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Horizontal Guidance and Country Recommendations for National and Regional Partnership Plans to deliver resilience, competitiveness, and clean investments in a just transition

COORDINATED BY:



RESCOOP.EU

WITH CONTRIBUTIONS FROM:



The following briefing has been coordinated by REScoop.eu and Climate Strategy & Partners with contributions from civil society organisations from across the European Union. Its goal is to provide support to the Commission and Member States on how to effectively design and implement the National and Regional Partnership Plans (NRPPs). The briefing provides recommendations on horizontal and country-specific guidance and reforms to drive investments for a competitive, clean and resilient European economy, while ensuring a just transition.



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Horizontal Guidance for the NRPPs

1) Coordinating NRPP design with other EU-level instruments to drive efficient and impactful spending

Article 7.5 of the Single Fund Regulation mandates that “The Commission and the Member States concerned shall, in a manner commensurate to their respective responsibilities, ensure coordination, consistency and synergies between the Fund and other Union programmes and instruments.” **NRPPs should therefore take into account, and describe, how they plan to support measures or projects that may also be supported through the European Competitiveness Fund (ECF).** This coordination can strengthen synergies and coherence in the EU funding landscape, which until now has been described as a “patchwork” of funding sources by the European Court of Auditors (ECA), the European Investment Bank (EIB) and Mario Draghi’s report on competitiveness.¹ This fragmentation, duplication, and gaps among EU programmes has made it too complex to navigate funding opportunities for beneficiaries. Harmonising instrument deployment and applications across the EU contributes to simplifying access for beneficiaries and implementation by managing authorities and partners.

Each chapter or section of NRPPs that addresses specific sectors can include an outline, when relevant, of this coordination dimension with the ECF. **One specific way to harmonise instrument design is increasing the use by Member States of the toolbox of EU financial instruments offered in the ECF InvestEU Instrument.**² National and regional authorities can contribute part of NRPP resources to the InvestEU Member State compartment in order to deploy an EU financial instrument to support regional projects and measures. Each chapter of NRPPs, when determining what funding type is needed per measure or project, can identify which cases would benefit from the ECF InvestEU toolbox.



¹ European Court of Auditors. (2023). EU Financial Landscape Report. Available at https://www.eca.europa.eu/Lists/ECADocuments/SR23_05/SR_EU-financial-landscape_EN.pdf; European Investment Bank (2024). The Scale-Up Gap: An Analysis. Available at https://www.eib.org/attachments/lucalli/20240130_the_scale_up_gap_en.pdf; European Commission (2024). Draghi Report Part B - "EU Competitiveness: Looking Ahead." Available at https://commission.europa.eu/document/download/ec1409c1-d4b4-4882-8bdd-3519f86bbb92_en?filename=The%20future%20of%20European%20competitiveness_%20In-depth%20analysis%20and%20recommendations_0.pdf

² Climate Strategy & Partners (2024). Filling the EU Climate Investment Gap more Efficiently. Available at <https://www.climatestrategy.es/press/MFFReport2024.pdf>

The Commission should establish clear principles and guidance for the use of EU public finance under NRPPs, to help assess where and when grant-based calls for proposals under NRPPs should be used, and when other EU programmes can support implementation and more efficient spending (e.g. the ECF InvestEU, or “as a service” grants under the Innovation Fund or “as a service” auctions under the Industrial Decarbonisation Bank). For instance, in the dialogue with national and regional authorities during the design of NRPPs, the Commission can contribute to their awareness of the existence and benefits of the EU toolbox of financial instruments under InvestEU, thus improving the efficiency of EU funds deployed via financial instruments.³ This would drive a more strategic use of Union funding and help mobilise private investment where financial instruments are more effective than pure grant support, particularly by tapping into the higher leverage ratios of InvestEU (14x average). Grant-based support should be reserved for those goods, services and end-beneficiaries that need them most.

This awareness raising exercise and implementation support is important to address knowledge and capacity barriers in Member States. As an example: the interim evaluation of InvestEU⁴ reported that lack of clarity around the application of State Aid rules caused confusion and delays in the deployment of the Member State Compartment, in particular due to the initial lack of clarity as to which products would need to prove compliance. It will be especially important to **inform regional authorities and accompany them in the use of EU-level instruments**, as they have not been the usual users of these instruments. This should include a simple facilitation of the use of “as a service” auctions and the InvestEU Member State compartment to avoid increased administrative burdens and complexity for them.

The Commission guidance can offer best practices and success cases of the use of EU-level instruments to meet EU common priorities and targets. This could also include a list of the type of financial instruments “as a service” for Member States that could be deployed under the ECF InvestEU. For instance, the NRPP draft report in Parliament⁵ asks for the creation of an EU Renovation Loan facility under InvestEU (amendment n° 423),⁶ which could receive contributions from NRPPs to deploy this financing instrument in a specific country or region. Similar instruments could be offered to finance the deployment of other assets such as solar panels, electric vehicles, heat pumps, etc.

³ See Climate Strategy’s work on the efficiency and simplification gains of EU Financial Instruments “as a service” for Member States that can be offered under the ECF InvestEU toolbox: Climate Strategy & Partners (2025). Towards an evidence-based and efficient design of climate and competitive investments in the next MFF. Available at <https://www.climatestrategy.es/press/MFFBrief24092025.pdf>

⁴ European Commission (2024). Interim evaluation of the InvestEU Programme. Available at <https://webgate.ec.europa.eu/circabc-ewpp/d/d/workspace/SpacesStore/6203b09e-1692-4661-b3d4-a1ee32b6718c/download>

⁵ European Parliament (2026). Draft report on the proposal for a regulation of the European Parliament and of the Council establishing the European Fund for economic, social and territorial cohesion, agriculture and rural, fisheries and maritime, prosperity and security for the period 2028-2034, Draft report, PE787.817, 2025/0240(COD). Available at https://www.europarl.europa.eu/doceo/document/CJ71-PR-787817_EN.pdf

⁶ “The Commission shall develop an EU Renovation Loan Facility in cooperation with the EIB Group, other international financial institutions and national promotional banks. The EU Renovation Loan Facility shall support building renovations aligned with Directive (EU) 2024/1275 [the Energy Performance of Buildings Directive] and national building renovation plans”

2) Turning NRPPs into proactive investment plans for National Energy and Climate Plans (NECPs)

Article 22.b (ii) of the Single Fund Regulation requires that NRPPs “effectively address all or a significant subset of challenges identified” in NECPs. The design of NRPPs is therefore an opportunity to use NECPs as a reference framework to drive investments in climate and energy. So far, most Member States have failed to provide adequate investment assessments under NECPs.^{7,8} The mobilisation of EU public funding through NRPPs should **go beyond looking for general policy consistency with NECPs, and identify how NECP objectives will be financed** by building on the Commission guidance for NECPs⁹ (box n°8) on “Good practices to describe the estimated investment needs”.

NECP objectives can be best supported by a granular and operational financial assessment in NRPPs. This financial assessment would consist of a sectoral breakdown and the identification of the specific assets and technologies needed in order to meet sectoral targets in NECPs. For this purpose, NRPPs should develop **policy-aligned, sector-specific chapters that translate policy objectives in NECPs into granular, quantifiable financing targets for the technologies and solutions to be deployed in each sector**. These chapters can identify priority actions, assess the scale of investment required, and determine the priority end-beneficiaries that should receive financial support. They should also measure existing funding needs per asset and residual gaps, assess financing sources available, and identify when grants or financial instruments are the most appropriate tools.

Where a financial instrument is the most efficient mechanism, NRPPs should identify when the ECF InvestEU instrument could provide a broad range of asset-specific financial instruments, which can help in speeding up financing implementation.¹⁰ This approach could help Member States rapidly deploy financing, reduce administrative complexity, and accelerate investment in priority technologies and solutions.



⁷ European Commission (2025). EU-wide assessment of the final updated National Energy and Climate Plans: Delivering the Union's 2030 energy and climate objectives, COM(2025) 274 final. Available at https://commission.europa.eu/document/download/97168210-2a5c-4d1a-9ed8-6a063e011537_en?filename=COM_2025_274_1_EN_ACT_part1_v6.pdf

⁸ A CAN Europe assessment finds that “A majority of NECPs assume that most investments will come from the private sector, be it businesses or households (e.g. for buildings renovation or renewables). However, most of them lack a comprehensive and credible strategy – or even a set of measures – to leverage or mobilise such private investments.”

⁹ European Commission (2022). Commission Notice on the Guidance to Member States for the update of the 2021-2030 national energy and climate plans, 2022/C 495/02, OJ C 495, 29.12.2022, p. 24. Available at [https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52022XC1229\(02\)&from=EN](https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52022XC1229(02)&from=EN)

¹⁰ See Climate Strategy’s work on how to improve absorption rates and facilitate access to finance for SMEs and households: Climate Strategy & Partners (2024). Filling the EU Climate Investment Gap more Efficiently.

A more granular financial assessment would improve transparency, strengthen NECP-NRPP coordination, help mobilise private capital, and ensure that NRPP funding is directed to priority measures with the highest contribution to climate and energy targets, implementation readiness and socio-economic and health benefits (including job creation, strengthening energy resilience and security, reducing energy poverty, etc.). Such an assessment should also aim to ensure that public investment is directed proportionally and as a priority towards low-income and vulnerable households, people affected by energy poverty and other vulnerable groups requiring targeted support as mandated by EU directives and plans.

NRPPs should therefore specify:

(a) **Sectoral Financing Needs:** Include a comprehensive breakdown of investment requirements per sector (e.g., renewable energy and specifically energy communities, energy efficiency, transport, industry, buildings, agriculture) necessary to achieve the Union's 2030, 2040 and 2050 climate and energy targets at the national level. This breakdown shall quantify:

- Total estimated investment needs per sector,
- Investment needs per specific asset class (technology, infrastructure, service or solution that needs to be financed);
- Residual financing gaps per sector and asset class,

(b) **Financing Sources to Bridge Gaps:** Include an explicit identification of public and private financing sources required to address the gaps identified under (a), including:

- Public sources: Aside from NRPP funding, include contributions from national budgets, regional funds, and other EU programmes
- Private sources: Expected contributions from private investors, financial institutions, or public-private partnerships, including any regulatory or incentive-based measures to mobilise private capital. Also, include considerations on how to ensure the continuous financing of the project or investment, the duration of its operation and long-term financial and economic prosperity.
 - Potential benefits from using financial instruments to mobilise private investments, including the ECF InvestEU instrument
- Risk assessment: Potential barriers to securing the identified financing (e.g., market failures, administrative hurdles, or policy uncertainties).

(c) **Priority Areas for EU Funding via NRPPs:** List the sectors, assets or measures ('priority areas') requiring dedicated EU funding through the NRPP to align with the Union's climate and energy targets. This list shall:

- Justify the selection of priority areas based on their contribution to EU-wide targets, socioeconomic co-benefits, investment needs and readiness for implementation.

- Fill the gaps identified in (a) and (b).
- Specify the type and scale of EU support needed (e.g., grants, financial instruments, technical assistance) and the expected timeline for deployment.
- Identify any synergies with the European Competitiveness Fund and consideration of the ECF InvestEU and the Member State compartment, when financial instruments have been indicated

(d) **Priority end-beneficiaries**, with an indication of thresholds determining their level of access to funding based on financial reference values such as income level and structure, relative size of the enterprise and length of time operating, asset ownership, creditworthiness and developmental stage and size.

- To ensure the additionality of EU funds, Member States should define in their Plans the priority end-beneficiaries for whom EU support is needed, including a justification. **Where support does go to larger companies with good access to private finance, it should be conditional.** Conditions can be linked to outcomes that strengthen the European economy, for instance - the integration of cleantech into processes and a shift to decarbonised, circular and innovative business models, measurable emissions reductions, and the creation of quality jobs in clean sectors.
- Priority should be given, where justified, to **beneficiaries and investments that address structural territorial disadvantages**, limited access to services and infrastructure, demographic challenges or lower administrative and investment capacity, particularly in rural and remote areas.
- EU law requires Member States under Article 8 and 24 of the Energy Efficiency Directive (EU) 2023/1791 to **implement energy efficiency measures as a priority among people affected by energy poverty, vulnerable customers, low-income households and people in social housing**, reaching them at least proportionally and making the best possible use of EU and national public funding for these investments. Article 17(18) of the Energy Performance of Buildings Directive (EU) 2024/1275 adds that **financial incentives for building renovation must target these groups first**. Therefore, people affected by energy poverty, vulnerable customers, low-income households and people in social housing must be priority end beneficiaries of energy efficiency and building renovation EU funding, and be reached at least proportionally.

(e) **Delivery channels** (including managing authorities, national promotional banks, the EIB Group, local retail financial institutions, one-stop shops or other intermediaries), with an explanation of how they can simplify access to finance for the beneficiary and speed-up deployment;

(f) **Methodology**: the baseline, assumptions, base year, discount rate and sources used to calculate the investment estimates;

(g) **Place-based considerations:** investment needs, financing gaps and implementation capacities can differ significantly between metropolitan, urban, rural and remote areas. NRPPs should therefore identify how NECP-related investments can respond to the specific needs, capacities and development potential of different territories, including rural areas and their functional links with towns and cities. This should include consideration of the specific barriers faced by smaller rural businesses, households, municipalities, energy communities and other local actors in accessing finance and delivering investments.

(h) **Environment and health co-benefits considerations:** NECPs investments can improve air quality, protect health and reduce inequalities alongside delivering on climate and energy goals. NRPPs should assess the expected air quality improvements and reductions in people's exposure when prioritising investments and reforms to maximise health co-benefits, especially for the most vulnerable groups facing high pollution exposure and socio-economic disadvantage. This will support implementation mechanisms, cross-sectoral coordination, and safeguard against policy inconsistencies.

To ensure synergies across multiple investments plans and reporting obligations, NRPPs shall describe how member states' interventions are consistent with the timely implementation of Directive (EU) 2016/2284 (NECD) and Directive (EU) 2024/2881 (AAQD), detailing the financial support provided to the implementation of the list of air pollution abatement measures provided by Annex VIII, Part B, article 2 and by Annex IX of the revised AAQD. This will support implementation mechanisms, cross-sectoral coordination, and safeguard against policy inconsistencies while delivering on EU-wide and national policy objectives.

This financial assessment of NECPs should build on the work that will be developed under the NECPRs,¹¹ which would **make the link between NECP objectives and NRPP interventions operational and auditable**. By requiring each measure to identify the proposed criteria, NRPPs would move beyond general policy alignment and provide a clear financing strategy for delivering climate and energy targets. Including the proposed form of support with **a justification assessment for both grants and financial instruments can also avoid disincentivising one specific form of support only**, while creating synergies with the ECF and the InvestEU Member State compartment to ensure a more efficient use of Union resources.



Photo: Theo Laflamme / Unsplash

¹¹ European Commission (2026). Energy reporting – amended templates to reflect European Green Deal outcomes and simplification, Draft Commission Implementing Regulation amending Implementing Regulation (EU) 2022/2299; Have your say initiative 14800, feedback period 24 April – 22 May 2026. Available at https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/14800-Energy-reporting-amended-templates-to-reflect-European-Green-Deal-outcomes-and-simplification_en

3) Driving NRPPs financing to support the implementation of National Building Renovation Plans

This recommendation ensures that NRPPs support the implementation of National Building Renovation Plans (NBRPs) - mandated by the Energy Performance of Buildings Directive (EPBD) - in a socially fair and financially effective way. NBRPs should be explicitly reflected in the NRPP because they provide Member States with the framework to implement the EPBD, including renovation targets, measures, timelines and financing strategies. **Ensuring consistency between NRPPs and NBRPs is key to translate Europe's ambitious building decarbonisation targets into investment action, and therefore also achieving the objectives set out in the NECPs.** This is particularly relevant to reduce energy demand and households' and SMEs' energy costs, address energy poverty, improve living conditions, create local jobs in the renovation sector, and to mobilise public and private investment for large-scale building renovation.

Building renovation measures under NRPPs should be consistent with the EPBD, specifying which renovation segments, building types, households, owners, delivery channels and financing instruments will be supported. This is necessary to ensure that EU funding prioritises and reaches (at least proportionally) those most in need, including low-income and vulnerable households, people affected by energy poverty and people living in social housing, as required by the EPBD article 17, the Energy Efficiency Directive (EED) article 24, and the European Affordable Housing Plan. Social safeguards can be integrated via requirements for Member States to prevent adverse effects such as evictions or disproportionate rent increases after renovation, while monitoring social impacts and ensuring that renovation finance contributes to affordability, lower energy bills and better living conditions.

Building renovation should also prevent ill health by reducing exposure to air pollution. NRPPs should link renovation programmes with air quality interventions, including air quality plans and roadmaps, combining energy efficiency with the replacement of polluting domestic heating. Support should prioritise renewable heating, including heat pumps and excluding wood burning, with targeted upfront assistance and accessible advice for vulnerable households. Programme design should safeguard indoor air quality and assess improvements in outdoor air quality alongside energy savings.

NECPs are structured around five dimensions, in which buildings feature primarily in “Energy efficiency” and “Decarbonisation”. Together, NECPs and NBRPs ensure coherence, predictability, and effective delivery of EU energy and climate objectives, with **NECPs setting the strategic, economy-wide framework and NBRPs delivering the operational, buildings-focused component**, ensuring alignment across planning horizons, investment priorities, and reporting obligations. **Building measures in NRPPs must therefore ensure alignment with both NECPs and NBRPs.**

NECP (Regulation (EU) 2018/1999)	Role of Buildings	Key Policy Elements	Relevant EU Legislation
Decarbonisation (Article 4(a)).	Buildings contribute to emissions reductions in the non-ETS sector and to renewable energy uptake	Fossil fuel boiler phase-out, electrification of heating, deployment of renewable heating and cooling	EPBD (Directive 2010/31/EU), RED, ESR
Energy Efficiency (Article 4(b))	Core sector for achieving national and EU energy efficiency targets	Building renovation, minimum energy performance standards, efficient heating and cooling, energy savings measures	EPBD (Directive 2010/31/EU), EED (Directive 2012/27/EU)
Energy Security (Article 4(c))	Reduced energy demand in buildings lowers import dependence and exposure to price volatility	Demand reduction, insulation, efficient heating systems	EED, EPBD
Internal Energy Market (Article 4(d))	Buildings enable active consumer participation and system flexibility	Smart buildings, demand response, energy communities, storage	EPBD, Electricity Market Design
Research, Innovation and Competitiveness (Article 4(e))	Buildings drive uptake of clean technologies and support EU industrial value chains	Clean construction materials, heat pumps, digitalisation, renovation skills	Horizon Europe, Net-Zero Industry Act

Source: Climate Strategy's response¹² to the European Commission's 2026 Call for Evidence: Update of the governance of the Energy Union and Climate Action, under the Governance of the Energy Union and Climate Action

Under Article 3(2) of the EPBD, each NBRP must include a roadmap with nationally established targets and measurable progress indicators, including **an overview of implemented and planned policies, measures, and investment needs supporting the roadmap**. Where these financial or policy details are already included in the NECP, the NBRP may reference the relevant sections instead of duplicating them.

Furthermore, under EPBD item 60, **financial mechanisms, incentives, and the mobilisation of financial institutions should play a central role in NBRPs and be actively promoted by Member States**. Measures include supporting energy-efficient mortgages, public-private investments, energy performance contracts, and reducing perceived investment risks. Funding information should be transparent and accessible. The Commission is to adopt a voluntary framework to guide financial institutions in increasing lending in line with EU decarbonisation and energy efficiency targets.

¹² Climate Strategy & Partners. Update of the governance of the Energy Union and climate action, Feedback to the European Commission call for evidence and public consultation (Have your say initiative 16034, open 18 December 2025 – 19 March 2026). Available at https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/16034-Update-of-the-governance-of-the-Energy-Union-and-climate-action/feedback_en_en?p_id=21731&page=5

Mortgage Portfolio Standards: A reform measure to drive decarbonisation of banks' mortgage portfolios and drive efficient financing for building renovations

For the first time, the recast EPBD¹³ directly implicates lenders through Mortgage Portfolio Standards (MPS)¹⁴ as a voluntary measure to track the decarbonisation of their mortgage lending:

“Mechanisms incentivising mortgage lenders to establish a path to increase the median energy performance of the portfolio of buildings covered by their mortgages towards 2030 and 2050, and to encourage potential clients to improve the energy performance of their property in line with the Union’s decarbonisation ambition and relevant energy targets in the area of energy consumption in buildings, relying on the criteria for determining environmentally sustainable economic activities set out in Article 3 of Regulation (EU) 2020/852¹⁵”

The recast EPBD also tasks the **EU Commission with the adoption of a Delegated Act**¹⁶ over the course of 12 months to establish voluntary MPS in the following terms:

“comprehensive portfolio framework for voluntary use by financial institutions that supports lenders in targeting and increasing lending volumes provided in accordance with the Union’s decarbonisation ambition and relevant energy targets, in order to effectively encourage financial institutions to increase lending volumes provided for energy performance renovations. The actions set out in the comprehensive portfolio framework shall cover increasing lending volumes for energy renovations and shall include suggested safeguards to protect vulnerable households through blended funding solutions. The framework shall describe best practices to encourage lenders to identify and act upon the worst-performing buildings within their portfolios.”

The Mortgage Portfolio Standards (MPS) definition demonstrates strong alignment with several core principles of "A Simpler, Clearer and Better Enforced EU Rulebook." Its explicit **reliance on the EU Taxonomy Regulation (2020/852) reflects regulatory discipline, avoiding duplicative sustainability criteria, while its 2030/2050 decarbonisation trajectory embeds future-proof adaptability without requiring rigid, static targets.** The definition's positioning alongside complementary financial tools—loans, guarantee funds, energy performance contracting—supports leaner, non-redundant legislation, and its long-term horizon effectively functions as a built-in implementation phase-in, consistent with realistic transposition timelines. Whilst, the definition does not specify digital infrastructure (e.g., EPC databases, reporting tools) needed to track "median energy performance," this can be achieved through a set of EU funded tools (ENGAGE, CREEM tool, as well as others).

MPS can support aligning NRPPs and national budgets with NBRPs by introducing clear, measurable indicators that directly link finance to building decarbonisation outcomes. Indicators such as the median energy performance of mortgage portfolios and 2030/2050 targets provide a structured way to do so. **By embedding EU decarbonisation benchmarks and the EU Taxonomy into bank practices, MPS strengthen investment strategies, enhance data quality, and simplify reporting.** Incentivising mechanisms and client-facing tools, such as green mortgages, also support renovations at scale, mobilise private capital, and ensure the building sector contributes effectively to climate mitigation and adaptation goals.

¹³ European Parliament and Council of the EU (2024). Directive of the European Parliament and of the Council on the energy performance of buildings (recast), PE-CONS 102/23. Available at <https://data.consilium.europa.eu/doc/document/PE-102-2023-INIT/en/pdf>

¹⁴ Climate Strategy & Partners (2026). Response to the call for evidence on housing supply and affordability: regulatory simplification. Available at <https://www.climatestrategy.es/press/HousingSimplification09092026.pdf>

¹⁵ Refers to the EU Taxonomy.

¹⁶ European Parliament and Council of the EU (2024). Directive of the European Parliament and of the Council on the energy performance of buildings (recast).

Additionally, under Article 17 of the EPBD, **financial incentives must target, as a priority, vulnerable households, people in energy poverty and people living in social housing**, and Member States must assess and, where needed, address barriers linked to the up-front costs of renovation, and when designing financial support schemes, they must consider whether to use revenue-based parameters. NBRPs must also include the percentage to which building renovation roadmaps contribute to energy poverty reduction and policies that deliver the reduction, and these should ideally complement energy poverty indicative targets and policies in the NECPs.

