



Council of the European Union  
General Secretariat

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**2021/0206(COD)**

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**WK 13132/2021 INIT**

**LIMITE**

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## **CONTRIBUTION**

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**From:** General Secretariat of the Council  
**To:** Ad hoc Working Party on the Social Climate Fund

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**Subject:** Fit for 55 package - Social Climate Fund: Follow-up to the informal vc of the AHWP SCF on 12 October 2021 - Comments by delegations

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Following the call for comments on the above set out in WK 12128/21, delegations will find attached comments from the ■■■, ■■■, ■■■, ■■■, ■■■, ■■■ and NL delegations.

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WK 13132/2021 INIT

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Written questions to the European Commission:

The Netherlands welcomes the opportunity to ask further questions on the Social Climate Fund. We would like to underline the need for written answers to member states' written questions, so that we may be able to further develop our understanding of the proposal.

We kindly ask the Commission to provide their answers with references to the specific questions asked by member states, with specific care in answering the following questions from our side:

- The SCF allows for the financing of both direct income support and sustainable investment measures and support thereof:
  - Could the Commission elaborate why it is not planning to provide minimum and maximum allocation requirements for the financing of sustainable investment measures and direct income support under the Social Climate Funds? Could this not be a useful framework to provide MS with suitable guidance that encourages taking structural measures? ‘
  - Is the Commission planning to provide some other form of further specification on the split between sustainable investment measures and direct income support, perhaps by providing soft benefits to prioritising investments over direct support?
- Could the Commission further substantiate how it intends to treat measures that finance purely transitional energy forms, when these might not lower households' energy costs significantly, as households must still pay the new ETS-BRT rates
- Could the Commission further substantiate its rationale for the fund's legal basis, i.e. the EU's competence and the subsidiarity and proportionality of the SCF? Also, in relation to the actions to be financed. In particular, could the Commission substantiate on the following:
  - its choice for Article 91, first section, subsection d (TFEU) and its relation to the SCF and the EU's common transport policy? What if a MS does not include plans to tackle public transport?
  - the relation between Article 192, first section, and Article 194, second section (TFEU) and the possibility of financing direct income support under the SCF?
- The SCF would enable the first transfers to commence in 2025, one year before the start of the ETS-BRT.
  - Could the Commission substantiate why it has chosen for a start of the SCF one year before the start of the ETS-BRT in particular?
  - How does the Commission envision that this early start will contribute to the effective mitigation of negative socio-economic effects?
  - For instance, would only the financing of sustainable investment measures be allowed, with direct income support being excluded?
  - How would the Commission measure milestones already in 2025?