is explicitly stated that the SCF can support energy poor households that are not directly impacted by ETS2, there is a missed opportunity of utilising the Fund to support a socially just transition in the housing and heating sector. In the Plan, it is argued that: “The reason why Sweden does not include more measures is that the administrative burden of managing several different measures is likely to result in funds not being used efficiently”.

#### **4) Policy coherence & broader funding mobilisation**



**In Poland** the Plan is designed to align with other key strategic documents such as the National Energy and Climate Plan and the National Recovery Plan, enabling synergy between funds and policies. Efforts to integrate SCP measures with broader EU initiatives like REPowerEU and the Modernisation Fund are underway. Pilot projects and complementary funding models should be expanded to better mobilize financial resources. Furthermore, the Polish Plan continues the Clean Air Program, combining heating exchange with energy efficiency renovation and prior assessment of the energy efficiency of the building. It

offers operational support throughout the process particularly for households receiving the highest amount of funding and advance payments. However, it remains unclear how and whether the funding is adapted to the needs of households in the lowest two income deciles who do not benefit from tax rebates and are unable to pay upfront costs. Furthermore, it has not been explained by the Polish government, how it plans to utilise remaining ETS2 revenues (75% that does not contribute to the Plan), which is a critical gap due to Poland's poor record in spending only a small part of the ETS1 revenues on actual energy transformation investments.

Further risks include fragmented and inconsistent national policies and lack of a long-term coherent vision for mobilizing sufficient and sustainable funding to address energy and social challenges. Moreover, in public messaging, if it happens at all, national authorities often present the Social Climate Fund as a broad answer to energy and transport poverty, without directly linking it to the carbon price or ETS2, to manage public perception. The Polish Government has in fact taken a strong stance against ETS2, lobbying for its delay at the EU level.

**In Estonia** the monitoring committee for cohesion funds was mobilised at an early stage to collect inputs for the design of the Plan and to ensure its alignment and complementarity with other cohesion-funded programmes, signalling a deliberate effort to ensure holistic oversight of EU funding and coherence across policy instruments. Measures on housing were co-developed with the Estonian Business and Innovation Agency (EIS), the national implementing body for construction-related schemes, ensuring alignment with existing investment priorities and operational experience.



**In Latvia**, the Plan does not directly build on already successful programmes. However, some elements will likely be passed on from the current Building Renovation Support Programme from Cohesion funds. The specific programme provides specific support towards Latgale, the economically least developed region. The Plan may possibly provide additional smaller, individual energy efficiency improvements in the region. Several transportation measures are directly coordinated with national public transportation policy and existing investments. These include: 'transport on demand' as a replacement for ineffective regular public transportation routes in rural areas, purchase of battery electric trains as part of wider improvements of the railway system, and railway electrification. Overall, the planned measures are in line with the National Energy and Climate Plan as well as with sectoral policies and strategies. The downside of the Latvian Plan is that it does not consider the use of additional funds from ETS2 for the purposes of replenishing the Social Climate Fund. Most likely this is left up to a political decision in case of severe increases of energy costs.

**In Slovakia**, a working group on Synergies and Complementarities held an initial discussion about combining advisory services, technical assistance, capacity building, and training from multiple EU-funded

programmes. Moreover, a scheme to support renovation of the family houses has so far been funded by the Recovery and Resilience Facility, which ends in 2026. It will continue being funded by the Modernisation Fund and then is expected to continue from the Social Climate Fund later on. Next steps should include more precise identification of the vulnerable target groups, tailoring various support schemes to their needs and ensuring synergies among multiple EU-funded programmes.

**In Romania**, some planned investments will benefit from the implementation experience of other programs such as RepowerEU or the European Regional Development Fund. Other investments such as energy communities, the decarbonization of heating systems in multi-family buildings or transport on demand will be implemented for the first time, phased-in over the whole Plan implementation period. Even though these investments will contribute to already set objectives in national strategies such as the National Energy and Climate Plan (e.g. no of heat pumps installed), their successful implementation will depend on a number of factors such as: interinstitutional cooperation at all levels of governance, the architecture of energy pricing, alignment with private providers and efficient communication at local level.

**In Spain**, the drafting of the Plan has been very much aligned with other plans and strategic documents, such as the National Building Renovation Plan. The latter includes an energy poverty working group which used the conclusions from the participation process of the Social Climate Plan. The Spanish Social Climate Plan is also aligned with the National Housing Plan 2026 – 2030, which offers full coverage for the renovation of the homes of vulnerable households, and the National Strategy Against Energy Poverty, which directly references the participatory process of the Social Climate Plan as key input for the included renovation measures. However, a full first draft of the SCP has not yet been published.



**In Czechia**, the proposed reforms and investments for the Plan do not include any cost supportive measures. This can be problematic against the background of the recent Social Benefit Reform (2025) which supports energy costs only through a flat rate that will be insufficient for example for two thirds of single-person senior households. It might be insufficient also once energy prices increase as a consequence of ETS2. Rather than taking funds from the Social Climate Fund, Czechia could consider allocating additional ETS2 revenues for income-supportive measures.