NRPPs should therefore:

- **Describe how the measures included in the Plan support the implementation of NBRPs**, including:
 - a. Renovation segments and building types,
 - b. Target households or building owners,
 - c. Estimated investment needs and the funding gap
 - d. Delivery channels
 - e. Public financing committed and expected private finance mobilised
 - f. Funding type (grants or financial instruments), including when synergies with the ECF InvestEU Instrument may be needed
 - g. Expected reductions in regulated air pollutant emissions and people's exposure, including the contribution of renovation and heating replacement to air quality plans and roadmaps.
- Describe how financial incentives for renovation and energy saving **target and reach, as a priority, low-income and vulnerable households, people affected by energy poverty and people living in social housing**, in line with EPBD article 17(18) and article 24 of EED.
- **Describe safeguards, including appropriate financial measures**, in particular those targeting vulnerable households, monitoring of social impacts and prevention of evictions and disproportionate rent increases, in line with article 9(4) and article 17(17).
- **Describe the measures taken to actively include citizens and energy communities** in achieving the targets set forth by the EPBD, in line with Articles 11 and 29.



This approach should help translate the requirements of Article 9 of the EPBD into a concrete financing strategy under the NRPPs. Minimum energy performance standards for non-residential buildings and the national residential renovation trajectory will require significant upfront investment, targeted public support and private capital mobilisation. Requiring Member States to link these regulatory obligations to investment needs, funding gaps, suitable forms of support and potential synergies with ECF InvestEU would improve implementation readiness, support the use of financial instruments where appropriate, and ensure that NRPP resources contribute directly to the progressive renovation of the building stock in line with the EPBD.

In terms of identifying the most appropriate forms of support, the Commission can guide national and regional authorities in identifying which EU-level instruments can support them in delivering financing for building renovation efficiently and well-targeted to the end-beneficiary. For instance, **the NRPP draft report in Parliament¹⁷ asks for the creation of an EU Renovation Loan Facility¹⁸ under the ECF InvestEU instrument (amendment n° 423),¹⁹ which could receive contributions from NRPPs via the Member State compartment to deploy this financing instrument in a specific country or region.** Climate Strategy's 2025 report²⁰ shows how the EU Renovation Loan can be provided as a template, off-the-shelf EU-level instrument designed to deliver an efficient blended finance structure, which offers significant simplification benefits for public authorities in terms of instrument design and implementation, and which can achieve higher leverage ratios under InvestEU (compared to locally-designed instruments).²¹

Additionally, **Mortgage Portfolio Standards (MPS) are a useful reform measure (voluntary under article 17 of the EPBD) that Member States can include in their NRPPs to complement the market benefits created for banks under the EU Renovation Loan.** Under MPS, banks would have to identify which buildings and mortgage customers require renovation, using EPC data, portfolio metrics and worst-performing building targeting.



¹⁷ European Parliament (2026). NRPP draft report.

¹⁸ See Climate Strategy's response to the call for evidence for housing simplification: Climate Strategy & Partners (2026). Response to the call for evidence on housing supply and affordability: regulatory simplification. Available at https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/18658-Housing-supply-and-affordability-regulatory-simplification-/F33569580_en

¹⁹ "The Commission shall develop an EU Renovation Loan Facility in cooperation with the EIB Group, other international financial institutions and national promotional banks. The EU Renovation Loan Facility shall support building renovations aligned with Directive (EU) 2024/1275 [the Energy Performance of Buildings Directive] and national building renovation plans"

²⁰ Climate Strategy & Partners (2025). Towards an evidence-based and efficient design of climate and competitive investments in the next MFF.

²¹ See Climate Strategy's work on "EU Financial Instruments as a Service" and the EU Renovation Loan: Climate Strategy & Partners (2024). Filling the EU Climate Investment Gap more Efficiently.

The “EU Renovation Loan”: An EU Financial Instrument provided as a Service to national and regional authorities renovating their residential buildings

The EU Renovation Loan (ERL) is a proposed EU financial instrument designed to **make home renovation affordable and accessible for private homeowners across the EU**—particularly those who face barriers accessing traditional bank finance for renovation works, such as elderly homeowners who are asset-rich but income-poor, and a broader homeowner base struggling to access traditional finance. According to late 2025 Eurostat data, 68% of EU residents own their homes,²² creating a large pool of potential beneficiaries. By targeting homeowners that lack upfront capital or sufficient creditworthiness, the ERL aims to broaden participation in energy efficiency upgrades and ensure a just transition.

As an off-the-shelf, template EU level instrument under InvestEU, the ERL offers **significant simplification benefits for national and regional authorities**, who don’t need to design new instruments from scratch, while potentially achieving higher leverage ratios than locally-designed instruments.

Core features of the ERL include:

- **InvestEU Guarantee for Risk Reduction:** The ERL is a proposed EU-backed guarantee under InvestEU designed to reduce credit risk for financial institutions and aligned with EU borrowing costs. By lowering risk exposure, this guarantee would **enable national and regional banks to offer long-term, low-interest loans —typically in the 1–2% range—while keeping monthly payments affordable**. This structure would allow banks to serve homeowners with limited income or weaker credit profiles, while still ensuring a sustainable business model for banks through appropriate management and servicing fees.
- **Blended-Finance Structure:** The ERL combines an EU guarantee under InvestEU, EIB long-term finance, and **contributions to the InvestEU Member State compartment from NRPPs** (and other EU programmes), including potentially grant support, to lower capital costs, enable longer repayment periods, and make renovations affordable for homeowners unable to access conventional credit. By leveraging Europe’s over €103 trillion in home equity as a robust collateral base, the model enhances loan security and expands access to renovation finance across income levels while maintaining affordability and financial stability for borrowers.
- **The ECF InvestEU Member State compartment will allow Member States and regions to deploy EU-backed guarantees and low-cost capital through banks via an ERL-as-a-Service model.** This lets banks originate and manage ERLs without needing to build complex financing structures from scratch. This conceptually can be delivered via the new ECF InvestEU Toolkit as a service to one or more Member States requesting an ERL designed through a Member State compartment to benefit from the EU Guarantee and combine with national-level grants. Additionally, the EIB provides long-term financing, guarantees, and technical advice, ensuring that national ERL programmes can operate efficiently and at scale.

The ERL directly responds to Action 4 of the Action Plan for Affordable Energy²³ by helping build a European-scale energy efficiency market, mobilising private capital and de-risking investments in building renovations through accessible, standardised financing. By supporting energy efficiency service providers, SMEs, and households, the ERL complements EIB-backed instruments and accelerates the delivery of energy savings at scale.

²² Eurostat (2025). Housing in Europe – 2025 edition. Available at <https://ec.europa.eu/eurostat/web/interactive-publications/housing-2025>

²³ European Commission (2025). Action Plan for Affordable Energy: Unlocking the true value of our Energy Union to secure affordable, efficient and clean energy for all Europeans, COM(2025) 79 final. Available at <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52025DC0079&qid=1741780110418>

Blending EU guarantees, EIB finance and grants reduces the amount of public funding needed per renovation and frees up public resources for the poorest households that cannot borrow. These households have no savings, cannot take on debt, and often live in severe energy poverty: they under-heat their homes, so energy savings after renovation are too small to repay a loan. Schemes that pay out after the works are completed, or that require an own contribution, exclude these households by design. Only schemes that cover 100% of up-front costs can reach them.

Public support should therefore follow income. **The poorest households need 100% up-front grants**, which NRPPs can deliver in the form of:

- State-delivery energy efficiency services, like the US Weatherization Assistance Program²⁴
- Public-to-business models, where renovation is delivered by contractors and grants are paid to them directly. **Ireland's SEAI Warmer Homes Scheme**²⁵ provides upgrades free for eligible applicants, and SEAI appoints a contractor from its approved list to do the work. Poland²⁶ and France²⁷ also use such a scheme, though do not fully cover up-front costs.
- Social banking can also pre-finance the works, until renovation grants are paid.²⁸ As income rises, blended finance such as the ERL takes over and the public share falls step by step, until market lending supported by MPS can finance renovation on its own.

This is also the most effective use of public money. Energy efficiency support for the lowest income groups gives higher returns than support for middle-income groups,²⁹ and pays back quickly: savings in health costs alone are estimated to repay the investment in 1.5³⁰ to 9 years.³¹ Article 24 of the EED and Article 17(18) of the EPBD already require Member States to target energy efficiency funding at these households first. And since Article 9 of the EPBD requires at least 55% of the reduction in residential energy use to come from the worst-performing buildings, where low-income households are over-represented, these renovations are also needed to meet the national renovation trajectory.

²⁴ U.S. Department of Energy. Weatherization Assistance Program. Available at <https://www.energy.gov/cmei/scep/wap/weatherization-assistance-program>

²⁵ Sustainable Energy Authority of Ireland (SEAI). The Warmer Homes Scheme. Available at <https://www.seai.ie/grants/home-energy-grants/fully-funded-upgrades-for-certain-homeowners>

²⁶ Certyfikat Budynku (2026). Prefinansowanie w programie Czyste Powietrze – czy naprawdę możesz zacząć bez gotówki? Available at <https://www.certyfikatbudynku.com/post/prefinansowanie-czyste-powietrze>

²⁷ CAPEB (Confédération de l'Artisanat et des Petites Entreprises du Bâtiment) (2021). MaPrimeRénov' : comment devenir entreprise mandataire ? Available at <https://www.capeb.fr/actualites/maprimerenov-comment-devenir-entreprise-mandataire-wtuy4l>

²⁸ FEANTSA (2023). Renovating the unfit housing stock: Case Study #4 Hungary: Habitat for Humanity, Hungary, FEANTSA case study booklet, November 2023. Available at https://www.feantsa.org/files/Themes/Energy/2023/renovation-case-studies/Habitat_Hungary_Booklet.pdf

²⁹ International Energy Agency (IEA) (2014). Capturing the Multiple Benefits of Energy Efficiency. Available at https://iea.blob.core.windows.net/assets/28f84ed8-4101-4e95-ae51-9536b6436f14/Multiple_Benefits_of_Energy_Efficiency-148x199.pdf

³⁰ Eurofound (2016). Inadequate housing in Europe: Costs and consequences. Available at <https://www.eurofound.europa.eu/en/publications/all/inadequate-housing-europe-costs-and-consequences>

³¹ Donkin, A. and Marmot, M. (UCL Institute of Health Equity) (2024). Left Out in the Cold: The Hidden Impact of Cold Homes. Available at https://cdn.friendsoftheearth.uk/sites/default/files/downloads/Left_out_in_the_cold_full_report_v3.pdf

4) Promoting a whole-of-economy fossil fuel phase out

As President Ursula von der Leyen acknowledged during the State of the European Union³² (2026), the war in Iran has cost the EU an additional 90 billion euros in fuel imports over the past months. **European governments should use public funding, particularly through the NRPPs, to accelerate the phase out of fossil fuels across their whole economies.** Recent fossil exit roadmaps from France³³, Germany³⁴ and the Netherlands³⁵, are significant steps in the right direction.

An economy-wide fossil fuel phase-out across the European Union requires shifting from fragmented national timelines to a coordinated, single-market trajectory. Analysis of national strategies, such as France's target-driven framework (coal by 2030, oil by 2045, gas by 2050), Germany's grid-and-electrification model targeting full energy sector phase-out by 2045, and the Netherlands' focus on energy resilience and industrial feedstocks, demonstrates that national roadmaps naturally reflect local industrial structures, nuclear/renewable mixes, and domestic gas policies.

The European Union should put in place an EU-level fossil fuel exit roadmap. Meanwhile, the NRPPs should synchronise through the establishment of national-level fossil fuel exit roadmaps.

While individual Member States retain sovereignty over their energy mix (Article 194 TFEU), achieving the Union's 2030 and 2050 climate targets requires structural alignment across national decarbonisation pathways. Fragmented phase-out dates risk single-market distortions, inefficient cross-border infrastructure expenditure, and persistent exposure to volatile fossil fuel import markets.

Core Pillars for National Phase-Out Roadmaps in NRPPs

Member States should use the NRPPs to put in place national fossil fuel exit roadmaps as an overarching measure (which could be a standalone chapter) - including fossil fuel subsidies. NRPP investments should align with the roadmaps. The structure should resolve around four key pillars:



³² European Commission (2026). 2026 State of the Union Address by President von der Leyen, SPEECH/26/1868. Available at https://ec.europa.eu/commission/presscorner/detail/ov/speech_26_1868

³³ Government of France (2026). France's Roadmap for Transitioning away from Fossil Fuels. Available at https://www.ecologie.gouv.fr/sites/default/files/documents/202604_France%27s_roadmap_to_transitioning_away_from_Fossil_Fuel_EN.pdf

³⁴ Bundesministerium für Umwelt, Klimaschutz, Naturschutz und nukleare Sicherheit (BMUKN) (2026). Deutschlands Roadmap für die schrittweise Abkehr von fossilen Energien. Available at <https://www.bundesumweltministerium.de/download/deutschlands-roadmap-fuer-die-schrittweise-abkehr-von-fossilen-energien>

³⁵ Government of the Netherlands. Step by step, the Netherlands is transitioning to sustainable energy. Available at <https://www.government.nl/themes/economy/renewable-energy/step-by-step-the-netherlands-is-transitioning-to-sustainable-energy>

Pillar 1: Fuel-Specific Phase-Out Trajectories

National strategies must move beyond general net-zero commitments by establishing explicit, fuel-specific end-of-consumption targets:

- **Solid Fossil Fuels (Coal/Lignite):** Complete phase-out in power and district heating by **2030 at the latest**, with expedited industrial replacement pathways.
- **Liquid Fossil Fuels (Oil & Petroleum Products):** Sectoral milestones prioritising road transport electrification (aligned with the 2035 zero-emission vehicle mandate), heating oil phase-outs in buildings, and complete exit from primary liquid fuel consumption by **2040–2045**.
- **Gaseous Fossil Fuels (Fossil Gas):** Progressive replacement in space heating via heat pump deployment and in industrial high-heat/feedstock applications via green hydrogen and biomethane, targeting complete phase-out by **2050**.

Pillar 2: Sectoral Electrification and Infrastructure Alignment

Strategies must include concrete demand-side and supply-side capacity plans:

- **Power Grid Reinforcement:** Map domestic power generation additions (renewables, clean baseload) to support a projected 30–50% increase in electricity demand driven by transport and heating electrification.
- **Industrial Feedstock & High-Heat Transformation:** Provide clear roadmaps for transitioning energy-intensive industries (e.g., steel, chemicals) from fossil feedstocks to renewable energy alternatives or circular raw materials.

Pillar 3: Fiscal Subsidy Reform and Tax Realignment

- **Immediate Subsidy Phase-Out:** Establish legally binding schedules to eliminate direct and indirect fossil fuel subsidies.
- **Tax Structural Shift:** Transition national tax systems from general energy taxation toward carbon-content pricing to prevent cross-border tax arbitrage.
- **Energy source shift:** Public resources should be redirected towards energy efficiency, renewable heating, public transport, and active mobility. Funding criteria should assess regulated air pollutants alongside greenhouse gas emissions and prevent support for investments in pollution.

Pillar 4: Just Transition and Energy Poverty Mitigation

- Implement targeted, revenue-recycled support mechanisms (utilising Social Climate Fund resources) to shield lower-income households from capital expenditure shocks during heating and mobility transitions. Promote energy communities and general self-consumption projects as a way to empower citizens and businesses.

Integration with Existing EU Policy Mechanisms

To avoid administrative overlap, national fossil fuel phase-out strategies will be integrated into the EU's established economic and climate governance framework:

A. National Energy and Climate Plans (NECPs)

Member States must incorporate explicit phase-out timelines and trajectory metrics directly into their updated NECPs (for the 2031-2040 period) and Long-Term Strategies (LTS). The Commission will assess these draft updates to verify that collective national trajectories meet EU-wide phase-out requirements without creating cross-border market bottlenecks.

B. The European Semester Framework

Building on recent Semester cycles, the Commission is expanding its fiscal oversight to directly monitor phase-out performance:

- **Systematic Subsidy Tracking:** Annual Country Reports will include detailed audits of national fossil fuel subsidies, assessing both direct budget transfers and indirect tax expenditures.
- **Targeted Country-Specific Recommendations (CSRs):** The Commission will issue binding annual CSRs urging Member States to eliminate remaining subsidies and redirect fiscal support toward renewable infrastructure and grid expansion.
- **Conditionality of funds from the National and Regional Partnership Plans:** Allocation of discretionary EU funds will be conditional on meeting defined milestones in national fossil phase-out strategies, or at the very least fossil fuel subsidies.

Member States shall track progress through:

1. **Reporting:** Submit updated national phase-out milestone matrices alongside the next NECP Progress Reports. NRPP funds will be disbursed as a country makes concrete progress against the time-bound and sectoral fossil exit milestones are achieved.
2. **Peer Review:** Participate in regional coordination groups to harmonise cross-border energy infrastructure and ensure regional security of supply during phase-out windows.



Photo: Kurt Cotoaga / Unsplash

5) Achieving EU policy objectives through investments in biodiversity

NRPPs are required, by article 22.2 (c) (a) of the proposed Single Fund Regulation, to be consistent with nature restoration plans under Regulation (EU) 2024/1991 and, by article 3.1 (a) (x), to enhance biodiversity. The proposals set out in this section showcase biodiversity reforms and investments that enable Member States to meet those requirements.

A) Enhancing synergies between Nature Restoration and NRPPs

Under Regulation (EU) 2024/1991 (the Nature Restoration Regulation), Member States are expected to have their National Restoration Plans in place by September 2027. Draft plans had to be submitted to the Commission by 1 September 2026, though not all Member States submitted a draft by that deadline. The **estimation of financing needs and the provision of financing are proving the most difficult elements** of the exercise with many Member States currently not committing more than the funding which already exists.

NRPPs can be a major source of funding for nature restoration, especially in Member States with significant agricultural or regional funding. NRPPs are, moreover, required to be consistent with the National Restoration Plans. They should therefore **fill at least part of the gap between the financing needs estimated in the draft National Restoration Plans and the financing which currently exists**.

Section 1.3 of the Annex V of the NRPP Regulation requests that Member States lay out how their plan is consistent with the National Restoration Plans, in compliance with Article 22(2), point (c) of the NRPP Regulation. However, Member States only have 1000 characters to do so. As NRPPs are an opportunity to finance restoration planning and support restoration activities, we recommend that Member States be as specific as possible and include the following details:

(a) Detail the **financing needs by ecosystem type** necessary to achieve the Union's restoration targets until 2032 and 2050 taking into account the targets set in Regulation (EU) 2024/1991. This breakdown shall quantify:

- Total estimated financing needs per ecosystem (more guidelines on this below);
- Existing financing (private, national and Union)
- Residual financing gaps

(b) **Available financing to bridge gaps:** Include an explicit identification of public, private and Union financing sources required to address the gaps identified under (a).

(c) **Priority areas for Union financing:** Identify measures ('priority areas') that require Union financing through the Plan to ensure alignment with the Union's restoration targets. These measures should:

- Justify the selection of priority areas based on their contribution to Union targets, their general co-benefits, including for climate change mitigation, land degradation neutrality and socio-economic impacts, and their status of implementation.
- Fill the gaps identified in point (a) and (b).
- Specify the type and scale of Union support needed (e.g. grants, financial instruments, technical assistance) and the expected timelines for deployment.

Guidelines to assess restoration financing needs per ecosystem

While financing needs estimates should have been made by September 1st, 2026, and included in the National Restoration Plans, it appears that many Member States struggle with this section and may encounter delays. **Where financing needs assessments are incomplete, NRPPs can in a first step also provide the financial support to finalise such assessments and to put in place the right administrative reforms** to enable a smooth implementation of the National Restoration Plans.

Furthermore, this makes it relevant to issue guidance on the matter, although the deadline for Member States to present the first NRP draft has passed. In a report³⁶ published in June 2026, EuroNatur and CEE Bankwatch Network have developed a **methodology to estimate the costs of restoration based on existing knowledge on the state of habitats, and the costs of restoration based on previous projects**. The 3-step methodology is summarised below:

1) **Identifying the share of habitats in need of restoration to comply with the 2030 target of 30% of ecosystems in need and the 2050 target of 90% of ecosystems restored.** To determine the extent of degraded ecosystems, national reporting under Art. 17 of the Habitats Directive, country reports under the Environmental Implementation Review and additional national level documents, such as national biodiversity strategies are a good start.

2) **Determining the cost of restoration per km2 for each major ecosystem type, including costs throughout the project lifecycle** (pre-feasibility studies, annual maintenance, compensation to stakeholders involved, awareness raising if relevant to the restoration work, etc.). To do so, we recommend extracting financial information from past restoration projects, particularly recent LIFE projects. In many cases, such as cross-border projects or projects covering several ecosystems, additional dialogue with implementers is needed to disaggregate the data.

3) **Calculating the total cost.** For the period August 2024 – July 2032: multiply the median cost per km2 for each ecosystem type at national level by the area to be restored by 2030, and follow a linear trajectory towards 2032, based on the annual cost of restoration by 2030. For the period August 2024 - 2050, multiply the median cost per km2 for each ecosystem type at national level by the area to be restored by 2050.

Additional considerations will have to be included to produce a more accurate estimate. Such considerations should include inflation estimates, or additional budget to enhance capacity of local authorities to produce the necessary assessments and monitor implementation, and additional budget for vocational training and awareness raising.

Furthermore, as for the latest State of Nature Report,³⁷ many Member States either failed to report under the obligations of Article 17 of the Habitats Directive, or the information was incomplete, or not made public, or the state of habitats is marked as "unknown". **Additional budget will be needed to address the data gaps and to restore new habitats in need following the updated assessments.**

Finally, as restoration planning and the implementation of activities require in-depth ecological knowledge and are often site-specific, the inclusion of local planners and implementers such as local authorities, ecologists and NGOs will be required. Therefore, **we recommend completing existing assessments with additional information gathered through local consultations.**

³⁶ CEE Bankwatch Network and EuroNatur (2026). Unlocking nature financing: National cost estimates for effective nature restoration. Available at https://www.euronatur.org/fileadmin/docs/umweltpolitik/Biodiversitaet/2026_06_Unlocking%20nature%20financing_National%20cost%20estimates%20for%20effective%20nature%20restoration.pdf

³⁷ European Environment Agency (2025). Europe's environment and climate: knowledge for resilience, prosperity and sustainability, EEA Report 11/2025. Available at <https://www.eea.europa.eu/en/europe-environment-2025/main-report>

B) Leveraging biodiversity projects to address Country-Specific Recommendations, NECPs and priority actions in the Environmental Implementation Review

Country-Specific Recommendations

NRPPs are required to address all, or a significant subset, of the challenges identified in the country-specific recommendations (CSRs) issued in the context of the European Semester (article 22.2 (b) (i)). The Commission will use its annual set of economic policy recommendations as the basis for its assessment of the NRPPs and of the reforms and investments which they contain. **Although the quality of Semester recommendations on environmental policy is still inadequate, CSRs increasingly incorporate environmental objectives.** The 2026 set of CSRs,³⁸ which Member States are required to take into account when drafting their plans, is relevant to biodiversity in two respects:

- The CSRs of 12 of the 27 Member States contain recommendations related to biodiversity. Several of them are issued in the context of **improving climate and water resilience or addressing the environmentally harmful impacts of the agricultural sector on biodiversity and the environment**. These countries include Belgium, Denmark, Finland, France, Hungary, Italy, Luxembourg, the Netherlands, Poland, Portugal, Slovenia and Spain.
- The CSRs of 14 of the 27 Member States contain recommendations related to climate or water resilience. Many of them include **explicit recommendations to enhance resilience through investments in ecosystem services or nature-based solutions**. These countries include Bulgaria, Croatia, Cyprus, Czechia, France, Greece, Hungary, Italy, Luxembourg, Malta, Poland, Portugal, Slovenia and Spain.

Investments in biodiversity should therefore be seen as a key lever both for fulfilling biodiversity-specific targets and for addressing wider economic challenges linked to the deteriorating ability of our nature to provide the ecosystem services that the European economy depends on. Therefore, for relevant Member States, the NRPPs should explicitly also include investments in biodiversity to address the country-specific recommendations.



Photo: Dan Meyers / Unsplash

³⁸ Council of the European Union (2026). European semester 2026: Council adopts country-specific recommendations, Press release, 10 July 2026. Available at <https://www.consilium.europa.eu/en/press/press-releases/2026/07/10/european-semester-2026-council-adopts-country-specific-recommendations/>

National and Energy Climate Plans

NECPs are the cornerstone of the EU's climate and energy governance framework and must be updated every five years in line with the Governance Regulation. As part of the latest update, due in June 2024, NECPs had to reflect the increased ambition for the land-use, forestry and agriculture sectors following the revision of the LULUCF Regulation. **Member States were specifically asked to focus on integrated approaches,³⁹ such as nature-based solutions, to support the protection and restoration of ecosystems.**

The Commission's assessment of draft NECPs⁴⁰ found that biodiversity, nature restoration and nature-based solutions could be better integrated in the plans. Many final NECPs nevertheless include concrete policies and measures addressing these areas. These measures range from **peatland rewetting to forest protection and the preservation of permanent grasslands**. Many of the measures included in the NECPs are currently supported, at least in part, through the European Agricultural Fund for Rural Development or the European Regional Development Fund. Their inclusion in the NECPs therefore requires continued funding in the next MFF via the NRPPs.

Environmental Implementation Review

Though not explicitly required by the NRPP Regulation itself, the Plans can also be an important instrument for addressing biodiversity-related priority actions identified by the Commission under the latest Environmental Implementation Review. In particular, the concerned Member States should include **two key reform measures to support the continued implementation of the Habitats Directive:**

- completing the **Natura 2000 networks by finishing the site designation process**, and ensuring sufficient coverage of representative populations of species and habitats;
- finalising the establishment of **site-specific conservation objectives and measures for all Natura 2000 sites**, including through the adoption of their management plans.

C) Examples of measures to enhance biodiversity mainstreaming:

Beyond contributing to the implementation of high-level EU policy objectives, reforms and investments that benefit biodiversity can generate co-benefits across other priorities of the next budget, including climate resilience, public health, employment and the resilience of the agricultural sector.

Therefore, biodiversity investments should not be considered as standalone measures in Member States' spending plans. Rather, they should be designed to address, or be integrated into measures addressing, primarily other policy priorities. In particular, nature-based solutions should by design be considered as the first option before moving on to other grey solutions or approaches.

³⁹ European Commission (2022). NECP update guidance.

⁴⁰ European Commission (2023). EU wide assessment of the draft updated National Energy and Climate Plans – An important step towards the more ambitious 2030 energy and climate objectives under the European Green Deal and RePowerEU, COM(2023) 796 final. Available at <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=COM:2023:796:FIN>

Strengthening the link between NRPPs and the NRR implementation.

Member States can use reforms and investments to **reinforce the institutional mechanisms that set the stage for actionable National Restoration Plans**. This requires, inter alia:

- Clear implementation mechanisms and identification of responsibilities;
- Enhanced cross-sectoral coordination;
- Enhanced coordination between national, regional and local levels to ensure that restoration priorities are translated into implementable place-based actions;
- The identification of policy inconsistencies and structural reforms to tackle them;
- The identification and phase out of measures and subsidies that might harm biodiversity across all sectors (namely transport, energy, construction and agriculture), thus ensuring that future MFF funding effectively supports the objectives set by the Nature Restoration Regulation.
- Mandatory consultation processes including local communities, with a particular focus on rural areas when designing and assessing NRPP measures affecting rural territories. This includes an assessment of administrative capacity (and if needed, their enhancement), access to finance, land-use conditions and the specific socio-economic context.

Build climate resilience through investments in nature-based solutions

Investments in climate resilience and adaptation to climate change will be a major priority of Member States' spending plans under the 2028-2034 budget. Three factors will drive this in particular. Climate resilience is prominently included in the latest set of country-specific recommendations. The ever-increasing costs of climate change arising from floods, droughts or wildfires require urgent action to mitigate future losses. The Commission's forthcoming proposal for an Integrated Framework for Climate Resilience will require Member States to better take into account increased global warming scenarios in their public policy-making.

The costs associated with climate change-driven natural disasters fluctuate from year to year. However, they are on a sharply increasing trajectory and in some years translate into significant GDP losses. For instance:

- In Italy⁴¹ during the 2022 drought alone, 11% of farms were forced to suspend activities, and total agricultural costs were estimated at €9 billion.
- In Greece,⁴² a prolonged marine heatwave in the summer of 2021 resulted in the loss of at least 80% of the 2021 annual production of mussels in the Thermaikos Gulf.

⁴¹ European Environment Agency (2024). European Climate Risk Assessment, EEA Report 01/2024. Available at <https://www.eea.europa.eu/en/analysis/publications/european-climate-risk-assessment>

⁴² Climatebook (2024). Κλιματική αποτίμηση 2023. Available at <https://climatebook.gr/statistics/klimatiki-apotimisi-2023/>

- In November 2018, low water levels on the Rhine⁴³ led to a 1.5% drop in industrial production, causing a 0.4% decline in German GDP. A similar effect is expected for 2026.
- The intense flooding in Slovenia⁴⁴ in summer 2023 cost the country €9.9 billion, equivalent to 16% of its GDP.

Ecosystem-based approaches should serve as the preferred option for addressing climate resilience, given their ability to offer various co-benefits. For instance, restoring ecosystems which naturally retain water, such as floodplains, addresses four key climate risks currently faced by the European economy:

- it provides a buffer against floods;
- it contributes to retaining water and thereby lowers the risk of droughts;
- it improves soil fertility;
- it slows down wildfires.

Because of their lower implementation and maintenance costs and their higher co-benefits, nature-based solutions are, moreover, usually cheaper than grey solutions for the same level of risk reduction.

The Commission has nevertheless noted⁴⁵ that nature-based solutions are included only to a limited extent in national adaptation strategies and in sectoral strategies and plans, which may hamper their more systemic use and deployment for climate adaptation. **Member States should therefore use their NRPPs to enable better data collection and planning of nature-based investments in climate resilience.**

Tackle unemployment through green and sustainable job creation

Member States should tackle unemployment by supporting the creation of green and sustainable jobs, with particular attention to the populations most affected by climate change and biodiversity loss, such as young farmers, women, coastal communities, populations in regions subject to droughts and populations in areas subject to high poverty rates. **This can be achieved through labour policy reforms, fiscal reforms or targeted financial incentives.** Measures could, for example, include:

- tax breaks for mission-driven organisations;
- incentives for companies to address their biodiversity impacts and to change their practices;
- the creation of green jobs to reinforce the attractiveness of areas under economic strain;
- reliance on local businesses and SMEs for restoration and conservation work, in particular in structurally less developed regions.

⁴³ ABN AMRO (2023). Ripple effects - Exploring the impact of low Rhine water levels on the Dutch economy. Available at <http://www.abnamro.com/research/en/our-research/ripple-effects-exploring-the-impact-of-low-rhine-water-levels-on-the-dutch>

⁴⁴ European Environment Agency (2025). Climate-related economic losses – Slovenia, Europe's environment 2025, country briefing. Available at <https://www.eea.europa.eu/en/europe-environment-2025/countries/slovenia/climate-related-economic-losses#footnote-BTskP>

⁴⁵ European Commission (2024). Report from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on the 8th Environment Action Programme Mid-Term Review, COM(2024) 123 final. Available at <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52024DC0123>

Invest in nature's cultural services: recreation, health and well-being

Alongside its intrinsic value, nature provides various cultural services that are beneficial to human health and well-being. The true benefit of these services is often underestimated, as many are taken for granted and their value and loss have only partially been assessed economically. Cultural services, particularly their recreational aspects, account for 18% of the total value of ecosystem services.

The recreational value of intact nature and protected areas is increasingly appreciated throughout Europe and has numerous positive effects on human health. Regular exposure to nature has been shown to improve both physical and psychological well-being, as well as cognitive performance. **Member States should therefore include investments in biodiversity when selecting tourism and cultural measures for their NRPPs.**



Support the transition to nature-positive, resilient agriculture and fisheries

No sector is as exposed and vulnerable as agriculture to the negative impacts of the climate crisis and the degradation of ecosystem services, such as pollination, soil fertility or water regulation, all of which directly threaten the ability to produce food. The following figures illustrate this dependence:

- In the EU, 80% of all agricultural crops and wild flowering species⁴⁶ depend on pollination. Without pollinators, agricultural output would decrease by €5 billion annually.⁴⁷
- Soil erosion alone causes an annual drop in soil productivity of 0.43%⁴⁸ and a loss of almost 3 million tonnes⁴⁹ of wheat across the EU.
- Healthy ecosystems reduce and buffer the negative effects of pollution by filtering water and air and removing pollutants, such as medicinal products, pesticides, and fertilizers. The damage cost for nitrogen pollution alone is estimated at €70 - €320 billion⁵⁰ annually throughout the EU.

⁴⁶ European Commission (2018). Commission Staff Working Document accompanying the document Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions: EU Pollinators Initiative, SWD(2018) 302 final/2. Available at [https://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1528213737113&uri=CELEX:52018SC0302R\(01\)](https://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1528213737113&uri=CELEX:52018SC0302R(01))

⁴⁷ European Commission (2022). Biodiversity and resilience. Available at <https://ec.europa.eu/commission/presscorner/api/files/attachment/872900/Factsheet%20on%20Biodiversity%20and%20resilience.pdf.pdf>

⁴⁸ Panagos, P., Standardi, G., Borrelli, P., Lugato, E., Montanarella, L. and Bosello, F. (2018). Cost of agricultural productivity loss due to soil erosion in the European Union: From direct cost evaluation approaches to the use of macroeconomic models, *Land Degradation & Development*, 29(3), pp. 471-484, doi:10.1002/ldr.2879. Available at <https://onlinelibrary.wiley.com/doi/epdf/10.1002/ldr.2879>

⁴⁹ Eurostat (2021). Accounting for ecosystems and their services in the European Union (INCA) – Final report from phase II of the INCA project aiming to develop a pilot for an integrated system of ecosystem accounts for the EU – 2021 edition, Statistical reports, KS-FT-20-002-EN-N. Available at <https://ec.europa.eu/eurostat/documents/7870049/12943935/KS-FT-20-002-EN-N.pdf>

⁵⁰ Erismann, J.W., van Grinsven, H., Grizzetti, B., Bouraoui, F., Powlson, D., Sutton, M.A., Bleeker, A. and Reis, S. (2011). The European nitrogen problem in a global perspective, Chapter in M.A. Sutton et al. (eds), *The European Nitrogen Assessment*, Cambridge University Press (JRC57902). Available at <https://publications.jrc.ec.europa.eu/repository/handle/JRC57902>

Agri-environmental funding is therefore an essential investment in resilience. It helps farms to withstand climate and economic shocks such as droughts, floods and market volatility by supporting diversified, nature-positive systems. Supporting farmers to work with nature through agroecological practices for soil health, water management and pollinator habitats reduces costs for farmers and for society, while safeguarding the ecosystem services on which agriculture depends.

The most recent proposal for the Common Agricultural Policy and the overarching NRPP proposal nevertheless remove the dedicated ring-fencing for environmental and climate objectives which has been in place since 2013. In addition, agri-environmental and climate actions require at least 30% national co-financing, whereas degressive area-based income support is fully EU-funded. In a context of fiscal pressure, **these actions risk being deprioritised not because of a judgment on their effectiveness, but because they require additional national budgetary commitments.**

Member States should therefore use their NRPPs to:

- **promote climate-resilient, organic, regenerative and nature-positive agricultural practices** through structural reforms in the attribution of subsidies, financial and legislative incentives, and awareness raising on the benefits for farmers, which include increased returns from the diversification of crops, synergies between different species, the return of pollinators and clean water;
- **avoid any reduction in their current levels of spending on environment and climate actions.** At a minimum, the current level of ambition, under which 28% of the ring-fenced CAP budget is allocated to eco-schemes and agri-environmental measures, should be maintained and increased annually.

Strengthening capacity through improved local expertise

Reforms and investments can also be aimed at strengthening administrative capacity by ensuring that nature conservation and environmental permitting institutions at national, regional and local level have sufficient expertise and capacity to:

- evaluate environmental impact assessments and conduct other permitting processes in an efficient and timely manner, especially in the context of the rapid development of renewable energy;
- conduct the necessary and systematic assessments of the state of habitats under Article 17 of the Habitats Directive, carry out regular auditing processes and ensure the proper implementation of the obligations under the Nature Restoration Regulation;
- identify priority restoration works and the key habitats in need of restoration, in compliance with the objectives set by the Nature Restoration Regulation;
- provide accessible technical assistance to smaller municipalities, farmers, land managers, SMEs and community organisations involved in restoration activities and nature-based solutions.

6) Ensuring NRPPs invest in people and protect social rights

The NRPPs will bring social investment, previously currently mainly through the European Social Fund Plus (ESF+) and the European Regional Development Fund (ERDF), into a single national plan alongside climate, energy, cohesion and agricultural spending. This simplification brings real risks. The social spending target is lower than current levels, the earmarks that protected specific social objectives would disappear, and the enabling conditions that tied funding to rights and inclusion are not carried over.

Without safeguards, people-centred support could be crowded out by larger, easier-to-absorb investments, undermining the just transition the plans are meant to deliver. The Commission guidance and national plans should ensure that NRPPs invest in people and uphold the European Pillar of Social Rights.

A) Sufficient and better-targeted social spending

The proposed 14% social spending target is lower than current social spending under the European Social Fund Plus (ESF+) and Policy Objective 4 of the European Regional Development Fund (ERDF), yet it covers a broader scope and no longer contains compulsory earmarking to ensure this money is spread evenly between different social objectives.

If the NRPP architecture is retained, social investment should at minimum sit in an explicitly separate, clearly identifiable section of each plan. That section should have its own objectives, allocations, milestones and targets, and be aligned with the European Pillar of Social Rights, the EU Anti-Poverty Strategy, the Social Economy Action Plan, the EU Strategy on the Rights of Persons with Disabilities and the EU Strategy on the Rights of the Child. The social spending coefficient should be increased to absorb the extended scope of social objectives. If it is not increased, the 14% target should be treated as a floor, not a ceiling. **The Commission guidance should encourage Member States to go beyond the minimum and to define national thematic concentrations within the social section.**

The 2021–2027 ESF+ thematic concentrations and earmarks would disappear. These cover social inclusion, material deprivation, child poverty, youth employment and civil society capacity building. These earmarks have made a difference. The Commission's own ESF+ mid-term evaluation⁵¹ found that thematic concentration plays an important role in keeping support flowing to areas that previously had dedicated funding. Support for young people not in employment, education or training was maintained at the level of the former Youth Employment Initiative. Support for the most deprived increased compared with the former Fund for European Aid to the Most Deprived. The obligation to dedicate a priority to social innovation almost doubled allocations to it.

⁵¹ European Commission (2025). Executive summary of the evaluation – European Social Fund Plus mid-term evaluation, SWD(2025) 392 final; Council document ST 16143/25 ADD 1. Available at <https://data.consilium.europa.eu/doc/document/ST-16143-2025-ADD-1/en/pdf>

Annex VI of the NRPP Regulation⁵² sets out the areas the social spending target should cover, but it does not fix shares for them. Building on it, NRPPs should set internal targets and percentages for the areas covered by the 2021–2027 thematic concentrations, at least at 2021–2027 levels. These areas are social inclusion, the most deprived, child poverty and youth employment. NRPPs should also set a target for homelessness and housing exclusion, which stakeholders consulted for the ESF+ mid-term evaluation flagged as insufficiently covered by current funding. Although capacity building is not covered by Annex VI, NRPPs should also earmark resources for the capacity building of social partners and civil society. These targets should be calibrated to the social challenges identified in the European Semester Country Reports.

Within the social envelope, people-centred support should not be displaced by infrastructure. Social infrastructure should serve social reforms. This includes inclusive early childhood education and care, family and community-based long-term care, support for personal assistance and independent living, social housing, renovation for energy-poor households (see the NBRP section above) and local services. NRPPs should include practical arrangements that allow beneficiaries to combine infrastructure and people-centred support within a single project. As the intent of the newly proposed budget architecture is to create synergies between different measures addressing different policy areas, we encourage the Commission to provide targeted guidance concerning the complementarity between social inclusion related measures and housing related ones. The lack of integration between the two has been flagged by social and homeless organisations as a significant barrier to ensure sustainable exits to long term affordable housing solutions for people experiencing homelessness.

However, infrastructure related spending should not create or renovate institutional settings. It should be **paired with support services and workforce measures so that people can live independently in the community**. At the same time, emergency and temporary accommodation for people experiencing homelessness should not be considered institutional residential care when it fulfils its intended purpose as an immediate and short-term response to homelessness. Currently, this conflation has prevented organisations that run shelters from accessing funds to renovate their buildings and provide much needed services in decent conditions.



⁵² European Commission (2025). Annexes to the Proposal for a Regulation of the European Parliament and of the Council establishing the European Fund for economic, social and territorial cohesion, agriculture and rural, fisheries and maritime, prosperity and security for the period 2028-2034 and amending Regulation (EU) 2023/955 and Regulation (EU, Euratom) 2024/2509, COM(2025) 565 final – Annexes. Available at https://eur-lex.europa.eu/resource.html?uri=cellar:0d5ded06-639d-11f0-bf4e-01aa75ed71a1.0001.02/DOC_2&format=PDF

B) Stronger guarantees for rights and inclusion

In 2021–2027, the Common Provisions Regulation⁵³ (CPR) made social funding conditional on enabling conditions. Member States had to fulfil these before receiving funds and keep fulfilling them throughout the programming period, or the Commission could not reimburse the related expenditure (Article 15).

The thematic conditions for the social policy objective required credible national strategies covering employment, gender equality, education and training, social inclusion and poverty reduction, Roma inclusion, and health and long-term care. The social inclusion and health strategies also had to include measures for the shift from institutional to family- and community-based care. Horizontal conditions required a national framework for implementing the UN Convention on the Rights of Persons with Disabilities (UNCPRD), as well as arrangements to ensure that programmes complied with the Charter of Fundamental Rights. Cases of non-compliance and complaints under both had to be reported to monitoring committees.

These safeguards were reinforced by the CPR's principle that the Funds should promote the transition to community-based care and should not support segregation or exclusion (recital 6). The Commission's ESF+ mid-term evaluation⁵⁴ found the enabling conditions generally effective. **The NRPP proposal keeps compliance with the Charter and rule of law principles, but not the thematic conditions.** EU funds have also financed segregating settings (Bridge EU/FURI)⁵⁵.

The Commission guidance should turn the former social enabling conditions into assessment criteria for NRPPs. Where a national framework is missing or outdated, adopting it should become a reform with its own milestone. Verification should involve civil society structurally and be transparent. The EU Anti-Poverty Strategy's Staff Working Document on principles for effective anti-poverty policies⁵⁶ should serve as inspiration for national/regional anti-poverty strategies. NRPPs should actively foster the transition from institutional to community-based care. They should do this through reforms, such as deinstitutionalisation strategies with clear timelines and the development of community-based services and workforce, supported by Commission guidance on independent living. NRPPs should avoid investment in institutional settings.

⁵³ European Parliament and Council of the EU (2021). 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, Regulation (EU) 2021/1060, OJ L 231, 30.6.2021. Available at <https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX%3A32021R1060>

⁵⁴ European Commission (2025). ESF+ mid-term evaluation (executive summary).

⁵⁵ Bridge EU (2025). Fundamental rights violations in EU funds: How EU funds violate fundamental rights. Available at https://www.bridge-eu.org/files/ugd/aba538_329823863b304d2d80eda3c6cdbf6aa3.pdf?index=true

⁵⁶ European Commission (2026). Principles for effective anti-poverty policies – Supporting national, regional and local authorities in their fight against poverty, SWD(2026) 771 final, accompanying COM(2026) 538 final (EU Anti-Poverty Strategy), 6 May 2026. Available at [https://ec.europa.eu/transparency/documents-register/detail?ref=SWD\(2026\)771&lang=en](https://ec.europa.eu/transparency/documents-register/detail?ref=SWD(2026)771&lang=en)

The European Semester provides a further guarantee that funding delivers on the Pillar. ESF+ alignment with the Semester worked. Country-Specific Recommendations are often cited fundamentals, yet other elements of the European Semester process often offer a more detailed picture on employment and social policies. For example, each 2019 Country Report included an annex setting out investment guidance on cohesion policy funding for 2021–2027 (Annex D;⁵⁷ see, for example, France), which formed the basis for ESF+ programming. According to the Commission's ESF+ mid-term evaluation,⁵⁸ only six Member States had relevant CSRs that were not addressed by their ESF+ programmes.

The Commission should reinstate Annex D-type social investment guidance in the Country Reports that precede NRPP adoption and the mid-term review. This guidance would also provide the basis for the national thematic concentrations proposed in section 1. NRPPs should map each social CSR to a reform or investment and justify any gaps.



Photo: Jovan Vasiljević / Unsplash

⁵⁷ European Commission (2019). Country Report France 2019, SWD(2019) 1009 final, Annex D: Investment Guidance on Cohesion Policy Funding 2021–2027 for France. Available at https://commission.europa.eu/document/download/38a94688-1396-4f96-9196-41fd9ab697e8_en?filename=2019-european-semester-country-report-france_en.pdf

⁵⁸ European Commission (2025). European Social Fund Plus mid-term evaluation, Commission Staff Working Document SWD(2025) 391 final. Available at <https://european-social-fund-plus.ec.europa.eu/en/publications/staff-working-document-european-social-fund-plus-mid-term-evaluation>

7) Strengthening governance transparency and the application of the Partnership Principle⁵⁹

Civil society involvement in the EU budget stems from EU Treaty obligations (art. 11.2 TEU) as well as international conventions, notably the Aarhus Convention,⁶⁰ and the Convention on Rights of People with Disabilities.⁶¹ **The involvement of civil society via the partnership principle is crucial not only for the legitimacy of the measures taken and implemented. It also ensures the effectiveness and purpose of the investments** by: ensuring that investments are tailored to the different needs on the ground, integrating a holistic approach that enables the emergence and definition of the different policy priorities, spotting possible weaknesses and gaps in the implementation of the designed measures, facilitating a more equitable access and better distribution of funding, while ensuring it reaches the communities that most need that funding. This is particularly important in a context of scarcity of public resources. Civil society has a fundamental role as watchdog for public spending that enhances transparency and limits misuse and inefficient use of funding.

Findings from the European Court of Auditors (ECA)⁶² reinforce the link between limited stakeholder engagement and weaker policy outcomes. Divergences in implementation across Member States reduce comparability, weaken ownership, and undermine policy coherence. Insufficient transparency and limited access to information further constrain democratic oversight and reduce the capacity to assess the impact of EU funding.