**Germany** has not made any draft of its Social Climate Plan available and there is no communication about the issue.

**In Portugal** the Plan proposes an increase in funding for building renovation and energy efficiency particularly for vulnerable households. However, the proposed funding is insufficient to achieve the ambitious goals identified in the National Long Term Renovation Strategy and the National Energy Poverty



Mitigation Strategy. Independent scientific studies also estimate the costs of building renovations and tackling energy poverty as significantly higher.<sup>13</sup> A substantial increase would be necessary to achieve greater impact. There is also no follow-up and allocated funding for energy consumer protection measures, proposed in the National Energy Poverty Strategy. These include guaranteeing minimal vital energy services and contracted power, bill support, and stopping energy disconnections, and are vital for the welfare of vulnerable households.

**In Belgium** civil society organisations have called not only for the funds allocated through the Social Climate Fund to be used effectively, but also for all revenues generated from ETS2 auctions to be oriented toward climate and social objectives. So far, no detailed information has been shared regarding the budget sources, allocation, or distribution of funds across the planned actions.

## Concluding Remarks

Ambitious Social Climate Plans are a win-win. Large scale investments in building decarbonisation, clean and inclusive mobility, and citizen-led solutions like energy communities, can reduce energy prices, tackle energy and transport poverty, and build energy security. Sufficiency measures<sup>14</sup> should also be considered for deep and structural energy savings. This will not only ensure broad social acceptance of the energy transition, but it will also make the economy more competitive and resilient.

While carefully designing the national social climate plans is an important first step, successful implementation requires ongoing oversight and feedback. **We recommend that all Member States establish monitoring committees to oversee the Plans.** There is no need to reinvent the wheel: well-functioning multi-stakeholder committees are already in place in many Member States, and could be leveraged for this purpose (e.g., the expert groups formed as part of the Technical Assistance Instrument, the multi-level dialogues established through the National Energy and Climate Plans, and/or the monitoring committees of Cohesion Funds). This is particularly crucial considering the vast room for improvement of public participation practices in many countries, as highlighted above.

These committees should include a diverse range of socially oriented stakeholders, including labour unions, anti-poverty networks, local authorities, underrepresented minorities, and civil society organisations. This has been highlighted in the Commission's recent guidance on the implementation of the Social Climate Plans.<sup>15</sup>

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<sup>13</sup> Palma et al., How much will it cost? [An energy renovation analysis for the Portuguese dwelling stock](#), Palma et al, March 2022. Palma, Pedro Mendes Aleluia Martins da, [Exploring Energy Poverty Measurement across Spatial and Temporal Scales: Insights for multilevel future Policy-making in Portugal](#), Palma Pedro Mendes Aleluia Martins da, 2024.

<sup>14</sup> This may include regulating the surface area per person of our dwellings and the number of kilometres travelled per person per year. HotorCool, [A Climate for Sufficiency: 1.5-Degree Lifestyles Report](#), HotorCool, October 6 2025.

<sup>15</sup> European Commission, [Guidance on the implementation of the Social Climate Fund](#), European Commission, 9 October 2025.



Lastly, considering the hugely ambitious task of decarbonising the heating & cooling, housing, and transportation sectors, we call on Member States to explicitly commit in their Plans that they will mobilise additional funds. This could include, amongst others, ETS1 and broader ETS2 revenues, the Modernisation Fund, the Just Transition Fund, the European Regional Development Fund, and the European Social Fund+.

## Useful Resources

### Czechia

[Presentations of proposed measures and investments and list of consulted organisations](#)

### Greece

[Greece's \(draft\) Social Climate Plan](#)

### Sweden

[Sweden's \(draft\) Social Climate Plan](#)

### Poland

[Poland's \(draft\) Social Climate Plan](#)

[Summary of comments from public consultations and implementation status with justification \(in table form\)](#)

[General report from the public consultation process](#)

### Portugal

[Portugal's \(draft\) Social Climate Plan](#)

### Spain

Spain's (draft) Social Climate Plan (initial process):

[Initial consultation \(February 2025\) to gather proposals for the SCP](#)

[Summary of the planned participation process, timetable for drafting, approval and proposed implementation](#)

Consultation responses with useful proposals from NGOs, thinktanks etc., incl. various alliances, and CAN Europe members (not SEO/BirdLife):

- <https://ecodes.org/hacemos/energia-y-personas/rehabilitacion-energetica-de-viviendas/alianza-por-la-rehabilitacion-de-viviendas-sin-deja-a-nadie-atras/consulta-publica-plan-social-para-el-clima>

- [https://fundacionrenovables.org/wp-content/uploads/2025/06/Alegaciones-fondo-social-por-el-clima\\_FR.pdf](https://fundacionrenovables.org/wp-content/uploads/2025/06/Alegaciones-fondo-social-por-el-clima_FR.pdf)
- <https://www.revoproprosper.org/2025/06/03/documento-de-politica-publica-transicion-justa-con-el-plan-social-para-el-clima/>

## **Italy**

[Italy's \(draft\) list of measures](#)

## **Latvia**

[Latvia's draft Social Climate Plan](#)

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## Endorsements

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Brasov Agency for Sustainable Development

FEBEA - European Federation of Ethical and Alternative Banks and Financiers

Community of Renewable energy Metropolis of Demetrias Greece

AWO Bundesverband e.V,

Energía Bonita

GEOTA - Grupo de Estudos de Ordenamento do Território e Ambiente

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Supported by:



Federal Ministry  
for the Environment, Climate Action,  
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