Furthermore, **the implementation of the partnership principle remains uneven across Member States—and, in some cases, across sectors and regions within the same country.** This unevenness has been consistently highlighted in analyses and recommendations from EU institutions and advisory bodies, including the ECA,⁶³ the European Economic and Social Committee (EESC),⁶⁴ the Committee of the Regions (CoR),⁶⁵ and the European Community of Practice on Partnership. ECA findings, including those related to the Recovery and Resilience Facility, underline the broader governance risks associated with divergent national approaches:

⁵⁹ The content of this section comes mainly from: Stefanova, S. (2026). Partnership and Civil Society Participation in MFF. Implementing the Partnership Principle in EU Programmes under Direct and Indirect Management. Civil Society Europe. Available at https://civilsocietyeurope.eu/wp-content/uploads/2026/07/20260702.2_CSE_Report_Partnership_Participation_Web_Pages.pdf

⁶⁰ UNECE (1998). Convention on Access to Information, Public Participation in Decision-making and Access to Justice in Environmental Matters (Aarhus Convention). Available at <https://unece.org/fileadmin/DAM/env/pp/documents/cep43e.pdf>

⁶¹ United Nations (2006). Convention on the Rights of Persons with Disabilities (UNCPRD). Available at https://commission.europa.eu/strategy-and-policy/policies/justice-and-fundamental-rights/disability/eu-and-united-nations-convention-rights-persons-disabilities-uncrpd_en

⁶² European Court of Auditors (2025). The Future of EU Cohesion Policy – drawing lessons from the past, Review 04/2025, p. 52. Available at <https://www.eca.europa.eu/en/publications/RV-2025-04>

⁶³ European Court of Auditors (2025). Performance-orientation, accountability and transparency – lessons to be learned from the weaknesses of the RRF, Review 02/2025. Available at <https://www.eca.europa.eu/en/publications/rv-2025-02>

⁶⁴ European Economic and Social Committee (EESC) (2025). Opinion on the next MFF, ECO/682-EESC-2025-02245. Available at <https://dm-publicapi.eesc.europa.eu/v1/documents/EESC-2025-02245-00-00-AC-TRA-EN.docx/content>

⁶⁵ European Community of Practice on Partnership (ECOPP) (2024). The Future of the Partnership Principle, Working paper. Available at https://ec.europa.eu/regional_policy/sources/policy/communities-and-networks/ecopp/3plenary/TF_VII_Partnership_in_the_next_programming_period_2028+.pdf

“The approach... differs among member states... lack of a harmonised approach affects comparability... and poses a risk of unequal treatment.”⁶⁶

This variability has direct implications for the effectiveness of EU spending. **Uneven application of participatory principles contributes to differences in how EU priorities are integrated at national and regional level, reinforcing a “multi-speed” implementation of EU policies.** It can also lead to less efficient and lower-quality investments, due to weaker alignment with local needs and reduced stakeholder ownership.

Therefore, **the NRPP Guidance should provide minimum standards to which all the Member States should adhere to in their implementation of the partnership principle.** It should also advise the usage of the current monitoring committees for the drafting of the NRPPs: this in order to ensure the expertise of the current committees to be harvested for the planning of the plans, as well as to ensure that the procedures to set up the new monitoring committees impede the meaningful and timely consultation of stakeholders for the drafting of the plans. **Below is a list of measures the Commission could take in developing the NRPP guidance to ensure a stronger involvement of stakeholders and civil society via the partnership principle,** as well as some examples of good practices already applied in some Member States in the current programming period, that could be mainstreamed:

1. Introduce Minimum Binding Standards for Partnership Implementation in the Programming Documents with Strengthening of the Code of Conduct Provision on Meaningful Participation

LEGAL REQUIREMENT

The CPR and Code of Conduct on Partnership (Art. 5) require Member States to **consult partners in the preparation of Partnership Agreements and programmes**, ensuring timely access to information and opportunities to provide input. The NRPP proposal requires the partnership to operate in accordance with the European Code of Conduct on Partnership⁶⁷ (Delegated Regulation (EU) No 240/2014; Article 6)⁶⁸. However, the Code was designed for operational programmes, and the partnership principle has often been applied superficially (EUFunds4Social)⁶⁹.

⁶⁶ European Court of Auditors (2025). Performance-orientation, accountability and transparency – lessons to be learned from the weaknesses of the RRF.

⁶⁷ European Commission. The European code of conduct on partnership in the framework of the European structural and investment funds. Available at <https://op.europa.eu/en/publication-detail/-/publication/93c4192d-aa07-43f6-b78e-f1d236b54cb8>

⁶⁸ European Commission (2025). Proposal for a Regulation of the European Parliament and of the Council establishing the European Fund for economic, social and territorial cohesion, agriculture and rural, fisheries and maritime, prosperity and security for the period 2028-2034 and amending Regulation (EU) 2023/955 and Regulation (EU, Euratom) 2024/2509, COM(2025) 565 final. Available at <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex:52025PC0565>

⁶⁹ EASPD. EUFunds4Social. Available at <https://easpd.eu/resources/eufunds4social/>

To address uneven implementation across Member States, the Commission should propose **minimum binding requirements** defining the quality and scope of partnership, **specifying how each provision of the Code applies to NRPPs, their chapters and their milestones and targets, and treating the Code as a minimum**. These should include:

- Early, continuous and structured stakeholder engagement throughout the programming and implementation cycle, from planning through to implementation, monitoring and evaluation
- Clear requirements on transparency and access to information - **centralised, standardised and user-friendly public portal/s** with project-level information on funding, partners, objectives and results ensuring their availability also beyond the period of consultation**, in line with the consultation standards of Article 5 of the Code (timely disclosure of and easy access to information, sufficient time to comment, and feedback on how contributions were taken into account). These standards should apply both to the plan and to the social analysis in the European Semester Country Reports
- **Minimum standards** for consultation timelines and feedback loops, as well as a regime of transparency on the publication of stakeholder consultation documents, ensuring their availability also beyond the period of consultation
- Involvement of partners in preparing calls (Article 13) and in co-designing milestones, targets and indicators
- Accountability and complaint mechanisms for lack of compliance
- Minimum standards for consultation timelines and **systematic feedback loops**,
- Accountability and complaint mechanisms in cases of non-compliance.

These standards should aim to move beyond formal compliance and ensure **meaningful and effective participation**. This is particularly relevant for countries and areas of intervention where democratic values and political will for partnership are weak and where consultations are often **late-stage, ad hoc, and with limited influence on decision-making**.

Good practices:

- **Early and structured engagement** rather than late-stage consultations.
- Use of **diverse consultation methods**: questionnaires, thematic working groups, roundtables, seminars, and public consultations (e.g. Belgium, 7 of 16 Germany regions, Portugal, Estonia, Spain, Cyprus, Bolzano region in Italy).
- **Targeted consultations on specific topics, funds or priorities** (e.g. France on HOME funds, Just Transition Plans in Slovenia and Poland).
- **More frequent and continuous consultation processes** (e.g. Estonia).
- Creation of **accessible information repositories** (e.g. Greece).
- Establishment of **permanent information structures** (e.g. Just Transition information centres in Slovenia).
- Use of consultation and working groups with partners in **other EU funding instruments (e.g. Social Climate Fund and Recovery and Resilience Fund)** where partnership was not required (e.g. Poland).

2. Require Comprehensive National Partnership Frameworks

LEGAL REQUIREMENT

Member States must organise partnership and may use Technical Assistance to support its functioning (CPR Articles 36–37), but **no detailed obligation exists on national frameworks**.

The Commission should require Member States to establish **comprehensive national partnership frameworks**, ensuring both horizontal and vertical coordination. These frameworks should include:

- Clear rules, procedures and governance structures
- Defined roles and responsibilities of partners at all levels
- Mechanisms for multi-level governance and bottom-up engagement **including a formal role for regional and local authorities through multi-stakeholder platforms**
- Dedicated financial and administrative resources
- Coordination mechanisms and exchange of practice
- Transparency requirements from the side of the public administrations
- Alignment with existing tools such as **CSO Roadmaps**,

Such frameworks should ensure structured participation across:

- Preparation of the multi-annual plans for funds use (e.g. National and Regional Partnership Plans(NRPPs)
- Design and modification of plans (e.g. mid-term review of the NRPPs and its chapters)
- Implementation, monitoring, evaluation and design of follow-up measures for the next programming period.

Good practices:

- Development of **national partnership strategies and guidance**:
 - Poland: National guidelines on partnership implementation, including capacity-building measures and **formal structures (sub-committee on partnership)** with strong CSO representation (at least 25%).
 - Portugal: National Action Plan for capacity building, based on **systematic needs assessment**, linking partnership to governance reforms.
- Establishment of **dedicated partnership structures and working groups** (e.g. 13 Polish programmes include partnership working groups).
- **Financial compensation** for participation and capacity-building efforts (e.g. Hungary⁷⁰).

⁷⁰ Measures envisaged under the Implementation Operational programme for Umbrella NGOs and capacity building for Monitoring Committee members in the beginning of the funding period 2021-2027. See: Stefanova, S. (2026). Partnership and Civil Society Participation in MFF.

3. Strengthen Governance Structures and the Role of Monitoring Committees

LEGAL REQUIREMENT

The CPR (Articles 38–39) requires the establishment of Monitoring Committees (MCs), with at least **annual meetings** and partner participation. However, Member States have flexibility in structure and functioning. Furthermore, there is no detailed requirement on integrating their expertise into decision-making.

The Commission should reinforce the role of governance structures to ensure effective partner involvement by:

- Clarifying the **decision-making role** of Monitoring Committees
- Establishing minimum standards for their composition, ensuring balanced representation of public authorities and partners
- Defining requirements for frequency of meetings, access to documentation, and preparation timelines
- Defining a duty by the responsible Ministries and public administration to keep the Monitoring Committees informed on the policy, legislative and administrative developments related to the Committees' areas of competence
- Strengthening the role of partners in preparation, decision-making, and monitoring, not only advisory functions.
- Ensuring their role in reviewing programme implementation, proposed amendments and strategic decisions, as well as on the implementation of the partnership principle itself.



Consideration should also be given to the use of **thematic sub-committees or working groups** within the monitoring committees to enhance stakeholder input in specific policy areas. This should include a social working group, in line with Articles 10 and 16 of the Code, that verifies spending counted towards the social spending target and receives reports on Charter and UNCRPD non-compliance and complaints. The composition and operation of sub-committees should also respect the principles of partnership. Member States shall also maintain a public register of partners that lists organisations according to their thematic areas of expertise and fields of activity. This ensures participation contributes to better policy outcomes, not only procedural compliance. Across all areas, **legal provisions establish minimum procedural guarantees**, while **good practices focus on quality, inclusiveness, and effectiveness of participation**—transforming partnership into a **driver of better governance and higher-quality EU investments**.

Good practices:

- Diverse models reflecting national contexts:
 - Single monitoring committee (e.g. Estonia) vs. multi-level systems (e.g. Poland).
- Innovative approaches for Just Transition Fund governance:
 - Sub-committees, working groups, and steering groups (e.g. Poland, Czechia, Romania, Slovakia). They should be linked to the activities of the supervisory bodies that grant them their mandate.
- Inclusive composition:
 - Estonia: less than 50% government representation; strong inclusion of youth, social and disability organisations.
- Frequent and well-prepared meetings:
 - Poland: up to 10 meetings per year, longer deadlines for document review enabling wider consultation.
- **Use of CSO expertise to improve programme design and implementation:**
 - Improving selection criteria to better meet beneficiaries' needs (e.g. Slovakia, Poland, Hungary⁷¹).
 - Developing thematic guidance (e.g. DNSH guidelines and working groups in Poland).

4. Ensure Systematic Investment in Capacity Building

The Commission should strengthen provisions on Technical Assistance to ensure **systematic and targeted capacity building** for civil society organisations and social partners. This should include:

- **Earmarked resources** for participation and capacity development, covering all the types of activities needed to meaningfully engage in the work of the monitoring committees, including advocacy and watchdog activities, monitoring and professional development in line with Article 17 of the Code. This earmark should at least match the current ESF+ provision (0.25% where capacity building is addressed in CSRs).
- Support for both **technical expertise and organisational capacity** for civil society organisations, social partners, as well as officials having to implement the partnership principle, including the creation of national helpdesks.
- Mechanisms enabling partners to participate as **competent and equal actors**
- **Capacity-building for public authorities, with EU Delegations/ EC Representations taking a proactive role** in capacity building and monitoring implementation of partnership.

This is essential to ensure meaningful participation, particularly in contexts with restricted civic space or limited institutional capacity. Capacity-building measures should be designed in cooperation with partners and reflect identified needs at national, regional and local levels, with the possibility for civil society organisations to directly manage technical assistance projects.

⁷¹ Recommendation of environmental CSOs representatives in monitoring committees were accepted improved criteria for the call for proposals

Good practices:

- Involving civil society in **shaping capacity-building priorities** (e.g. Latvia).
- **Dedicated projects supporting Monitoring Committee members**, funded through Technical Assistance (e.g. Poland, Czechia, Slovakia). They should be directly managed by organisations representing civil society.

5. Enhance Inclusiveness and Representativeness of Partnerships**LEGAL REQUIREMENT**

The Code of Conduct requires **transparent and representative selection of partners**, but leaves implementation flexible.

The Commission should introduce reinforced requirements to ensure **inclusive and representative participation**, including:

- Transparent and open selection procedures for partners
- Active inclusion of underrepresented and marginalised groups
- Use of intermediary structures and networks to broaden outreach

The selection should be based on the principles of competence and representativeness, ensuring that organisations that actually represent the interests of the relevant social group are involved in the development of sectoral policies. This would improve representativeness, legitimacy, and connection to constituencies and therefore contribute to strengthening the **legitimacy, accountability and quality** of EU-funded interventions.

Furthermore, the Commission should reinforce structured dialogue with civil society at EU level by:

- clarifying and strengthening the role of existing platforms,
- ensuring consistency across governance mechanisms,
- establishing regular and transparent feedback loops into policy-making⁷².

This would improve coherence between EU-level dialogue and country-level implementation.



Photo: Dave Hoefler / Unsplash

⁷² Ensure a regular dialogue with civil society and member States on the implementation of the COMMISSION RECOMMENDATION on promoting the engagement and effective participation of citizens and civil society organisations in public policy-making processes C/2023/8627 final.

Good practices beyond compliance:

- **Expanding participation beyond minimum categories of partners:**
 - Estonia: Targeted inclusion of underrepresented groups (youth, civil society, business), including NGOs and rights organisations in asylum programmes.
- **Using networks as multipliers of participation:**
 - Ireland: Engagement through national and regional networks to broaden outreach and accessibility.
- **Recognising self-organised civil society structures:**
 - Hungary: Acceptance of NGO delegates elected by civil society gathering of environmental NGOs as official representatives.⁷³



Photo: Septian Setiawan / Unsplash

⁷³ Since 2000 the Environmental NGOs platform has been recognised by the government as an official mechanism for election of environmental NGO representatives. Only in relation to the RRF Monitoring Committee the government opened a call for applications.

8) Simplifying access for beneficiaries

National programmes have historically relied on slow, **administratively heavy tenders that SMEs, households social service providers, civil society organisations, and other small entities with limited capacity find difficult to navigate** which is one reason why public support has many times flowed to the actors who needed it least. For social services, evidence from all 27 Member States collected by the EU-funded HELPDESK project⁷⁴ points to recurring barriers: heavy administrative burden, rigid calls, grant thresholds beyond the reach of small providers, lowest-price procurement, and indicators that count outputs rather than improvements in people's lives. Many of the most innovative social support organisations are small not-for-profit actors, yet they face persistent barriers to EU funding (EUFunds4Social)⁷⁵. Frequently they do not know which support exists, whether they qualify, or what technical steps a project involves. Larger incumbents and higher-income households are better equipped to work through them, which is one reason why public support has many times flowed to the actors who needed it least.⁷⁶ Access to funding should reflect the specific needs, capacities and development potential of different territories, including rural areas and their links with towns and cities. Funding mechanisms should therefore be place-sensitive and proportionate, recognising that smaller and rural businesses, households, municipalities and community organisations may face different administrative, technical and financial barriers than larger and urban actors.

One way to simplify the application process is to **build an asset-based approach to funding eligibility with pre-determined “positive lists” of clean technologies and solutions for which only a self-declaration of compliance by the end-beneficiary is needed to access financing**. A few other simple conditions may be attached to eligibility, such as size of the enterprise or household income levels, to ensure the public finance reaches those that actually need it. Existing models show that this can work in practice: the EBRD's online Green Technology Selector⁷⁷ already provides country-specific lists of eligible technologies. As another example: Spain has developed a similar approach based on an online tool⁷⁸ to identify a list of “green interventions” for the new ICO Green Credit Line, identifying eligible measures supporting the transition of SMEs and households against which beneficiaries need only to self-declare compliance. Where the asset to be financed falls within the list of interventions, eligibility is settled at the moment of application rather than through a project-by-project assessment.

⁷⁴ HELPDESK project. Policy Guidance. Available at <https://eufunds4social.eu/resource-centre/policy-guidance/>

⁷⁵ EUFunds4Social coalition (2025). Building on what works: an EU budget that delivers for people and regions. Available at https://easpd.eu/fileadmin/user_upload/Publications/Policy_Papers/JointStatement_Building_on_What_Works.pdf

⁷⁶ For instance, see: Jacques Delors Centre. (2024). How to Refocus Regional Policies in the EU. Available at <https://www.delorscentre.eu/en/publications/detail/publication/how-to-refocus-regional-policies-in-the-eu#:~:text=Based%20on%20data%20from%20more,end%20of%20the%20income%20distribution>; Institute for European Environmental Policy. (2023). Who Took the Burden of the Energy Crisis?. Available at <https://ieep.eu/publications/who-took-the-burden-of-the-energy-crisis/>

⁷⁷ EBRD. Green Technology Selector. Available at <https://www.techselector.com/ts-en/>

⁷⁸ Instituto de Crédito Oficial (ICO). Herramienta lista positiva Línea ICO Verde MRR. Available at <https://www.ico.es/herramienta-lista-positiva-linea-ico-verde-mrr>

The Commission can work with Member States and regions to build this positive list approach into its funding processes and launch similar accessible online tools for NRPPs' calls and financing schemes.

These services should also help potential beneficiaries identify relevant funding opportunities, assess their eligibility, understand the technical requirements and prepare applications. Where appropriate, advisory support could be delivered through regional and local structures, including municipalities, development agencies, business support organisations and civil society networks. Such tools bring **simplification benefits not only for beneficiaries, but also for managing authorities and implementing partners. Predefined eligibility assets and categories can facilitate reporting, monitoring and auditing while creating a transparent and predictable framework** in which each transaction is linked to a clearly defined investment or solution from the outset. Matching an asset-specific list and eligibility tools to the interventions of Annex 1 of the Performance Regulation would also contribute to simplifying monitoring and reporting under NRPPs.

Social services require a different approach to simplification, as they are people-centred rather than asset-based. The ESF+ evaluation shows that simplification works: simplified cost options and financing not linked to costs have significantly reduced administrative burden, compliance costs and error rates. The Commission guidance should encourage reforms in how social services are commissioned and financed, including multi-annual funding and calls, and award criteria and social clauses so that price is not the deciding factor. Milestones and targets for social measures should include outcome, quality and anti-segregation indicators, and evaluation costs should be eligible. The guidance should also require NRPPs to set out how small actors and grassroots organisations will access funding under the social section. This should cover:

- simplified cost options and financing not linked to costs as the default for small grants;
- lighter, proportionate reporting;
- stable pre-financing, so that the plan's performance-based model is not passed on to beneficiaries as ex-post reimbursement;
- higher and fair co-financing rates;
- grant sizes and thresholds adapted to small organisations.



Photo: Bernd Dittich / Unsplash

Accessible Energy & Territorial Investments by promoting Community Energy

Member States should particularly consider how to promote community energy through the NRPPs with both investments and reforms.⁷⁹ Community energy can be a vehicle for territorial development. **For each euro of public subsidy invested in an energy community, €50 of economic benefits are generated for the territory.**⁸⁰ Energy communities offer a more appropriate and locally-rooted scale for households and SMEs to be able to participate in the energy transition.

Community energy is particularly relevant for rural areas, where energy communities can connect the energy transition with local economic development, strengthen energy resilience, retain part of the economic benefits of renewable energy locally and support cooperation between municipalities, households, farmers, SMEs and civil society organisations. **NRPPs should therefore recognise energy communities also as potential vehicles for local development and stronger rural-urban linkages.**

The legal basis for NRPPs to support energy communities stems from:

- The **Governance Regulation (2018/1999)**, which requires EU countries to report on their enabling frameworks for renewable energy communities in their National Energy and Climate Plans. As the Renewable Energy Directive (2023/2413) highlights, community energy can increase social acceptance of renewable energy projects (e.g., solar or offshore wind), thus accelerating development and building energy security.
- The **European Semester**: Factoring in the 2023, 2024, and 2025 CSRs, 13 Member States have received dedicated recommendations on energy communities at least in one semester cycle.⁸¹ This underscores the importance of integrating dedicated reforms and investments for energy communities in the NRPPs.



Photo: Moritz Kindler / Unsplash

⁷⁹ REScoop.eu (2026). Catalogue of reforms for the NRPPs. Available at <https://www.rescoop.eu/uploads/rescoop/Catalogue-of-reforms-for-the-NRPPs.pdf>

⁸⁰ FEDARENE (2024). Sustainable Regions in Action: A Blueprint for Europe's Energy Future. Available at https://fedarene.org/wp-content/uploads/2024/03/SRIA-2024_Final-Digital-version_compressed.pdf

⁸¹ REScoop.eu (2026). Catalogue of reforms for the NRPPs.

9) Overarching principles

A) The Non-regression Principle

The elaboration of NRPPs should take into account the non-regression principle, i.e. the existing level of environmental protection must not be reduced or weakened. **This principle is part of the requirements of European case law.** Therefore, any legal or institutional setback in the level of social rights or environmental protection through the NRPP Regulation implementation should be prohibited.

If a government reduces the level of social and environmental protection provided by existing legislation or institutional system, it should not be eligible for EU support. Namely, the aim of EU funding is to improve the social and environmental conditions of the Member States, and if a Member State takes measures that contradict these aims, then the sense of EU funding is put into question. Furthermore, such measures by the Member States might contradict the provisions of the Charter of Fundamental Rights of the European Union.

In order to ensure the effectiveness of this principle within the NRPPs implementation, a possibility is for **Member States to produce systematic ex-ante impact assessments to verify that no provision undermines existing social or environmental gains.**⁸² Such assessments will provide a transparent inventory on environmental protection and show whether Member States are progressing or regressing on the subject.

Another possibility to ensure effectiveness of this principle is to introduce ratchet (or “freeze”) clauses: **enact national legislation stipulating that the level of protection achieved at a given time constitutes a legal floor below which it is prohibited to go.** Through the effective application of the proportionality principle, it is possible to ensure the proper application of the non-regression principle. Examples are provided by several decisions of the Hungarian Constitutional Court, which ruled that “the State must not reduce the degree of protection of nature as guaranteed under law unless necessary to realise other constitutional rights or values. Even in the latter case, however, the degree of protection must not be reduced disproportionately with the goal set forth”.⁸³ The **regular violation of the principle of non-regression in national Recovery and Resilience Plans** was also brought to the attention of the European Commission by EEB and other environmental NGOs.⁸⁴

⁸² For more information, see: Safeguarding the next EU budget: NGO suggestions for amendments (LinkedIn article). Available at <https://www.linkedin.com/pulse/safeguarding-next-eu-budget-ngo-suggestions-amendments-h5c9f/>

⁸³ Constitutional Court of Hungary (2022). Decision 16/2022 (VII. 14.) AB on the establishment of a conflict with the Fundamental Law and the annulment of certain provisions of Act CXXXIX of 2018 on the Spatial Planning Plan of Certain Priority Regions of Hungary. Available at [https://public.mkab.hu/dev/dontesek.nsf/0/f81e604ec1963abec12587640033d05f/\\$FILE/16_2022_EN.pdf](https://public.mkab.hu/dev/dontesek.nsf/0/f81e604ec1963abec12587640033d05f/$FILE/16_2022_EN.pdf)

⁸⁴ Levegő Munkacsoport. Non-regression principle and national Recovery and Resilience Plans. Available at https://www.levego.hu/sites/default/files/NGO_Commission_letters_Non_regression_in_NRRPs.pdf

B) The Additionality Principle

“The principle of additionality is a foundational pillar of EU funding architecture, reflecting the Union’s core commitment to solidarity, cohesion, and shared responsibility. It ensures that EU resources enhance, rather than substitute, national, regional, or private investment, by speeding up development and catalysing progress, providing added value”.⁸⁵

Article 7(4) of the proposed Single Fund Regulation (COM(2025) 565)⁸⁶ explicitly mandates that **“support from the Fund shall be additional to national public funding.”** Under the single-plan architecture of the 2028–2034 NRPP framework, this horizontal requirement applies across all integrated funds, thematic chapters, and policy objectives. It obliges Member States to deploy EU resources exclusively for measures that deliver genuine added value, aiming to safeguard against the diversion or substitution of regular national spending and preventing double-financing across all sectors.

To ensure operational enforcement of Article 7(4), **the European Commission should establish a binding, standardised methodology for Member States to report annually on baseline financial indicators across all supported sectors** - including environmental, climate, and social protection-, to verify genuine additionality throughout the plan’s lifecycle.

Furthermore, where specific thematic instruments with dedicated revenue streams (such as the Social Climate Fund) are merged into the broader NRPP envelope, Member States must explicitly demonstrate how these measures complement, rather than duplicate or replace, general broader NRPP expenditure streams and national public budgets. **Plans must establish transparent administrative and financial tracking mechanisms to distinguish dedicated thematic allocations from general national expenditure streams.**

The European Commission must also assess **whether the national government subsidised investments and/or implemented measures that contradict the aims of EU funding**, and if this occurs, it must require repayment of the EU funding concerned. This can be justified by the fact that the national money thus spent could have been used for the same purpose as the given EU funding had it not been used for harmful purposes.

C) The Non-discrimination Principle

There should be no discrimination during the implementation and the monitoring of the NRPPs as it is stated in the Single Fund Regulation. According to Article 21 of the Charter of Fundamental Rights of the European Union, when a Member State is implementing Union law, it should respect the fundamental rights, including the prohibition of discrimination on the grounds of political opinions. Indeed, in some Member States, such discriminatory practices have been noticed during various phases of the previous and current plans.⁸⁷

⁸⁵ Keményffy, O. (Levegő Munkacsoport). Safeguarding the Principle of Additionality: Key Challenges in Implementation and Recommendations for Strengthening Compliance. Available at https://www.levego.hu/sites/default/files/Safeguarding_the_Principle_of_Additionality.pdf

⁸⁶ European Commission (2025). NRPP Regulation proposal.

⁸⁷ See for example the case of Hungary: Political discrimination in Hungary (2025). Available at <https://docs.google.com/document/d/18MNNI9rcWxj7HdFd7852KRsvPXf6byD/edit>



Photo: Lukas S / Unsplash

APPENDIX

Country-Specific Reforms

From June to October 2026, REScoop.eu and Climate Strategy & Partners coordinated a process of collecting country-specific reform proposals from hundreds of civil society organisations. **The results can be found in the Excel file, annexed to this document.** The following country pages provide: a summary of all the national reforms proposed, with key highlights; links and direct references to the European Semester country-specific recommendations and the progress achieved from 2025 to 2026. The country pages have been curated by respective national organisations that are referenced in each page. When no organisation is referenced, the summary has been compiled exclusively on the attached excel and the Semester recommendations.

Austria

Overview

Two policy areas should feature with priority in Austria's plan. Firstly, Austria should build on and expand the national energy efficiency support schemes already in operation, including Sauber Heizen für Alle. Secondly, the Austrian plan should advance the implementation of the EU Nature Directives, including by completing the Natura 2000 network.

1. Energy and climate

- Improve energy efficiency and reduce overall reliance on fossil fuels. **[2026 CSR 4 • 2025 CSR 4.2, Some Progress]**
- Accelerate the roll-out of renewable energy and the required infrastructure, particularly by simplifying permitting procedures and putting in place dedicated acceleration areas. **[2026 CSR 4 • 2025 CSR 4.3, Limited Progress]**
- Implement the Electricity Act, improve the flexibility of the energy system and incentivise power purchase agreements. **[2026 CSR 4 • 2025 CSR 4.1, Some Progress]**
- Advance industrial decarbonisation, especially in regions with high emission intensity. **[2026 CSR 4 • 2025 CSR 4.4, Some Progress]**
- Ensure that measures mitigating the impact of energy price rises are temporary, targeted at protecting vulnerable households or addressing the needs of energy-intensive firms, and preserve incentives for energy savings. **[2026 CSR 1]**

2. Buildings, renovation finance and housing

- Redesign the national energy efficiency support schemes so that grant rates and eligibility are weighted towards the lowest-income households rather than high-income recipients.

- Eliminate pre-financing requirements in grants targeted at the lowest-income households, starting with Sauber Heizen für Alle.
- Introduce Mortgage Portfolio Standards linking the €130 to 134 billion residential mortgage market to the National Building Renovation Plan, with portfolio-level energy performance targets built on EPC data, CRREM pathways, EU Taxonomy criteria and PCAF methodologies.
- Build implementation on the CRREM, PCAF and EU Taxonomy approaches already used by Erste Group and Raiffeisen Bank International, so that portfolio reporting rests on existing market infrastructure rather than new systems.
- Join the proposed EU Renovation Loan Facility with the EIB Group and national promotional banks to finance renovation costs that grants do not cover while the federal thermal renovation bonus remains frozen, with Austria Wirtschaftsservice (aws) adding guarantees and promotional finance. **[2026 CSR 4 • 2025 CSR 4.5, Limited Progress]**

3. Just Transition and Social Economy

- Step up policy efforts aimed at the provision and acquisition of skills and competences needed for the green transition. **[2025 CSR 5.5, Substantial Progress]**

4. Nature, agriculture and food

- Complete Natura 2000-network by finishing the site designation process, and ensuring sufficient coverage of representative populations of species and habitats.
- Finalise the establishment of site-specific conservation objectives and measures for all Natura 2000 sites (including by adopting their management plans).
- Ensure the development of a national business and biodiversity network.

Belgium

Overview

Belgium's reform priorities are renovation finance for the worst-performing buildings and vulnerable households, mortgage portfolio standards built on the regional building cadastre, faster grid and renewables permitting, nitrogen reduction on Natura 2000 sites, and phasing out fossil fuel subsidies in transport and heating.

1. Energy and climate

- Ensure that measures mitigating the impact of energy price rises are temporary, targeted at protecting vulnerable households or addressing the needs of energy-intensive firms, and preserve incentives for energy savings. **[2026 CSR 1]**
- Accelerate the upgrade of grid infrastructure and the roll-out of renewable energies by further streamlining permitting procedures, while addressing regional challenges, and promote demand-side flexibility and storage. **[2026 CSR 4 • 2025 CSR 4.6, Limited Progress]**

2. Buildings, renovation finance and housing

- Set Mortgage Portfolio Standards on EPC data, CRREM pathways and common portfolio indicators to identify poorly performing properties, establish progressive renovation trajectories and monitor progress, building on the PCAF and EU Taxonomy practices of Belgium's largest banks.
- Scale the EIB–SWCS €500 million package, expected to support more than 16,500 energy efficiency renovations with a focus on vulnerable households, into the delivery model for an EU Renovation Loan in Wallonia. **[2026 CSR 4 • 2025 CSR 4.2, Limited Progress]**
- Join the proposed EU Renovation Loan Facility with the EIB Group, other international financial institutions and national promotional banks, adding EU-backed guarantees and long-term finance to Rénopack and Rénoprêt, with Wallonie Entreprendre as a further channel for green investment finance. **[2026 CSR 4 • 2025 CSR 4.2, Limited Progress]**

3. Transport and clean air

- Take measures to increase the use and supply of sustainable transport and tackle road congestion. **[2026 CSR 4 • 2025 CSR 4.5, Some Progress]**

4. Nature, agriculture and food

- Step up measures to reduce nitrogen deposition, in particular on Natura 2000 sites with nitrogen-sensitive species and habitats, including through agri-environmental measures. **[2026 CSR 4 • 2025 CSR 4.9, Limited Progress]**
- Finalise the establishment of site-specific conservation objectives and measures for all Natura 2000 sites (including by adopting their management plans) (priority action under 2025 Environmental Implementation Review).
- Promote sustainable forest management and ensure compliance with Habitats Directive before granting/renewing permits for forest logging (priority action under 2025 Environmental Implementation Review).

5. Fiscal reform

- Phase out fossil fuel subsidies, in particular in the transport and heating sector, including by shifting excise duties from electricity to fossil fuels. **[2026 CSR 4 • 2025 CSR 4.7, Limited Progress]**

Bulgaria

Overview

Bulgaria can build on the draft National Building Renovation Plan submitted in late 2025, the National Decarbonisation Fund, existing municipal energy planning duties and the 2025 recommendations on market liberalisation and energy poverty. Priorities are a permanent and predictable renovation financing framework reducing reliance on campaign-based 100% grants, retail market opening with targeted consumer protection, multilevel governance of the plan, and vulnerability targeting~~.~~

1. Governance and partnership

- Establish a formal multilevel governance architecture for preparing and monitoring the plan, with mandatory participation of municipalities and civil society, territorial and urban chapters, and a public participation action plan applying the Code of Conduct.
- Turn municipal energy planning duties into enforceable local energy management systems with mandatory annual reporting, covering the 3% public building renovation and 1.9% final energy reduction targets, and make EU funding conditional on verified progress.
- Operationalise an independent anti-corruption body with safeguards for the Prosecutor General, and make EU-funded energy investments conditional on transparent procurement and contract disclosure, covering energy state-owned enterprises **[2026 CSR 3 • 2025 CSR 3.2, No Progress]**

2. Energy and climate

- Complete retail electricity market liberalisation through a legally binding roadmap replacing regulated household prices with competitive supply, with safeguards for switching, and make EU funding conditional on phasing out universal subsidies **[2025 CSR 4.1, Some Progress]**
- Make the legal and regulatory framework for renewable and citizen energy communities fully operational by introducing simplified and proportionate procedures, enabling collective self-consumption and energy sharing, and removing administrative and market barriers to their practical implementation, including access to public roofs.
- Create a national energy data framework integrating distribution system operators and giving consumers, aggregators and energy communities secure, non-discriminatory access to real-time consumption and production data, and accelerate smart meter deployment.
- Establish an integrated climate and energy financing architecture with dedicated municipal windows carrying ring-fenced resources, revolving and guarantee-based schemes and blended finance for buildings, clean heating and adaptation.
- Adopt a national geothermal development, permitting and de-risking framework for shallow and deep geothermal energy, with streamlined permitting, clear institutional responsibilities, accessible geological and resource data, standardised project-development procedures, a national geothermal project pipeline and a regulatory framework for reducing geological, exploration and investment risk.

3. Buildings, renovation finance and housing

- Replace the current reliance on campaign-based 100% grants with a permanent and predictable financing framework combining targeted grants for energy-poor and vulnerable households, appropriate grant co-financing and affordable financing for other households, and guarantees and blended finance to mobilise commercial bank lending. Ensure adequate funding for technical assistance and project preparation as an integral part of the financing framework.
- Turn one-stop-shop arrangements into a permanent network of local renovation centres with stable financing, providing integrated support throughout the renovation process – from initial advice, homeowner organisation and technical preparation to access to financing, implementation and monitoring of results. Establish one-stop shops as a key delivery mechanism for national renovation programmes and financing instruments.
- Further amend the Condominium Management Act to establish a workable framework for collective decision-making and financing of renovation in multi-apartment buildings, enabling homeowners' associations to enter into financing and service contracts and providing for predictable owner contributions and transparent reserve funds, with appropriate safeguards for energy-poor and vulnerable households.
- Introduce a unified national system for building, certification and renovation data, mandatory for all publicly funded projects, interoperable with EPC registries and renovation passports, and monitoring real consumption against projected performance.

4. Just transition and social economy

- Establish a permanent system for identifying and prioritising households in energy and transport poverty, through an interoperable data platform linked to a single application system, combining income, energy expenditure and heating source **[2026 CSR 4 • 2025 CSR 4.5, Limited Progress]**
- Modernise training and certification for energy efficiency and building renovation, separating higher-education pathways for consultants from vocational pathways for installers, and make public support conditional on certified competences **[2026 CSR 5 • 2025 CSR 5.3, Some Progress]**

5. Nature, agriculture and food

- Finalise the establishment of site-specific conservation objectives and measures for all Natura 2000 sites (including by adopting their management plans)
- Implement and scale-up the uptake of organic farming practices
- Ensure the development of a national business and biodiversity network

Reviewing organisations: Desislava Stoyanova, Bankwatch, Daniel Popov, Za Zemiata / Bankwatch

Croatia

Overview

Croatia can build on the draft National Building Renovation Plan submitted in late 2025, the National Housing Policy Plan, the National Poverty Plan, the Social Welfare Act. Priorities are a housing-led response to homelessness, renovation finance that keeps grants for energy-poor households, partnership-based governance with local homelessness partnerships, and work-integration social enterprises, finalising site specific conservation measures for Natura2000 sites, and implementing a fully enabling framework for energy communities.

1. Governance and partnership

- Establish mandatory local homelessness partnerships in cities and counties joining local authorities, social welfare services, housing providers and people with lived experience, with a formal role in planning, implementing and monitoring plan-funded reforms.
- Establish a national homelessness data and monitoring framework based on ETHOS Light, with regular local counts, standardised data collection, unique identifiers to avoid double-counting and annual reporting linked to prevention and Housing First planning.

2. Energy and climate

- Accelerate the deployment of renewable energy to lower wholesale electricity prices by upgrading electricity grids and investing in electricity storage. **[2026 CSR 4 · 2025 CSR 4.1, Some Progress]**
- Advance the roll-out of smart meters and promote dynamic contracts. **[2026 CSR 4 · 2025 CSR 4.2, Some Progress]**
- Introduce early warning systems linking utility arrears to social support interventions, with direct financial support for energy costs for vulnerable households.
- Streamline permitting and grid connection procedures for renewables and energy communities. Fully operationalise an enabling framework for energy communities, including by enabling energy sharing, and simplifying registration procedures. **[2026 CSR 4 · 2025 CSR 4.3, Some Progress]**

3. Buildings, renovation finance and housing

- Accelerate the implementation of energy efficiency measures and promote efficient and green solutions for heating and cooling. **[2026 CSR 4 · 2025 CSR 4.4, Some Progress]**
- Establish an integrated national framework linking energy, housing and social policy that funds targeted energy efficiency renovation for low-income households and gives priority to the energy renovation of housing used for social and affordable purposes **[2026 CSR 4 · 2025 CSR 4.4, Some Progress]**
- Complement grant schemes with EU Renovation Loans piloted through national promotional institutions, preserving grants for the poorest households, and loans to low-income and middle-income homeowners. **[2026 CSR 4 · 2025 CSR 4.4, Some Progress]**

- Link residential mortgage portfolios to EPC performance, minimum energy performance standards and the National Building Renovation Plan's targets through Mortgage Portfolio Standards, creating measurable renovation trajectories and incentives for banks to finance improvements.
- Build the EU Renovation Loan on FZOEU, connecting its existing renovation support to EIB financing and guarantees so that longer maturities and EU-backed guarantees reach energy-poor and vulnerable households facing upfront cost and credit-risk barriers. Join the proposed EU Renovation Loan Facility with the EIB Group and national promotional banks, drawing on JASPERS and ELENA for project preparation and technical assistance, and widen bank use of PCAF, CRREM and ENGAGE templates to monitor portfolio progress. **[2026 CSR 4 · 2025 CSR 4.4, Some Progress]**
- Improve access to formal home- and community-based long-term care. Require cities and counties to adopt local affordable housing strategies with measurable targets, eviction prevention services and transparent monitoring of access, and make plan investment conditional on those mechanisms rather than on units built alone. **[2026 CSR 5 · 2025 CSR 5.8, Limited Progress]**

4. Transport and clean air

- Promote sustainable urban transport, rail and the electrification of road transport. **[2026 CSR 4 · 2025 CSR 4.5, Some Progress]**

5. Just transition and social economy

- Create a national support scheme for work-integration social enterprises employing, training or mentoring people experiencing homelessness and young people leaving care, with start-up grants, wage subsidies and social public procurement **[2026 CSR 5 · 2025 CSR 5.4, Some Progress]**

6. Nature, agriculture and food

- Address the risk from natural hazards by improving governance, investing in climate resilience and creating incentives for climate risk insurance. **[2026 CSR 4]**
- Finalise the establishment of site-specific conservation objectives and measures for all Natura 2000 sites, including adopting their management plans (priority action in Environmental Implementation Review 2025).
- Significantly improve designation of offshore marine Natura 2000 sites (priority action in Environmental Implementation Review 2025).
- Ensure the development of a national business and biodiversity network.
- Further foster the circular economy. **[2026 CSR 4]**

7. Fiscal reform

- Phase out fossil fuel subsidies, particularly in the transport sector. **[2026 CSR 4 · 2025 CSR 4.6, No Progress]**
- Ensure that measures mitigating the impact of energy price rises are temporary, targeted at protecting vulnerable households or addressing the needs of energy-intensive firms, and preserve incentives for energy savings. **[2026 CSR 1]**

Cyprus

Overview

Cyprus has recommendations covering fossil fuel reliance and energy diversification, water, waste water and waste management, climate adaptation governance and social protection for vulnerable groups. Several were assessed as limited progress in 2026, which makes energy efficiency funding, waste and water infrastructure, adaptation governance and support for energy-poor households the priorities identified for the plan.

1. Energy and climate

- Develop energy interconnections with neighbouring countries to reduce overall reliance on fossil fuels and further diversify energy supply. **[2026 CSR 4 · 2025 CSR 4.1, Limited Progress]**
- Upgrade the electricity grid and energy storage facilities. **[2026 CSR 4 · 2025 CSR 4.4, Limited Progress]**

2. Buildings, renovation finance and housing

- Scale up funding for energy efficiency. **[2026 CSR 4 · 2025 CSR 4.2, Some Progress]**

3. Just transition and social economy

- Improve social protection for vulnerable groups by providing targeted support to energy-poor households, ensuring adequate minimum pensions and increasing the availability of affordable and social housing. **[2026 CSR 5 · 2025 CSR 4.5, Some Progress]**
- Expand the availability and coverage of long-term care services, broaden eligibility and reduce high out-of-pocket payments. **[2026 CSR 5 · 2025 CSR 5.7, Limited Progress]**

4. Nature, agriculture and food

- Step up investment in water, waste water and waste management infrastructure, increase the administrative capacity of local authorities, promote sustainable water use practices and expand the separate collection of municipal and packaging waste. **[2026 CSR 4 · 2025 CSR 4.6, Limited Progress]**
- Improve the institutional framework governing climate adaptation. **[2026 CSR 4 · 2025 CSR 4.7, Limited Progress]**

5. Transport and clean air

- Expand sustainable mobility and public transport. **[2026 CSR 4 · 2025 CSR 4.3, Limited Progress]**

Czechia

Overview

Czechia can build its plan on instruments already in law or under way: the National Energy and Climate Plan, Act No. 458/2000 Coll., the Electricity Data Centre and the 2025 recommendation to complete its functionalities, and the Social Climate Plan still to be adopted. The priority is community energy, grid connection and tariff rules, renovation finance that reaches tenants, and ETS II implementation.

1. Governance and partnership

- Set measurable partnership targets for each year of the plan and publish an annual assessment of whether they have been met.
- Open technical assistance funding to civil society organisations taking part in the preparation and monitoring of the plan.
- Establish a system of strategic communication and coordinated response to disinformation and hybrid threats, based on cooperation between the public sector, the private sector and civil society with a designated authority, standards and a methodological framework for strategic communication, set up a permanent multi-stakeholder platform involving academia, civil society, the private sector and the media. Embed fundamental rights safeguards and independent oversight, so that the measures do not amount to, or are not perceived as, censorship. Reform based on the European Preparedness Union Strategy, the European Democracy Shield and the Security Strategy of the Czech Republic 2023.

2. Energy and climate

- Set a binding national target for installed energy community capacity into the National Energy and Climate Plan and into Act No. 458/2000 Coll. (the Energy Act).
- Replace the first come, first served grid connection principle with first ready, first connected, ranking projects by readiness, strategic importance and grid benefit, through targeted amendments to the Energy Act and the connection decree.

- Legally bind the Electricity Data Centre to deliver dynamic and hybrid allocation keys by 2026, full API access for prosumers and energy communities, and the combination of apartment-building sharing and wider community sharing within a single sharing group **[2026 CSR 5 • 2025 CSR 5.5, Limited Progress]**
- Introduce a Contracts for Difference scheme for utility-scale solar and wind, together with a regulatory and financial framework for corporate and utility power purchase agreements **[2026 CSR 5 • 2025 CSR 5.2, Limited Progress]**
- Introduce cost-reflective differentiated network charges based on the distance and network use to promote local energy sharing and balanced use of the grid in line with Directive (EU) 2019/944 and Regulation (EU) 2019/943- Implement the reform through the planned tariff structure reform of the Energy Regulation Authority.

3. Buildings, renovation finance and housing

- Establish a deep renovation grant scheme open to the poorest owner-occupiers and social housing tenants, and an EU Renovation Loan for low-income homeowners supported with an EU-backed guarantee via the InvestEU member state compartment. **[2026 CSR 5 • 2025 CSR 5.6, Some Progress]**
- Make energy communities eligible co-applicants in renovation funding calls.

4. Just transition and social economy

- Implement ETS II by establishing a regulated entity regime for fuel distributors and operationalising the national ETS II registry, as required by Directive (EU) 2023/959, and adopt and submit the Social Climate Plan to the Commission.
- Enact a legal definition of energy poverty and set up annual national monitoring against it.
- Create an energy community support programme prioritising disadvantaged regions, with funding for the local action groups that provide energy advice to the public.

5. Nature, agriculture and food

- Make forestry subsidies conditional on compliance with biodiversity objectives and with the Guidelines for State aid in the agricultural and forestry sectors and in rural areas.
- Ensure the development of a national business and biodiversity network

Reviewing organisations: Hnutí DUHA - Friends of the Earth Czech Republic Union of Community Energy (UKEN)

Denmark

Overview

Measures to reduce the intensity of agricultural and farming activities and to protect and restore existing biodiversity should feature prominently in Denmark's plan. Denmark should dedicate significant resources within its plan to address Semester recommendations covering electrification and network upgrades, demand response and storage, the intensity of agricultural and farming activities, circular economy and waste, skills and education, and housing supply. All the 2025 energy and environment asks were assessed as some progress rather than complete, which makes electrification, flexibility, farming intensity and waste the priorities for the plan.

1. Energy and climate

- Accelerate the pace of electrification. **[2026 CSR 4 • 2025 CSR 4.3, Some Progress]**
- Support the electricity network upgrades needed at transmission and distribution level and the optimisation of existing infrastructure. **[2026 CSR 4 • 2025 CSR 4.4, Some Progress]**
- Promote demand response, energy storage and other non-fossil flexibility solutions. **[2026 CSR 4 • 2025 CSR 4.5, Some Progress]**

2. Just transition and social economy

- Ensure the provision and acquisition of the skills needed for the green and digital transition. **[2026 CSR 5 • 2025 CSR 5.1, Some Progress]**

3. Nature, agriculture and food

- Implement agri-environmental measures that reduce the intensity of agricultural and farming activities. **[2026 CSR 4 • 2025 CSR 4.6, Some Progress]**
- Finalise the establishment of site-specific conservation objectives and measures for all Natura 2000 sites (including by adopting their management plans).
- Promote sustainable forest management and ensure compliance with Habitats Directive before granting/renewing permits for forest logging.
- Reduce food waste and shift away from the incineration of municipal waste for heat generation towards cleaner sources. **[2025 CSR 4.7, Some Progress]**
- Strengthen circular economy and waste management policies by further promoting prevention, reuse and recycling of municipal and other waste. **[2026 CSR 4 • 2025 CSR 4.7, Some Progress]**

4. Fiscal reform

- Ensure that measures mitigating the impact of energy price rises are temporary, targeted at protecting vulnerable households or addressing the needs of energy-intensive firms, and preserve incentives for energy savings. **[2026 CSR 1]**

Estonia

Overview

Estonia's plan can build on the draft Social Climate Plan, renovation lending enabled by the InvestEU green investment guarantee, and the 2025 recommendations on renovation finance and sustainable forest management. Priorities include a national successor guarantee for renovation loans, renovation support reaching small residential buildings and poorer households, workable collective self-consumption rules, and agricultural subsidy rules that support high-nature-value farming, alongside stronger Natura 2000 management, peatland restoration and sustainable forest management compliant with the Habitats Directive.

1. Energy and climate

- Adopt clearer rules on collective self-consumption so that electricity from rooftop solar or storage in a condominium can be allocated and billed individually to each apartment, instead of serving common areas only or requiring every owner to cancel their individual supply contract.

2. Buildings, renovation finance and housing

- Fund a national guarantee for housing association renovation loans so that favourable loan terms continue once the InvestEU green investment guarantee expires. Seek coordination with the new ECF InvestEU Instrument via the Member State compartment. **[2026 CSR 4 • 2025 CSR 4.1, Limited Progress]**
- Extend the renovation assistance set out in the draft Social Climate Plan to owners of small residential buildings alongside housing associations, targeting households in a weaker socioeconomic situation. **[2026 CSR 4 • 2025 CSR 4.1, Limited Progress]**

3. Nature, agriculture and food

- Finalise the establishment of site-specific conservation objectives and measures for all Natura 2000 sites, including by adopting their management plans ((priority action under 2025 Environmental Implementation Review)).
- Promote sustainable forest management and ensure compliance with Habitats Directive before grating/renewing permits for forest logging.
- Remove the 50-tree per hectare rule and the restrictions on the width of landscape features from the eligible hectare rules for agricultural subsidies, so that agroforestry, food gardens and other practices of high ecological value qualify for support.
- Fund aerial-photograph and app-based verification of landscape features so that verification capacity no longer justifies those restrictions.
- Implement peatland conservation and restoration measures, including via national restoration plans (priority action under 2025 Environmental Implementation Review).

Reviewing organisations: CEE Bankwatch Network, Estonian Green Movement

Finland

Overview

Finland's reform priorities should focus on developing Renovation Loans through state-backed schemes, introducing mortgage portfolio standards, promoting non-profit affordable housing and Housing First, decarbonisation of industry and transport, and completing the Natura 2000 network.

1. Energy and climate

- Reduce carbon emissions by boosting public and private investment in the decarbonisation of industry. **[2026 CSR 4 • 2025 CSR 4.2, Some Progress]**
- Boost public and private investment in clean technologies and circular economy solutions. **[2026 CSR 4 • 2025 CSR 4.4, Limited Progress]**
- Ensure that measures mitigating the impact of energy price rises are temporary, targeted at protecting vulnerable households or addressing the needs of energy-intensive firms, and preserve incentives for energy savings. **[2026 CSR 1]**

2. Buildings, renovation finance and housing

- Guarantee long-term investment in non-profit and affordable housing supply, covering construction, acquisition and renovation, rather than relying on market-driven supply.
- Integrate EU Renovation Loans into the state-backed renovation finance schemes, align them with the residential renovation trajectory set out in the draft National Building Renovation Plan, and use them to finance heat pumps and deep energy renovations.
- Adopt the EPBD Mortgage Portfolio Standards framework as an early mover, building on the existing green mortgage market and on state and European Investment Fund guarantees, including those provided through Varke. Use EPC-based eligibility criteria to monitor mortgage portfolio decarbonisation and incorporate portfolio-level renovation targets into green lending products.

- Make Housing First the primary homelessness response, backed by long-term funding for both housing supply and tenancy support services rather than fragmented and short-term funding. Set the plan's homelessness objectives as measurable outcomes, namely a reduction in homelessness and improved housing stability, rather than as spending targets or spending quotas, and release funding against those outcomes.
- Establish a national, system-wide homelessness prevention approach covering early identification, housing counselling, rent arrears intervention and mediation services. Develop the national statistical system on homelessness so that reliable and comparable data are available to report against those outcomes and to support evidence-based policymaking.

3. Transport and clean air

- Boost public and private investment in the decarbonisation of transport, including through electrification. **[2026 CSR 4 • 2025 CSR 4.3, Limited Progress]**

4. Nature, agriculture and food

- Complete Natura 2000-network by finishing the site designation process, in particular in Southern Finland and for marine areas.
- Finalise the establishment of site-specific conservation objectives and measures for all Natura 2000 sites (including by adopting their management plans) (priority action under 2025 Environmental Implementation Review).
- Implement peatland conservation and restoration measures, including through national restoration plans (priority action under the 2025 Environmental Implementation Review).
- Ensure sustainable management of forests. **[2026 CSR 4]**

France

Overview

France's plan can build on the Programmation Pluriannuelle de l'Énergie, the SRADDET (regional Energy plan) and PCAET (at municipal level): all these territorial planning tools for the energy transition offer a potential real multi-level Governance of the planning, yet not in place. In addition, pilot programmes, such as the renewables acceleration areas (2025 country-specific recommendation), and the new programme for 109 electrification territories out of which a third is aiming at phasing out gas constitute a great example for other countries to learn from. Citizen and community energy have a clear legal framework to operate, nevertheless, they still need support to be accessible to a majority of citizens: binding capacity targets in national and territorial planning, a workable legal definition and permitting regime, tender criteria that reward shared governance, and stable funding for project support.

1. Energy and climate

- Set legally binding citizen energy capacity targets of 5 TWh by 2030 and 20 TWh by 2035, integrate them into the next Programmation Pluriannuelle de l'Énergie and into the SRADDET and PCAET territorial planning tools, and adopt a cross-ministerial roadmap.
- Align the legal definition of renewable and citizen energy communities with sector needs, simplify permitting, and relax the revenue thresholds and investment caps that stop communes and intercommunalités taking financial stakes in them **[2026 CSR 4 · 2025 CSR 4.3, Some Progress]**
- Overhaul the renewable energy tender criteria: expand the participatory criteria to 10 points, awarding 7 points for shared governance and 3 for projects in acceleration zones (ZAER), and extend localised power purchase agreements for energy communities.
- Increase the budget of ADEME's Générateurs network by 7.5 million euro to guarantee at least four dedicated wind and solar advisers per region, and place local energy agencies and citizen energy support networks, including Énergie Partagée, on stable long-term public funding.
- Overall public finance review to be “resilient by design” and authorised the large upfront investment needed in the coming year to build up our energy security: apply the “national escape clause” to all level of governments (higher limit for public debt in the years to come)
- Ensure the continuity of the “Fonds Chaleur” dedicated to decarbonisation of the Heating systems **[2026 CSR 4 · 2025 CSR 4.2, Limited Progress]**
- Ensure access to technical expertise and capacity building for municipalities to accelerate the implementation of PCAET (SECAP). The know-how developed by the National Energy savings Agency (ADEME) and the regional energy agency should be reinforced and will help the concrete implementation of the NRPPs.

2. Nature, agriculture and food

- Complete Natura 2000-network by finishing the site designation process
- Finalise the establishment of site-specific conservation objectives and measures for all Natura 2000 sites (including by adopting their management plans)
- Reduce pollution from agricultural and industrial sector to safeguard water quality, including through a reduction in farm sizes or livestock numbers, in particular in vulnerable areas, as well as an improved management of industrial pollution. **[2026 CSR 4]**

Reviewing organisations: Energy Cities

Germany

Overview

The German Council of Experts on Climate Change finds that the Klimaschutzprogramm 2026 does not close the emissions gaps to the 2030 target and the 2031–2040 budget. The gaps are concentrated in the ESR sectors, above all buildings and transport. Germany's NRPP should channel MFF investment to these sectors while implementing reforms that phase out fossil fuel subsidies. Every reform below responds to structural challenges identified in the policy reference framework (CSR, NECP Assessment) and can enable or support paired NRPP investments that would count towards the 43% climate and environment target.

1. Energy

- Expand storage capacity and accelerate grid access for storage projects via harmonised processes and standardised flexible connection agreements (FCAs) to shift excess renewables generation to periods of high demand. **[2026 CSR 4 • 2025 CSR 4.2, Some Progress]**
- Reform committing federal and Länder authorities to mutually recognise permits and harmonise procedures for cross-border energy infrastructure, anchored via intergovernmental agreement **[2026 CSR 4]**

2. Buildings and renovation

- Introduce a funding bonus for landlords in the BEG Scheme tied to a rent cap to support energy retrofits for low-income tenants. **[2026 CSR 4 • 2025 CSR 4.3, Some Progress]**
- Establish a legal framework for energy-saving contracting: standardised contract models, simplified procurement, project development funding, KfW guarantees. **[2026 CSR 4 • 2025 CSR 4.3, Some Progress]**
- Establish reliable framework conditions for serial renovation and support market scaling. **[2026 CSR 4 • 2025 CSR 4.3, Some Progress]**
- Extend the Einkommensbonus to include efficiency measures in the BEG. **[2026 CSR 4 • 2025 CSR 4.3, Some Progress]**

3. Transport

- Accelerate the second-hand market for resource-efficient and affordable electric vehicles through a bonus-malus system in vehicle registration. **[2026 CSR 4]**
- Create a social leasing scheme for EVs for low-income and vulnerable households and micro-enterprises. **[2026 CSR 4]**

4. Fiscal reform

- Abolish the Diesel privilege.
- Reform the company-car taxation (2% for ICEVs, no preferential treatment for PHEVs).
- Phase out of the Agrardiesel subsidy in a socially just manner, together with targeted support for the electrification of fleets
- Rule out temporary fuel tax cuts that dilute the BEHG carbon price. **[2026 CSR 1]**
- Cap the commuter allowance (Pendlerpauschale) and redistribute part of the savings to rural commuters as a lump-sum payment.
- Reverse the aviation tax cut (from July 2026) and restore rates to at least their 2024 levels, earmarking the additional revenue for climate-neutral fuels and measures to reduce non-CO₂ emissions.

5. Just and equitable transition

- Make energy/mobility assessments a prerequisite before designing support schemes.
- Earmark support for JTF territories and other Strukturwandel regions through Bund-Länder administrative agreements and territorial just transition plans with permanent multi-level governance body on just transition.

6. Agriculture and biodiversity

- Finalise the establishment of site-specific conservation objectives and measures for all Natura 2000 sites.
- Support peatland conservation and restoration measures by clearly integrating national restoration plan objectives with the NRPP.

Reviewing organisations: Germanwatch, T&E Deutschland

Greece

Overview

Greece has recommendations on affordable electricity and island interconnections, offshore wind, energy taxation and fossil fuel subsidies, transport decarbonisation, climate resilience, water and waste, and affordable housing. Energy tax recalibration, rail and bus reform and the climate-proofing plan were all assessed as limited progress in the 2026 country specific recommendations, which makes them the live priorities for the plan.

1. Energy and climate

- Promote affordable electricity by developing flexibility solutions, completing the interconnections of islands and improving the quality and capacity of the distribution network. Building on this recommendation, Greece is also encouraged to further develop support programs for energy communities, including by facilitating their access to storage facilities. **[2026 CSR 4 • 2025 CSR 4.1, Some Progress]**
- Further expand renewable energy production, including through offshore wind capacity. Building on this recommendation, Greece is also encouraged to open access to offshore wind parks to energy communities and citizens, as a way to boost social acceptance, in line with the Renewable Energy Directive. **[2026 CSR 4]**

2. Buildings, renovation finance and housing

- Expand affordable and social housing supply, including through a new building code. **[2026 CSR 5]**

3. Just transition and social economy

- Increase the employment rate of women, young people and vulnerable groups and improve job quality by expanding formal early childhood education and care and long-term care. **[2026 CSR 5 • 2025 CSR 5.1, Limited Progress]**

4. Nature, agriculture and food

- Strengthen climate resilience by climate-proofing key infrastructure, and take steps to increase private insurance coverage against natural disaster damage, including by adopting the national strategy. **[2026 CSR 4 • 2025 CSR 4.6, Limited Progress]**
- Improve water management and infrastructure, update the waste management plans and improve solid waste management, including at regional level and on islands. **[2026 CSR 4 • 2025 CSR 4.7, Substantial Progress]**

5. Transport and clean air

- Accelerate the decarbonisation of transport, complete the reform of bus transport and extend and upgrade the national rail system, including deployment of the European Rail Traffic Management System. **[2026 CSR 4 • 2025 CSR 4.5, Limited Progress]**

6. Fiscal reform

- Recalibrate energy taxes to incentivise electrification and take concrete steps to phase out fossil fuel subsidies, in particular in the industrial sector. **[2026 CSR 4 • 2025 CSR 4.2, Limited Progress]**

Hungary

Overview

Hungary's plan can build on the European Commission's Country Report and country-specific recommendations, as well as the recommendations of civil society organisations prepared recently as well as in the previous years. The NRPP should be aligned with an updated and ambitious National Energy and Climate Plan. The priorities are dispelling mis- and disinformation, speeding up just energy transition, removal of environmentally harmful subsidies with parallel monetary compensation to citizens, in particular vulnerable households, and meaningful involvement of social partners and local authorities throughout the planning and implementation.

1. Governance and partnership

- Fully apply the European Code of Conduct on Partnership to the programming and monitoring of the plan. Ensure balanced representation of public authorities, partners and civil society in all stages, and create public engagement in planning and implementation. Guarantee predictable funding for civil society oversight. Strengthen decision-making mandate of monitoring committees and subcommittees (including co-design and decisions on draft calls for proposals and on project selection criteria). **[2026 CSR 3]**
- Provide sufficient and independent funding (especially for the media) to combat mis- and disinformation and to raise awareness.
- Repeal the provisions allowing investments designated as priority investments of national economic interest to bypass full environmental impact assessment and public consultation, upholding non-regression under Decision 28/1994 AB.
- Strengthen market competitiveness and transparency in public procurement in practice. Apply mandatory Green Criteria in Public Procurement. Eliminate practices that restrict competition in public procurement. CSR 2026 n°3 **[2026 CSR 3]**
- Strengthen the capacity of environmental and related (national) authorities and ensure their independence.
- Support the long-term sustainability of public finances by carrying out regular and detailed spending reviews with clear and actionable recommendations to be considered in the budget process 2026 CSR 1

2. Energy and climate

- Speed up the transition of the energy system into a climate neutral, resilient and decentralised one, to be based on efficiency first principle and sustainable, renewable local energy sources; set the framework of demand-side management. **[2026 CSR 4 • 2025 CSR 4.3, Some Progress]**
- Complete the measures missing from the enabling framework for renewables self-consumption and renewable energy communities under the transposition of the Renewable Energy Directive (RED II). **[2026 CSR 4]**

3. Buildings, renovation and housing

- Substantially increase funding for improving the energy efficiency of buildings, and make sure it reaches vulnerable groups in priority [EPBD art 17, EED art 8 &23] by setting socially targeted eligibility criteria, providing pre-financing, simplifying administrative procedures and running a support network at local&country level.
- Establish strict ring-fencing and deep-retrofit thresholds to ensure that performance milestones deliver long-term decarbonisation, prioritise energy savings and renovation over new constructions, and low-income households. Make the national energy efficiency obligation scheme transparent and efficient.
- Substantially improve the training and control of skilled labour. **[2026 CSR 4]**
- Introduce targeted, means-tested national housing support, including rental support, for low-income groups, and increase the municipal social housing stock. **[2026 CSR 6 • 2025 CSR 6.4, No Progress]**
- Support the deinstitutionalisation of the homelessness sector (transformation of shelters, earmarked social housing and Housing First places), and create 24-hour women-only services in every town of more than 30,000 inhabitants.

4. Transport

- Introduce distance-, emission- and weight-based road tolling on all roads for all vehicles with parallel monetary compensation for citizens.
- Stop all new road constructions (with some minor exceptions) and redirect funds to railways, public transport and active transport. **[2026 CSR 4]**

5. Just transition and social economy

- Ensure just transition (chapter) for each affected region (extended beyond JTF to other emission-heavy regions), planned with local and regional authorities. Dedicate 6% of the plan's budget to technical assistance and make it directly accessible to regional authorities for preparing, implementing and monitoring just transition plans.
- Implement ETS II by establishing a regulated entity regime for fuel distributors and operationalising the national ETS II registry, and plan, multi-stakeholder consultation, adopt and submit the Social Climate Plan to the EC.
- Enact a legal definition of energy poverty and set up annual national monitoring against it.

6. Nature, agriculture and food

- Supplement the DNSH check for every major programme with a strategic environmental and climate assessment that examines alternatives and cumulative effects, excludes fossil fuel investments and grants no blanket defence exemption.
- Condition agricultural subsidies so that they stop rewarding land-use patterns that cause water and soil loss and instead reward permanent ground cover, grassland management and diversified crop rotations. **[2026 CSR 4 · 2025 CSR 4.4, Limited Progress]**
- Phase out commercial and continuous felling in protected and Natura 2000 forests, introduce selection system or permanent forestry in state-owned natural and semi-natural forests, and harmonise forestry plans with national park management plans.

7. Fiscal reform

- Publish an official national inventory of environmentally harmful subsidies, including fossil energy subsidies, and adopt a binding plan to phase them out. **[2026 CSR 4 · 2025 CSR 4.2, No Progress]**
- Introduce Green Budgeting.

Reviewing organisations: Clean Air Action Group, NSC-Friends of the Earth Hungary (MTVSZ)

Ireland

Overview

The priorities are a moratorium on new large energy user connections, publishing the overdue energy affordability instruments and submitting the National Social Climate Plan, placing the Just Transition Commission on a statutory footing, and legislating for an air quality trajectory aligned with World Health Organization guidelines. Ireland can build on the 2026 country-specific recommendations on large energy users and system flexibility, district heating and agricultural nutrient losses, and on instruments already in place, including the Just Transition Commission, the Clean Air Strategy and the Public Sector Equality and Human Rights Duty.

1. Governance and partnership

- Fund a nationwide media literacy programme covering source verification, algorithms and AI-generated content.
- Provide teacher training, updated curricula and community-based workshops for those less digitally connected.
- Develop a clear national education pathway, with eligibility and supports set out in accessible formats.
- Embed Global Citizenship Education across all levels of learning.

2. Governance and partnership

- Establish structured cross-departmental coordination, with quarterly engagement and adequate lead-in time for policy changes.
- Establish formal mechanisms for frontline practitioners to inform design and review.
- Recognise community and voluntary organisations as delivery partners, resourced and represented in monitoring.
- Review the structures of LEADER and comparable programmes, with farmers, community organisations and other stakeholders represented on their boards.

3. Energy and climate

- Pause new large energy user connections until demand growth can be matched in full by additional and genuinely incremental renewable generation. **[2026 CSR 4 • 2025 CSR 4.4, Limited Progress]**
- Apply climate law obligations in full to infrastructure supported under the plan.
- Commit to a fossil fuel phase-out plan with clear timelines and funding. **[2026 CSR 4 • 2025 CSR 4.1, Some Progress]**
- Publish the overdue energy affordability instruments and put energy poverty on a statutory footing.
- Strengthen the enabling framework for renewable energy communities.
- Treat storage, household flexibility and fair network cost allocation as electrification enablers. **[2026 CSR 4 • 2025 CSR 4.2, Some Progress]**

4. Nature, Agriculture and Food

- Progress on the 2025 recommendations on water infrastructure and water quality was assessed as limited, and neither addresses agricultural nutrient losses directly. **[2026 CSR 5 • 2025 CSR 5.1, Limited Progress]**
- Complete Natura 2000-network of offshore marine areas.
- Finalise the establishment of site-specific conservation objectives and measures for all Natura 2000 sites, (including by adopting their management plans.
- Implement agri-environmental measures to incentivise sustainable agricultural practices that reduce nutrient losses. **[2026 CSR 5]**
- Implement and scale-up the uptake of organic farming practices. **[2026 CSR 5]**
- Set agri-environmental payments above cost incurred and income foregone, with flexible commitment periods, so that schemes are open and attractive to all farmers. **[2026 CSR 5]**
- Reinstate audited locally led results-based schemes, with advisory and financial supports continuing in participating areas after European Innovation Partnership projects end. **[2026 CSR 5]**
- Implement peatland conservation and restoration measures, including via national restoration plans.
- Promote sustainable forest management and ensure compliance with Habitats Directive before granting/renewing permits for forest logging.

5. Just Transition and social economy

- Place the Just Transition Commission on a statutory footing, with secure resourcing and a duty on departments to respond publicly.
- Adopt a National Just Transition Strategy with measurable benchmarks, as the reference framework for assessing reforms under the plan.
- Name a successor allocation to the Just Transition Fund for the Midlands and other affected areas, with published criteria.
- Institutionalise a standing and resourced National Climate Dialogue.
- Assess reforms and investments under the Public Sector Equality and Human Rights Duty, reported through Equality Budgeting.
- Establish proportionate pathways for community organisations to open accounts with banks and credit unions.
- Open public procurement to social enterprises with recognition of social value, and publish guidance on their taxation.

6. Social inclusion, gender and employment

- Fund accessible childcare where caring responsibilities block entry to or progression in employment. **[2026 CSR 6]**
- Apply gender-responsive budgeting with measurable equality objectives, and strengthen equal pay monitoring.
- Introduce resourced English language provision from arrival, with an intensive period of at least three months, five days per week.

- Remove employment-permit requirements as a barrier to education and training during restricted labour market access.
- Move to multi-annual funding for programmes with demonstrated outcomes, and harmonise reporting across funders.
- Support coordinated local services with clear referral pathways between community, employment and statutory services. **[2026 CSR 6]**
- Simplify the activity demonstration process for the Women Farmer Capital Investment Scheme, with an independent ceiling and the same priority afforded to young farmers in rank and selection.
- Introduce paid maternity cover and funded replacement labour for self-employed farmers.

7. Buildings, renovation finance and housing

- Weight retrofit support towards the worst performing dwellings, tenants, social housing and multi apartment buildings, through upfront grants, and an EU Renovation Loan for low-income homeowners backed with an InvestEU guarantee. **[2026 CSR 4 • 2025 CSR 4.3, Some Progress]**
- Introduce phased minimum energy performance requirements for rented dwellings, with protections against eviction and unaffordable rent increases. **[2026 CSR 4 • 2025 CSR 4.3, Some Progress]**
- Provide the regulatory framework, licensing, tariff regulation and consumer protections for district heating in advance of investment. **[2026 CSR 4]**

8. Industry, innovation and fiscal reform

- Introduce economic instruments that shift activity up the waste hierarchy, starting with construction and demolition waste. **[2026 CSR 5 • 2025 CSR 5.2, Some Progress]**
- Make ‘do no significant harm’ (DNSH) compliance a condition of enterprise agency and State capital supports, with ex post verification.
- Develop a centralised national resource explaining taxation, credits and reliefs in plain language.

9. Transport and clean air

- Connect affordable housing outside major urban centres with frequent and affordable public transport. **[2026 CSR 4 • 2025 CSR 4.5, Some Progress]**
- Integrate active travel investment with reliable public transport in rural and regional areas. **[2026 CSR 4 • 2025 CSR 4.5, Some Progress]**
- Transpose the recast Ambient Air Quality Directive on time and give the 2040 WHO trajectory a statutory footing with binding interim milestones.
- Lock in ammonia reductions and address the 2030 commitment through requirements on nutrient management and nitrogen deposition **[2026 CSR 5]**
- Pair solid fuel enforcement with targeted retrofit, heating replacement and income support.
- Provide for a formal all island mechanism on air quality monitoring and transboundary pollution.

Reviewing organisations: Environmental Justice Network Ireland

Italy

Overview

Italy's plan can build on frameworks already under way: the National Plan for Social Interventions and Services 2024-2026, NRRP milestone M7-5, the 2025 Budget Law reform of company car benefit-in-kind taxation and the country-specific recommendations on renewables permitting and nature-based solutions. The priorities are company car and energy taxation, renewables permitting, renovation finance targeted at low-income households, and stabilising the anti-poverty services created under the NRRP.

1. Governance and partnership

- Adopt the revised national Guidelines on tackling severe adult marginalisation (Linee di indirizzo) and fund continuity of the services launched under the NRRP beyond the end of the recovery plan funding cycle. **[2026 CSR 6]**
- Programme anti-poverty measures jointly across health, housing and employment, with Third Sector organisations, including those registered in the national register of third sector entities (RUNTS), as formal partners in data collection and evaluation of service impact.

2. Energy and climate

- Remove the national and local permitting hurdles that currently block renewable energy projects, addressing the fragmentation of permitting regulation across levels of government. **[2026 CSR 5 • 2025 CSR 5.1, Some Progress]**
- Halt the construction of new gas pipelines, including the Sardinia pipeline, and meet the resulting reliability needs through alternative means of securing electricity supply on a renewables-based system.

3. Buildings, renovation finance and housing

- Replace tax-exemption-based support for energy efficiency and renewable energy with grant-based schemes earmarked for the poorest households and the worst-performing buildings and low-income condominiums, moving to sliding-scale grants and then loans as household income rises. Establish an EU Renovation Loan for low-income homeowners backed with an InvestEU guarantee. **[2026 CSR 1 • 2025 CSR 1.5, Some Progress]**
- Implement the Housing First and Housing Led instruments set out in section 3.3.4.3 of the National Plan for Social Interventions and Services 2024-2026, coupling access to public housing (Edilizia Residenziale Pubblica) and affordable rents with continuous support during the tenancy, and ensuring that housing measures funded under these instruments meet minimum energy performance standards in line with the Energy Performance of Buildings Directive.

4. Just transition and social economy

- Ensure dedicated support for just transition territories in the NRPP, preserving the Just Transition Fund's original purpose: employment and environmental indicators, worker retraining, transparent information on calls and selection, and civil society participation in monitoring.
- Stabilise the Service Centres for combatting poverty (Stazioni di posta) as a permanent network beyond the NRRP cycle, ending their temporary status, with recurrent funding for case management and for access to the Assegno di Inclusione. **[2026 CSR 6]**
- Establish institutional networks linking the social and health systems for joint implementation of the essential levels of social provision (LEPS) and of healthcare (LEA), with protected discharge procedures that prevent discharge onto the street.

5. Transport and clean air

- Extend CO₂-differentiated bonus-malus taxation to new company car registrations across the main fiscal levers, namely benefit-in-kind taxation, VAT deductibility and depreciation, building on the 2025 Budget Law reform of benefit-in-kind taxation. **[2026 CSR 1 • 2025 CSR 1.5, Some Progress]**
- Phase out the tax advantages for internal combustion company cars, including plug-in hybrids, while maintaining incentives for zero-emission vehicles, consolidating NRRP milestone M7-5 on the reduction of environmentally harmful subsidies. **[2026 CSR 1 • 2025 CSR 1.5, Some Progress]**

6. Fiscal reform

- Rebalance taxes and levies across energy carriers so that a common baseline applies to the weight of taxes and levies per kWh for the same end use, reducing the disproportionate burden currently carried by electricity while protecting vulnerable households from higher costs.
- Redirect the revenues from taxes and levies on energy carriers towards electrification, energy efficiency and targeted social support in the transition.

7. Nature, agriculture and food

- Complete Natura 2000-network, particularly for offshore marine areas.
- Finalise the establishment of site-specific conservation objectives and measures for all Natura 2000 sites (including by adopting their management plans), with dedicated funding.
- Address climate-related risks through nature-based solutions, with measurable targets **[2026 CSR 5 • 2025 CSR 5.2, Some Progress]**

Reviewing organisations: MIRA Network

Latvia

Overview

Latvia's plan can build on existing EU and national nature legislation, the forthcoming National Restoration Plan, the 2025 recommendations on permitting and electrification, and existing youth-support structures. Priorities are strengthening partnership and stakeholder participation in EU-funded programmes, completing the protected-area network and strengthening biodiversity monitoring and restoration, ensuring EU environmental acquis-compliant forestry and adequate compensation for landowners, increasing environmental permitting capacity for renewables, making electric heating affordable during cold periods, and establishing equitable and coordinated youth work and support services across the country.

1. Governance and partnership

- Establish a unified methodology for all EU-funded programmes, setting minimum requirements for early involvement, access to documents, consultation periods, reasoned feedback and transparent decision-making.
- Introduce public and consistent criteria for selecting partners based on competence, representativeness and relevant expertise, supported by a public partner registry.
- Involve partners from the initial stages of policy, programme and investment design and ensure genuine dialogue and joint development of solutions rather than formal consultation.
- Use technical assistance to support expert participation and training, and regularly evaluate how effectively the partnership principle is implemented.

2. Energy and climate

- Reduce VAT on electricity used by heat pumps (both industrial scale and household) so that heating taxation follows the polluter pays principle. **[2026 CSR 4 • 2025 CSR 4.4, Some Progress]**

3. Buildings, renovation finance and housing

- Establish a support model for household electricity bills during extremely cold weeks, using the existing state support system for extreme energy prices or levelled payments, so that cold-weather peaks no longer justify grant support for biomass boilers or hybrid fossil fuel heating.

4. Just transition and social economy

- Establish a national Youth Work Guarantee ensuring all young people have access to a minimum standard of quality youth work services, including through mobile, digital and outreach provision in rural and remote areas.
- Create an integrated one-stop support system for young people with complex needs, providing coordinated pathways to education, employment, social, health and other relevant services.

5. Nature, agriculture and food

- Continue the work on finalising the national Natura 2000 site and nationally designated protected area network in order to resolve EC infringement procedures INFR(2019)2304 and INFR(2020)2209 and contribute to the EU Biodiversity Strategy 2030 30/10 protected area goals (priority action in Environmental Implementation Review 2025).
- Continue the work on improving the national biodiversity monitoring in order to fulfill the requirements of the EU Habitats Directive and Nature Restoration Regulation and the fulfillment of the national Biodiversity Monitoring Strategy 2027-2032.
- Support for the implementation of the 2027-2032 National Restoration Plan and specification of restoration measures for post-2030 national restoration plans.
- Reform national legislation so that appropriate assessments under Article 6(3) of the Habitats Directive are carried out adequately for forestry activities in Natura 2000 areas..
- Require known locations of protected species and habitats, inside and outside Natura 2000, to be taken into account when logging permits are issued, as the Species and Habitats Protection Law requires.
- Fund additional expertise and staff in nature conservation and environmental permitting bodies and in local and regional authorities, so that environmental impact assessments and other permits are handled in time, in particular for rapid renewables development. **[2026 CSR 4 • 2025 CSR 4.2, Some Progress]**
- Improve annual compensation mechanisms to private land owners for conservation of forest habitats in Natura 2000 sites and microreserves (excluding land purchases).

Reviewing organisations: CEE Bankwatch Network, Green Liberty

Lithuania

Overview

Lithuania's plan can build on the draft National Building Renovation Plan submitted in late 2025, which already carries interest compensation on renovation loans, state-backed loan guarantees for multi-apartment renovation and the 2025 country-specific recommendation on energy efficiency and energy poverty in buildings. The priorities are mortgage portfolio standards, a full EU Renovation Loan structure, guarantee-backed private lending and energy poverty eligibility. With regards to nature protection, Lithuania should complete the Natura 2000 site designation process, as well as site specific conservation objectives.

1. Buildings, renovation finance and housing

- Extend Mortgage Portfolio Standards across the multi-apartment renovation programmes and move from references in the draft National Building Renovation Plan to full implementation, with portfolio performance targets for 2030 and 2050, under section 4.2.3.1 of the Plan.
- Expand the state-backed renovation loans into a full EU Renovation Loan structure, drawing on section 4.2.3.2 on the Plan on granting a loan guarantee to commercial banks for renovation loans. **[2026 CSR 4 · 2025 CSR 4.3, Limited Progress]**
- Use the Plan's C2 loan guarantee to commercial banks to scale private lending participation to the volume needed to offer EU Renovation Loans. **[2026 CSR 4 · 2025 CSR 4.3, Limited Progress]**
- Link the interest compensation scheme for renovation loans to mortgage portfolio decarbonisation outcomes, and make EU Renovation Loan financing conditions dependent on measured EPC improvements.

2. Just transition and social economy

- Integrate the existing energy poverty measures into the eligibility criteria for EU Renovation Loans, building on the policy action plan for one-stop shops for improving the energy performance of buildings at table 9.2 of the draft National Building Renovation Plan **[2025 CSR 4.3, Limited Progress]**

- Reform higher education funding to focus on quality assurance by reducing excessive dependence on student numbers in the allocation of public funding and strengthening performance-based incentivisation measures.
- Renew and invest in the national framework for the social dimension in higher education, which would address barriers to entering, progressing through and completing higher education. Existing social dimension measures should be reviewed and redesigned where their uptake or impact remains limited. Additionally, systemic student financial support and housing policy developments are needed, as well as developing accessible and preventive psychological wellbeing measures as part of a broader national approach to reducing avoidable study interruption.
- Enhance the national framework for teaching quality and student-centred learning. Current national guidelines are non-imperative and thus do not necessarily incentivise educational institutions to invest into the development of academic staff's pedagogical and digital competences that could strengthen student-centred learning across institutions.
- Create a consistent framework for responsible digitalisation and artificial intelligence in higher education.
- Expand flexible and lifelong learning pathways in higher education. Remove regulatory barriers for flexible provision and establish a coherent framework for modular learning, blended and distance studies and other lifelong learning pathways. Introduced forms of provision should be integrated into the higher education system to support reskilling and upskilling, improve responsiveness to changing labour-market needs and broaden access for adult learners. **[2026**

CSR 6 • 2025 CSR 6.5, Some Progress]

3. Nature, agriculture and food

- Complete the Natura 2000 site designation process
- Finalise the establishment of site-specific conservation objectives and measures for all Natura 2000 sites
- Ensure the development of a national business and biodiversity network

Luxembourg

Overview

Luxembourg should focus on priority recommendations on transport decarbonisation and rural public transport, energy efficiency in buildings, the high-voltage grid and permitting, municipal renewable energy, climate and water resilience, housing supply and equal opportunities in schools. Housing supply measures were assessed as no progress in 2026, and buildings, grids and municipal renewables have had limited progress since 2025.

1. Energy and climate

- Modernise the high-voltage grid and increase its capacity, improve cross-border interconnections and ease permitting procedures for renewable energy deployment. **[2026 CSR 4 • 2025 CSR 4.5, Some Progress]**
- Support municipalities in deploying renewable energy. **[2026 CSR 4 • 2025 CSR 4.6, Some Progress]**

2. Buildings, renovation finance and housing

- Reduce overall reliance on fossil fuels by investing in energy efficiency in buildings. **[2026 CSR 4 • 2025 CSR 4.4, Some Progress]**

3. Nature, agriculture and food

- Improve climate and water resilience, including through sustainable management of natural resources, stronger cross-sectoral governance and circularity measures. **[2026 CSR 4]**

4. Transport and clean air

- Promote the decarbonisation of transport and invest in public transport infrastructure and connectivity in rural areas. **[2026 CSR 4 • 2025 CSR 4.1, Some Progress]**

5. Fiscal reform

- Ensure that measures mitigating the impact of energy price rises are temporary, targeted at protecting vulnerable households or addressing the needs of energy-intensive firms, and preserve incentives for energy savings. **[2026 CSR 1]**

Netherlands

Overview

The Netherlands' plan can build on the 2025 country-specific recommendations on electricity grid congestion and on structural measures on nature and biodiversity highlighted in the 2025 Environmental Implementation Review, which in several instances have been assessed as having achieved limited progress respectively in the 2026 Semester cycle.

1. Energy and climate

- Reduce overall reliance on fossil fuels by accelerating the roll-out of renewables and improving energy efficiency, particularly in buildings. **[2026 CSR 4 · 2025 CSR 4.1, Limited Progress]**
- Decrease electricity grid congestion by increasing the capacity of the transmission and distribution grid, implementing flexibility solutions, maximising cross-zonal trade and further simplifying permitting procedures. **[2026 CSR 4 · 2025 CSR 4.3, Some Progress]**
- Reserve 2 GW of grid capacity for community energy projects, prioritising self-consumption and making batteries, demand response and flexible connection agreements available to those projects. The target stems from the (growing) pipeline of community projects that are unable to connect to the grid, according to data collected by Energie Samen, the national federation of energy communities.
- Ensure that measures mitigating the impact of energy price rises are temporary, targeted at protecting vulnerable households or addressing the needs of energy-intensive firms, and preserve incentives for energy savings. **[2026 CSR 1]**

2. Nature, agriculture and food

- Step-up efforts to further reduce nitrogen deposition, in particular in Natura 2000 sites with nitrogen-sensitive species and habitats, including in forest habitats, paying particular attention to sustainable agriculture. **[2026 CSR 4 · 2025 CSR 4.4, Limited Progress]**
- Implement peatland conservation and restoration measures, including via national restoration plans (priority action under 2025 Environmental Implementation Review).
- Promote sustainable forest management and ensure compliance with Habitats Directive before granting/renewing permits for forest logging.
- Implement and scale-up the uptake of organic farming practices (priority action under 2025 Environmental Implementation Review).

Poland

Overview

Poland's plan can build on the Country Specific Recommendations of the European Semester (incl. 2025 and 2026 recommendations to support decarbonisation and improve targeting of social benefits), the updated National Energy and Climate Action Plan and sectoral strategies, incl. the Heating Transformation Strategy until 2040, the Social Services Development Strategy (SRUS) and its deinstitutionalisation agenda, the statutory housing responsibilities of municipalities (gmina) and counties (powiat)). The priorities are electrification of economy (incl. Citizens' energy), social dimension of energy transformation (incl. Tackling energy and transport poverty), climate adaptation and restoration of nature, and a funded housing-led response to homelessness, a single stream financing housing together with support, genuine co-design with regions and people with lived experience, and company car taxation.

1. Governance and partnership

- The introduction of Community-Led Local Development (CLLD) as a mandatory instrument throughout the country.
- The DNSH principle: the NRPP Framework should specify the horizontal application of the DNSH principle. A toolkit should be developed and implemented covering jointly social criteria, DNSH and accessibility to support the implementation of NRPP investments.
- Strengthening the partnership principle and multi-level governance by setting out a standard for the involvement of partners in the programming of regional and national chapters and interventions, as well as high-quality public consultation. Involvement of regional and local authorities, civil society organisations and groups affected by NRPP interventions in co-design of calls, indicators and evaluation criteria.
- Adopt a National Strategy to End Homelessness, or a substantially expanded homelessness pillar within the Social Services Development Strategy (SRUS), with a time-bound roadmap, quantified targets, a budgeted implementation plan and a monitoring framework.
- Establish a permanent multilevel coordination mechanism for homelessness and housing exclusion, linked to the NRPP governance structure and joining the ministries responsible for social policy, housing and health with regional and local authorities.
- Require each regional chapter to set a minimum programming standard for homelessness and housing exclusion, with clearly identifiable funding allocations and a technical assistance offer for local partnerships.

2. Buildings, renovation finance and housing

- The funds allocated to the energy transformation must be treated in a multidimensional manner. Funds allocated to improving the energy efficiency of buildings are investments and yield numerous highly desirable benefits in other key areas – primarily: enhanced energy security (reduction in demand for and imports of heating fuels), economic growth (materials, equipment, the labour market), improved air quality and public health. **[2026 CSR 4 • 2025 CSR 4.3, Limited Progress]**
- Support for the transition of households and the fight against energy poverty, including, amongst other things, an energy poverty reduction programme involving the full engagement of local authority social welfare centres and social service centres, as well as a reform of electricity prices/electricity tariffs to encourage the electrification of heating (e.g. the installation of heat pumps), and the use of energy communities to combat energy poverty. **[2026 CSR 4 • 2025 CSR 4.1, No Progress]**
- Streamline the thermal modernisation of buildings by establishing a system to ensure the quality of investments and protect beneficiaries at all stages of the process. The system should ensure universal access to independent energy advice; establish rules on professional accountability for individual participants in the design and implementation of projects; set up a complaints procedure for beneficiaries of support schemes; and introduce a programme to monitor the energy efficiency outcomes of publicly funded projects, the quality of the work and the results achieved, together with an effective complaints procedure.
- Create a national-regional framework for deinstitutionalisation in homelessness, with a central programme and regional calls for Housing First and housing-led interventions, delivered in partnerships between municipalities, NGOs and health services.
- Finance housing and support together through a single funding stream (topped up with national/regional funding), with criteria that fund housing plus support pathways, cross-financing for renovation and accessibility, and long-term service financing.
- Expand the supply of social, municipal and affordable rental housing, supported housing and Social Rental Agencies, including through renovation and reuse of vacant buildings, while avoiding segregation and concentration of exclusion. **[2026 CSR 3]**
- Direct renovation and energy-efficiency funding to supported housing, municipal and social rental housing and NGO-run homelessness services, and link renovation, adaptation and utility-cost support to eviction prevention and tenancy sustainment. **[2026 CSR 4 • 2025 CSR 4.3, Limited Progress]**
- Mainstreaming of a dual-use logic in the housing sector by: development of energy cooperatives, distributed energy sources and storage facilities as an element of resilience in crisis situations;

strengthening the resilience of households through investment in thermal modernisation, heat pumps, renewable energy sources and energy storage, alongside the possible construction or modernisation of shelters and enabling participation in non-professional energy communities such as energy cooperatives; ensuring full accessibility of shelters and defence infrastructure for people with disabilities, those with special needs, children (and their families), older people and the injured. **[2026 CSR 2]**

3. Just transition and social economy

- Continue the just transition process in the regions of energy transformation - primarily current coal regions under JTF, coal regions identified for JTF but not included (Turów, Bogdanka) and other regions dependent on fossil fuels - based on updated or newly adopted Territorial Just Transition Plans. **[2026 CSR 4]**
- Improve coordination of the just transition process by creating a coordination centre - e.g. the government's plenipotentiary for just transition.
- Link the just transition with the competitiveness policy to ensure synergies between social investments and ECF/NRPP funded industrial modernisation of the just transition regions. E.g. support creation of project pipelines and networking of enterprises with international peers. **[2026 CSR 4]**
- Replace social and vocational activation tools that do not fit people experiencing homelessness with support based on housing, individual choice and community services, and separate access to housing from service compliance or staircase progression.
- Strengthen homelessness prevention through eviction prevention, housing counselling and debt mediation, and adopt discharge protocols applying the no discharge into homelessness principle for people leaving child protection and penitentiary institutions.
- Guarantee housing with support for young people leaving care by enabling counties to coordinate with municipalities and housing providers and to access dedicated housing pathways or units through county-municipality cooperation mechanisms.
- Provide safe, housing-led pathways for women and families in regional and local interventions, recognising hidden homelessness among women, domestic violence and care responsibilities, and linking those pathways to child protection, health and social services.

4. Transport and clean air

- Focus reforms on unlocking investments in public and on-demand transport in municipalities particularly affected by transport poverty as diagnosed in the draft SCP. Scale up investments planned under SCP. **[2026 CSR 3]**

- Lower the depreciation and leasing deductibility cap for internal combustion company cars from 2029 while keeping a preferential cap for zero-emission vehicles, and reform benefit-in-kind taxation so that battery electric vehicles become the cheaper option. **[2026 CSR 4]**
- Develop affordable public transport in rural areas and urban functional areas and connect it to community-based social and health services, so that older people, persons with disabilities and people at risk of housing exclusion can remain at home. **[2026 CSR 3]**

5. Nature, agriculture and food

- Implement ecosystem restoration measures to strengthen climate resilience. **[2026 CSR 4]**
- Ensure that creation of RAAs is based on a solid environmental verification (improve procedures of EEAs, strengthen capacities of the Regional Environment Protection Directorates (RDOŚ), collect necessary environmental data key for the implementation of the NRL).
- Ensure an adequate, dedicated allocation for the implementation of the Nature Restoration Law for national and regional environmental protection measures, supplemented (including in the title of intervention) by climate change adaptation. **[2026 CSR 4]**
- Adaptation measures should be based solely on nature-based solutions (NBS), including in the context of combating drought and flooding, with priority given to the implementation of the National Plan for the Renaturalisation of Surface Waters, and the restoration of soil resources (i.e. changes in the management of agricultural land, focused on improving soil quality and its protection). **[2026 CSR 4 • 2025 CSR 4.5, Limited Progress]**
- Complete the Natura 2000 site designation process (priority action under 2025 Environmental Implementation Review).
- Finalise the establishment of site-specific conservation objectives and measures for all Natura 2000 sites (priority action under 2025 Environmental Implementation Review).
- Implement and scale-up the uptake of organic farming practices.

Reviewing organisations: Polish Green Network

Portugal

Overview

Portugal can build its plan on frameworks already in place or under preparation: the updated National Energy and Climate Plan 2030, the draft National Building Renovation Plan (PNEC 2030), the revised National Strategy for Nature Conservation and Biodiversity 2030, the draft National Nature Restoration Plan and the National Railway Plan. The 2025 country-specific recommendations already call for sustainable transport and rail, clearer permitting for collective self-consumption and renewable energy communities, energy efficiency, circularity, water resilience and green-transition skills. Stakeholder input converges on turning these strategies into funded, measurable reforms with strong partnership governance and social and environmental safeguards. Delivering these reforms depends on a multilevel governance framework for the plan. Municipalities and regions (intermunicipal communities and regional development coordination commissions) will implement much of the investment, so they should be partners in designing it and not only its final beneficiaries. Involving them from the outset aligns European, national and territorial priorities and improves the readiness of projects. Priorities are accessible renovation and community energy, a territorially just transition, rail-led mobility and clean air, nature and water restoration, and reform of environmentally harmful subsidies.

1. Governance and partnership

- Actively involve municipalities and regions as partners from the design stage of the National and Regional Partnership Plan, not only through public consultation or as implementers, by setting up a standing Task Force or working group with the Government (Secretary of State for European Affairs) to follow the Plan's design. **[2025 CSR 3.8, Some Progress]**
- Establish mandatory national and sub-national partnership structures for preparing, implementing and monitoring the plan, with social partners, environmental NGOs, social-economy organisations and affected communities represented from the outset. **[2025 CSR 3.8, Some Progress]**
- Publish draft chapters, selection criteria, allocations, milestones and results, together with a public feedback matrix. **[2025 CSR 3.8, Some Progress]**
- Strengthen technical assistance of local authorities and civil-society so participation is effective rather than formal.
- Give municipalities with mature projects direct, predictable access to funding, with fewer intermediary layers.
- Simplify administrative and financial procedures: keep measurable results, but reduce the reporting, indicator, platform and control load. **[2026 CSR 3 • 2025 CSR 3.1, Limited Progress]**

2. Energy and climate

- Turn municipal climate plans into investment plans: prioritised, costed and scheduled project portfolios tied to funding sources. This will enable early projects' identification so they can be submitted directly.
- Present decarbonisation as a competitiveness investment, with its economic, social and territorial benefits.

- Implement the Climate Framework Law and the updated PNEC 2030 through sectoral milestones, transparent investment needs and regular public reporting; screen major NRPP investments for climate risk and maladaptation.
- Create a dedicated financial, technical and legal support line for citizen-led renewable energy communities (RECs) and collective self-consumption, including low-income participation. Extend access to concessional EU finance, in particular under the Social Climate Fund (Art. 8(c)), to RECs serving vulnerable households. **[2025 CSR 4.4, Limited Progress]**
- Fully transpose RED III licensing timelines into national law: correct the transposition gap in DL 99/2024 (Art. 55) by raising the simplified prior notification (mera comunicação prévia) threshold from 30 kW to 100 kW, with mandatory tacit approval within one month, as required by the Directive. **[2025 CSR 4.4, Limited Progress]**
- Reform the proximity rules for RECs and collective self-consumption to allow communities to grow without their operational area shrinking: replace the current radius-per-unit approach — under which adding a production unit reduces the area accessible to existing members — with a single fixed service perimeter defined at community level, enabling RECs to expand capacity without displacing members. **[2025 CSR 4.4, Limited Progress]**
- Establish clear criteria distinguishing genuine citizen-energy communities from commercial services marketed under the same label; ensure public support, simplified procedures and community branding are reserved for entities that meet the governance and participation requirements of RED III and the Internal Electricity Market Directive.

3. Buildings, renovation finance and housing

- Turn the draft National Building Renovation Plan into a stable multiannual renovation programme prioritising the worst-performing homes and households in energy poverty, with high grant rates or up-front finance, one-stop-shop technical support, passive cooling and climate-resilience measures. **[2026 CSR 4 • 2025 CSR 4.12, Limited Progress]**
- Attach affordability safeguards to publicly supported renovation and prioritise the reuse and renovation of vacant or underused buildings and social housing over unnecessary new construction. **[2026 CSR 6 • 2025 CSR 5.3, Limited Progress]**
- Create mechanisms to act on private buildings, where the investment decision lies with the owners, namely through one-stop-shops and effective financial instruments. **[2026 CSR 4 • 2025 CSR 4.11, Some Progress]**
- Combine public funds with private capital, since public money alone will not cover the renovation needed. Include financial actors such as Banco de Fomento (National Promotional Bank). **[2025 CSR 4.11, Some Progress]**

4. Just transition, skills and social economy

- Require territorial transition chapters for regions affected by past fossil-fuel closures and future industrial restructuring, co-designed with workers, trade unions, municipalities, communities and NGOs; make funding conditional on income and rights protection, reskilling and durable, high-quality local jobs.

- Direct funding not only to large private projects but also to public, cooperative, SME and social-economy initiatives, and align vocational and adult-learning provision with skills needs in renovation, renewable energy, rail and public transport, circular industry, nature restoration and climate adaptation. **[2026 CSR 5 • 2025 CSR 5.2, Some Progress]**
- Provide specific support for smaller municipalities and those with less internal capacity, so they can take part on fairer terms.

5. Nature, water, agriculture and food

- Fully fund implementation of the revised ENCNB 2030 and, once finalised, the National Nature Restoration Plan, completing site-specific Natura 2000 conservation objectives and management measures, closing marine protection gaps and restoring rivers, wetlands, native forests and ecological connectivity.
- Apply a "water efficiency first" hierarchy: reduce demand and network and irrigation losses, improve monitoring, reuse water and restore natural water retention before financing new supply infrastructure; condition irrigation support on basin-level water availability and climate resilience. **[2026 CSR 4 • 2025 CSR 4.15, Limited Progress]**
- Rebalance CAP/PEPAC support towards measurable biodiversity, soil, water and pollinator outcomes, agroecological and organic practices, reduced pesticide risk and shorter food supply chains.
- Address climate-related risks by strengthening sustainable forest and land management **[2026 CSR 4]**
- Complete the Natura 2000 site designation process, in particular in marine areas
- Fund green infrastructure that strengthens climate adaptation and ecological connectivity. **[2026 CSR 4 • 2025 CSR 4.16, Limited Progress]**
- Treat adaptation and resiliency projects as climate infrastructure with measurable environmental, social and territorial benefits, not as landscaping

6. Transport and clean air

- Make electrified rail and high-capacity public transport the backbone of NRPP transport investment: accelerate conventional and suburban rail, high-speed links where they deliver modal shift, rail freight and integrated first- and last-mile services, with service-quality and modal-shift targets. **[2026 CSR 4 • 2025 CSR 4.3, Some Progress]**
- Subject new road-capacity investment to transparent alternatives, induced-demand, climate and air-quality tests, and redirect public support from fossil-fuel consumption towards public transport, active mobility and accessible mobility support for vulnerable users. **[2026 CSR 4 • 2025 CSR 4.2, Limited Progress]**
- Prepare urban areas for the 2030 EU air-quality standards through traffic-reduction and low- or zero-emission zones, continuous bus corridors, safer walking and cycling networks, and stronger action on agricultural ammonia and polluting residential heating.

Romania

Overview

Romania's plan can build on the draft National Building Renovation Plan submitted in late 2025, which already sets out blended finance, partial guarantees, risk-sharing and green mortgage products, and on the 2025 recommendation to invest in energy efficiency and phase out fossil-fuel subsidies in heating. The priorities are renovation finance for the worst-performing buildings, mortgage portfolio standards, risk-sharing with the EIF and EBRD, and protection for energy-poor households. The 2026 Country-Specific Recommendations reinforce these priorities, calling on Romania to increase renewable energy, upgrade district heating generation and related infrastructure, accelerate energy-efficiency improvements in the building stock, and phase out fossil-fuel subsidies in heating. They also emphasise the need to address the territorial and social dimensions of the transition and ensure that its benefits are broadly shared.

1. Buildings, renovation finance and housing

- Prioritise worst-performing buildings and multifamily housing in the renovation programmes of the draft National Building Renovation Plan, and finance deep renovation and heating system upgrades for low-income homeowners through EU Renovation Loans backed by the InvestEU guarantee **[2026 CSR 4 • 2025 CSR 4.3, Limited Progress]**
- In line with the above: expand preferential renovation loans through blended finance, combining partial guarantees from the national decarbonisation and modernisation funds with EIF and EBRD risk-sharing facilities, so that commercial banks lend to homeowners' associations. **[2026 CSR 4 • 2025 CSR 4.3, Limited Progress]**
- Ensure that renovation finance remains accessible to the poorest, energy-poor households through a combination of grants and high aid intensity, and financial instruments adapted to households that cannot take on commercial debt. **[2026 CSR 4 • 2025 CSR 4.3, Limited Progress]**
- Increase the share of renewable energy in district heating and modernise district heating generation and networks alongside building renovation, prioritising renewable and waste-heat solutions and avoiding new long-term fossil-fuel lock-in. **[2026 CSR 4]**
- Establish a clear and socially fair trajectory for phasing out fossil-fuel subsidies in the heating sector, while replacing untargeted support with targeted measures for energy-poor households. **[2026 CSR 4 • 2025 CSR 4.3, Limited Progress]**

- Increase investment in social and affordable housing, including the acquisition and renovation of existing buildings, and strengthen data collection, beneficiary targeting and local capacity for managing the social housing stock.
- Build Mortgage Portfolio Standards on the existing green mortgage and guarantee initiatives, and align mortgage portfolio metrics with renovation and circular economy requirements, including circularity requirements in procurement and permitting.
- Connect Mortgage Portfolio Standards to green SME lending and sustainable construction supply chains through energy efficiency loans for SMEs.

2. Just transition and social economy

- Prioritise territorially differentiated investment in coal- and energy-intensive regions, ensuring that the transition away from fossil fuels is accompanied by economic diversification, job creation, reskilling and accessible public services **[2025 CSR 4.5, Limited Progress]**
- Support renewable energy communities in coal-dependent and vulnerable regions and link their development to local economic diversification, employment and citizen participation, rather than treating them solely as energy-generation projects.
- Strengthen support for social enterprises and locally rooted SMEs that can provide employment, renovation, energy-efficiency and other transition-related services in affected communities.
- Invest in green skills and vocational training linked to actual regional transition needs, including building renovation, renewable energy, district heating, circular economy and nature restoration. **[2026 CSR 5 · 2025 CSR 5.3, Limited Progress]**

3. Nature, agriculture and food

- Complete the Natura 2000 site designation process
- Finalise the establishment of site-specific conservation objectives and measures for all Natura 2000 sites
- Implement and scale-up the uptake of organic farming practices
- Take action against illegal logging activities and apply appropriate penalties and remedies for damage done to Natura 2000 sites
- Ensure the development of a national business and biodiversity network

Reviewing organisations: Bankwatch Romania

Slovakia

Overview

Slovakia's plan can build on a limited number of structures already in place, e.g. the Territorial Just Transition Plans, Act No. 112/2018 on the Social Economy and Social Enterprises, draft of Slovak Climate Law and outcomes from the Recovery and Resilience Facility and Programme Slovakia in energy, biodiversity and social areas. A strategic approach is needed to align sectoral strategies, phase out harmful incentives, e.g. subsidies for fossil fuels, and improve public sector capacities. The priorities are a binding partnership framework, conditionality in all relevant spending, the social-economy ecosystem, building public sector capacities to gather data crucial for decarbonisation and resilience, completion of Natura 2000 planning, and holistic housing reforms.

1. Governance and partnership

- Establish a binding partnership framework for the NRPP requiring early and continuous participation of civil-society organisations, municipalities and social partners in preparation, implementation and evaluation, with published partner-selection criteria.
- Introduce a public feedback matrix explaining how each stakeholder proposal was considered.
- Guarantee balanced civil-society representation on the NRPP monitoring committee and fund technical assistance and capacity building so that smaller and regional organisations can take part.
- Integrate impact assessments and stakeholder consultation systematically into the legislative process **[2026 CSR 3 • 2025 CSR 3.4, No Progress]**

2. Energy, taxation and subsidies

- Build technical capacity of public sector and infrastructure for local energy planning and energy management;
- Identify ways to phase out all direct and indirect subsidies and preferential treatment for fossil fuels. **[2026 CSR 1 • 2025 CSR 1.6, Limited Progress]**
- Practically define of energy poverty and profiles of people to target the support. **[2026 CSR 1 • 2025 CSR 1.6, Limited Progress]**
- Initiate a support programme for towns and cities in the area of sustainable heating and cooling, including correction of the primary energy factor; **[2026 CSR 5 • 2025 CSR 5.7, Limited Progress]**

- Improve RES permitting with full and proper transposition of RED III; **[2026 CSR 5 • 2025 CSR 5.5, Some Progress]**
- Adjust the regulatory framework which supports and encourages citizens, municipalities and communities to share electricity, develop energy communities and benefit from RES projects in the area.

3. Just transition and social economy

- Require meaningful participation of workers, trade unions and affected communities in the planning and monitoring of the transformation of the Upper Nitra, Banská Bystrica and Košice regions under the Territorial Just Transition Plan.
- Make support for industrial decarbonisation conditional on measurable commitments on job quality, worker retention and reskilling, and on the rehabilitation of contaminated industrial sites in accordance with the polluter-pays principle.
- Publish regional indicators covering jobs lost and created, training outcomes and the distribution of funding, and require corrective measures where transition investments fail to deliver the agreed social and territorial outcomes.
- Strengthen employment and essential services for underrepresented and vulnerable groups. Build on Act No. 112/2018 on the Social Economy and Social Enterprises with field work and one-stop support services and accessible financing for social-economy entities in disadvantaged regions, and apply social criteria and reserved contracts in public procurement. **[2026 CSR 6 • 2025 CSR 6.1, Limited Progress]**
- Attach measurable targets to NRPP-funded employment, care and education measures, covering participation, employment retention and regional disparities in educational access, and involve organisations representing the affected groups in their design.
- Reform of Integrated Services for People in Housing Need and People Experiencing Homelessness; **[2026 CSR 1]**
- nationwide network of reuse centres and support for repairs. **[2026 CSR 5 • 2025 CSR 5.10, No Progress]**

4. Nature, agriculture and food

- Finalise site-specific conservation objectives and measures for all Natura 2000 sites, adopt their management plans and mainstream nature-based solutions in the conservation of natural resources **[2026 CSR 5 • 2025 CSR 5.11, Limited Progress]**

- Promote sustainable forest management and ensure compliance with Habitats Directive before grating/renewing permits for forest logging
- Ensure the development of a national business and biodiversity network.

5. Housing

- Adoption of the strategic document on affordable housing at national level - An affordable housing policy (including social housing) that would specify the necessary steps to ensure affordable housing for the population, including vulnerable groups; **[2026 CSR 1 • 2025 CSR 1.8, Limited Progress]**
- Comprehensive reform of existing legislative (and associated financial) instruments relating to housing construction and the promotion of housing affordability, so as to increase the pace of construction and the share of both public and private (non-profit) rental housing; **[2026 CSR 1 • 2025 CSR 1.7, No Progress]**
- Adoption of a reform of the housing allowance so that it constitutes a functional instrument.

6. Food and Agriculture

- Establish an effective system for monitoring, preventing and controlling the erosion and degradation of agricultural land throughout Slovakia;
- Amend the rules governing the leasing of land by the Slovak Land Fund so that they support nature conservation, public ecosystem services and, subject to conditions, other public priorities in agriculture.

7. Education

- Ensure equal and inclusive access to quality education and lifelong learning. **[2026 CSR 6 • 2025 CSR 6.5, Some Progress]**
- Establish a National System of Environmental Education, Training and Awareness-raising;
- ensure that the cross-curricular subject of Environmental Education has the necessary staffing and professional support in schools and does not remain merely a formal part of the curriculum;
- make environmental education a natural and systematically supported part of pre-primary education.

Reviewing organisations: Friends of the Earth-CEPA

Slovenia

Overview

Slovenia's plan can build on the draft National Building Renovation Plan submitted in late 2025, on the existing EPC system, minimum energy performance standards and nascent public guarantee schemes, and on the 2025 country-specific recommendation on energy efficiency in the building sector. The priorities are mortgage portfolio monitoring, EU Renovation Loans alongside grants, guarantee-backed private lending and energy poverty monitoring. With regards to nature protection, Slovenia should complete the Natura 2000 site designation process, as well as site specific conservation objectives.

1. Energy and climate

- Simplify administrative procedures for small-scale and social-purpose energy communities. Introduce a “light” regulatory regime for small-scale and social-purpose energy communities, including measures, such as simplified licensing or grid connection procedures, pre-approved standard contracts, fast track permitting for rooftop or community-scale renewable installations.

[2026 CSR 4 • 2025 CSR 4.1, Limited Progress]

- Reserve some amount of grid capacity specifically for community energy projects, with an emphasis on self-consumption (including batteries, demand response, and flexible connection agreements)
- Introduce a social net billing tariff with guaranteed minimum benefit. Standard net billing schemes often disadvantage low-income households because their consumption patterns do not align with peak generation hours. A social net-billing tariff would ensure that vulnerable households receive a guaranteed minimum compensation rate for their share of community generated electricity—regardless of market price fluctuations. This would enable a higher, regulated compensation rate for vulnerable members, protection from negative hourly prices or low market revenues and shielding vulnerable participants from market risk.

2. Buildings, renovation finance and housing

- Connect Mortgage Portfolio Standards to national implementation of minimum energy performance standards, using the overview of existing building measures at table 20 of the draft National Building Renovation Plan (NBRP) as the starting point.
- Introduce portfolio monitoring of the energy performance of mortgaged properties, focused on residential building upgrades under section 6.1.3 of the NBRP, so that residential renovation programmes have the data they need.
- Introduce EU Renovation Loans offering low-interest renovation lending alongside the existing grants, drawing on tables 20 and 21 and on section 6.2.1 of the NBRP on human resources capacity and the institutional allocation of tasks **[2026 CSR 4 • 2025 CSR 4.3, Limited Progress]**
- Use the existing public guarantee schemes as the foundation for Mortgage Portfolio Standards and to attract commercial bank participation in EU Renovation Loans. **[2026 CSR 4 • 2025 CSR 4.3, Limited Progress]**

3. Just transition and social economy

- Integrate energy poverty monitoring into the deployment of EU Renovation Loans, building on section 6.1.4 of the draft National Building Renovation Plan on energy poverty and buildings.

4. Nature, agriculture and food

- Complete the Natura 2000 site designation process in marine areas **[2026 CSR 4]**
- Finalise the establishment of site-specific conservation objectives and measures for all Natura 2000 sites (including by adopting their management plans) **[2026 CSR 4]**

Spain

Overview

Spain should prioritise finalising on-going processes for strategic reforms and plans such as the draft National Building Renovation Plan, the Territorial Just Transition Plans, the 2026 country-specific recommendation on nature-based solutions and the Commission's 2026 findings on environmental taxation. The priority should be to turn these into binding, investment-ready frameworks.

1. Governance and partnership

- Establish a comprehensive national partnership framework, with multi-level monitoring committees meeting at least annually, and publish partner-selection criteria, draft plan documents and meeting materials early enough for meaningful consultation.
- Adopt a public feedback matrix explaining how each proposal from civil society, municipalities, social partners and affected communities was considered in preparing, implementing and evaluating the plan.
- Adopt binding five-year sectoral carbon budgets with which the State Budget and major investment programmes must demonstrate compatibility, with a corrective plan required when a sector overshoots. This should be aligned with a national fossil fuel phase-out roadmap, which should include the phase-out of fossil fuel subsidies

2. Energy and climate

- Auction storage capacity as a shared service for electro-intensive industry in Net-Zero Acceleration Valleys and replace grants with guarantees covering distribution operators' anticipatory grid investment ahead of industrial connection **[2026 CSR 4 • 2025 CSR 4.3, Limited Progress]**
- Make Energy Savings Certificates under Royal Decree 36/2023 tradable and discountable upfront, with a multi-annual monetisation system and a secondary market so third parties can pre-finance projects against future certificate revenues.
- Scale the 100 million euro Carbon Contracts for Difference pilot into a permanent fund financed from ETS auction revenues, awarded by competitive auction, covering operating as well as capital costs and articulated with the FIDI. **[2026 CSR 4]**
- Shift from grants to leveraged repayable finance in the National Energy Efficiency Fund. Diversify the Fund towards revolving instruments (loans, guarantees), systematically co-financed with ERDF/InvestEU, and open a dedicated energy-efficiency window for industrial SMEs. **[2026 CSR 4]**

- Establish a fully regulated and enabling national framework (including financing), structured around the 50 recommendations of the European Commission's Action Plan for Energy Communities.
- Integrate PESMA climate–health indicators into NRPP monitoring and extend them with relevant Lancet Countdown indicators, enabling international benchmarking and capturing wider health impacts, including food security, infectious diseases and economic costs.
- Establish a dedicated NRPP budget line for PESMA and the Climate and Health Observatory, financing PESMA Action Programmes, annual reporting, early-warning systems and capacity-building for autonomous communities, with predictable multiannual funding aligned with the 2028–2034 MFF cycle.

3. Buildings, renovation finance and housing

- Operationalise the Mortgage Portfolio Standards referenced in the draft National Building Renovation Plan (Article 17 EPBD), with EPC-based risk assessment and lender portfolio targets aligned with 2030 and 2050.
- Deliver the EU Renovation Loan through the InvestEU Member State Compartment alongside ICO and regional promotional banks, with public guarantees extending maturities to match deep renovation payback and lending aligned with Taxonomy-compliant renovation. **[2026 CSR 4]**
- Create a National Sustainable Housing Fund as a one-stop shop integrating grants, loans, guarantees and technical assistance for energy renovation, coordinating EU, national and regional resources behind the draft National Building Renovation Plan. **[2026 CSR 4]**
- Use the national energy poverty strategy to give vulnerable homeowners priority access to renovation finance. **[2026 CSR 4]**
- Integrate urban ecosystems in renovation and construction planning, including green spaces and urban avifauna.

4. Just transition and social economy

- Turn Territorial Just Transition Plans into binding investment frameworks with ten-year reconversion plans, approved jointly by the State, the Autonomous Community, municipalities, workers and affected communities, with quantified targets and funding released against implementation milestones.
- Create transition funds with worker co-governance able to take equity stakes, provide patient capital and support worker buyouts and cooperatives.

5. Nature, agriculture and food

- Phase out agricultural, fisheries and other subsidies driving deforestation, excessive fertilisation, overfishing or habitat degradation, redirecting savings to regenerative agriculture, restoration and nature-based solutions.
- Adopt the sectoral plans for agriculture, livestock, fisheries, water and energy required by Article 14 of Law 42/2007.
- Approve within the first 100 days of government a roadmap for compliance with the Kunming-Montreal Biodiversity Framework and the European Biodiversity Strategy for 2030.
- Transform PIMA Adapta programme into a Nature Blending Facility, by reserving part of the programme (funded with ETS auction revenues) as first-loss capital for projects under the National Restoration Plan, plus technical assistance to make them bankable. **[2026 CSR 4 • 2025 CSR 4.2, Some Progress]**
- Make the CERSA counter-guarantee line permanent for water-adaptation and regenerative farm investments, backed by the InvestEU sustainability guarantee, and mutualise first-loss risk in the ICO-MAPA-SAECA line **[2026 CSR 4 • 2025 CSR 4.2, Some Progress]**

6. Transport and clean air

- Make central government funding for low-emission zones conditional on measured reductions in NO₂ and PM_{2.5} exposure, building on the quantified objectives required by Royal Decree 1052/2022.
- Adopt a Sustainable Mobility Law with 2030 and 2035 targets towards climate-neutral transport by 2040, low-emission zones in all cities above 20,000 inhabitants and an end to short-haul flights where rail alternatives exist.
- Set a long-term investment framework prioritising electrified conventional rail, public transport and rail freight. **[2026 CSR 4]**

7. Fiscal reform

- Adopt a multiannual environmental tax reform on fossil fuels, high-emission transport and resource use, recycling revenues to lower-income households, public transport, renovation and clean energy, in line with the Commission's 2026 report on Spain **[2025 CSR 1.5, No Progress]**
- Subject every tax expenditure to a climate and environmental assessment every three to five years, phasing out unjustified fossil-fuel exemptions and earmarking the savings for the just transition. **[2026 CSR 1 • 2025 CSR 1.4, Limited Progress]**

Reviewing organisations: Climate Strategy & Partners

Sweden

Overview

Four priority areas should feature prominently in Sweden's plan. Specifically, the plan should be aimed at increasing housing supply in growth and transition municipalities, accelerating permitting and grid expansion for energy and industrial projects, supporting a just transition through benefit-sharing and improved labour mobility, and strengthening nature protection and sustainable forest management.

1. Energy and climate

- Establish a streamlined permitting framework for energy and industrial projects, with coordinated assessments, a single entry point for applicants and binding timelines for public authorities **[2026 CSR 4 · 2025 CSR 3.5, Limited Progress]**
- Adapt the regulatory framework for electricity networks to allow anticipatory investment and to prioritise capacity expansion in strategic growth regions **[2026 CSR 4 · 2025 CSR 3.3, Limited Progress]**

2. Buildings, renovation finance and housing

- Establish a state-backed rental loss guarantee for developers and property companies that build new rental housing in growth and transition municipalities, where commercial profitability is limited but societal value is high **[2026 CSR 3 · 2025 CSR 5.2, Limited Progress]**

3. Just transition and social economy

- Introduce benefit-sharing models that compensate local communities for industrial and renewable energy development, reinvesting wind farm and industrial profits in local development funds earmarked for community services, schools and infrastructure.
- Provide targeted student loan forgiveness for university-educated professionals who relocate to and work in municipalities receiving major industrial investment, or in rural municipalities with long distances to larger urban centres and persistent population decline.
- Introduce a relocation grant for individuals who secure permanent employment in another municipality, to improve labour mobility and skills matching in areas with labour shortages. **[2026 CSR 5]**
- Fund capacity building for smaller rural and growth municipalities on skills supply, workforce planning, housing and public service provision, and require assessments of the future potential of local labour markets in small and isolated communities.

4. Nature, agriculture and food

- Complete the Natura 2000 site designation process.
- Promote sustainable forest management and ensure compliance with Habitats Directive before granting/renewing permits for forest logging.