



Plenary sitting

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*****I**
REPORT

on the proposal for a regulation of the European Parliament and of the Council
on the public sector loan facility under the Just Transition Mechanism
(COM(2020)0453 – C9-0153/2020 – 2020/0100(COD))

Committee on Budgets
Committee on Economic and Monetary Affairs

Rapporteur: Johan Van Overtveldt, Henrike Hahn

(Joint committee procedure – Rule 58 of the Rules of Procedure)

Symbols for procedures

- * Consultation procedure
- *** Consent procedure
- ***I Ordinary legislative procedure (first reading)
- ***II Ordinary legislative procedure (second reading)
- ***III Ordinary legislative procedure (third reading)

(The type of procedure depends on the legal basis proposed by the draft act.)

Amendments to a draft act

Amendments by Parliament set out in two columns

Deletions are indicated in ***bold italics*** in the left-hand column. Replacements are indicated in ***bold italics*** in both columns. New text is indicated in ***bold italics*** in the right-hand column.

The first and second lines of the header of each amendment identify the relevant part of the draft act under consideration. If an amendment pertains to an existing act that the draft act is seeking to amend, the amendment heading includes a third line identifying the existing act and a fourth line identifying the provision in that act that Parliament wishes to amend.

Amendments by Parliament in the form of a consolidated text

New text is highlighted in ***bold italics***. Deletions are indicated using either the **■** symbol or ~~strikeout~~. Replacements are indicated by highlighting the new text in ***bold italics*** and by deleting or striking out the text that has been replaced.

By way of exception, purely technical changes made by the drafting departments in preparing the final text are not highlighted.

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DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION

on the proposal for a regulation of the European Parliament and of the Council on the public sector loan facility under the Just Transition Mechanism (COM(2020)0453 – C9-0153/2020 – 2020/0100(COD))

(Ordinary legislative procedure: first reading)

The European Parliament,

- having regard to the Commission proposal to Parliament and the Council (COM(2020)0453),
 - having regard to Article 294(2) and the third paragraph of Article 175 and Article 322 (1) of the Treaty on the Functioning of the European Union, pursuant to which the Commission submitted the proposal to Parliament (C9-0153/2020),
 - having regard to Article 294(3) of the Treaty on the Functioning of the European Union,
 - having regard to the opinion of the European Economic and Social Committee of 18 September 2020¹,
 - after consulting the Committee of the Regions,
 - having regard to the opinion of the Court of Auditors of 30 September 2020²,
 - having regard to Rule 59 of its Rules of Procedure,
 - having regard to the joint deliberations of the Committee on Budgets and the Committee on Economic and Monetary under Rule 58 of the Rules of Procedure,
 - having regard to the opinions of the Committee on the Environment, Public Health and Food Safety, the Committee on Industry, Research and Energy and the Committee on Regional Development,
 - having regard to the report of the Committee on Budgets and the Committee on Economic and Monetary Affairs (A9-0195/2020),
1. Adopts its position at first reading hereinafter set out;
 2. Calls on the Commission to refer the matter to Parliament again if it replaces, substantially amends or intends to substantially amend its proposal;
 3. Instructs its President to forward its position to the Council, the Commission and the national parliaments.

¹ [OJ C 0, 0.0.0000, p. 0. / Not yet published in the Official Journal]

² [OJ C 0, 0.0.0000, p. 0. / Not yet published in the Official Journal]

Amendment 1

AMENDMENTS BY THE EUROPEAN PARLIAMENT*

to the Commission proposal

2020/0100 (COD)

Proposal for a

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

on the public sector loan facility under the Just Transition Mechanism

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular the third paragraph of Article 175 and the first paragraph of Article 322 thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national parliaments,

Having regard to the opinion of the European Economic and Social Committee³,

Having regard to the opinion of the Committee of the Regions⁴,

Having regard to the opinion of the Court of Auditors,

Acting in accordance with the ordinary legislative procedure,

Whereas:

- (1) The Commission adopted a Communication on the European Green Deal on 11 December 2019⁵, drawing its roadmap towards a new growth policy for Europe and setting ambitious objectives to counter climate change and for environmental protection. In line with the objective ***of achieving the Union's new 2030 targets for climate and energy as established in Regulation (EU) ... /... of the European Parliament and the Council [establishing the framework for achieving climate neutrality and amending Regulation (EU) 2018/1999 (European Climate Law)], and*** climate neutrality in the Union by 2050 ***at the latest*** in an effective and fair manner, ***while striving for socio-economic sustainability***, the European Green Deal announced a Just Transition Mechanism to provide ***financial*** means ***and knowledge*** for facing the climate challenge while leaving no one behind. The most vulnerable regions and people are the most

* Amendments: new or amended text is highlighted in bold italics; deletions are indicated by the symbol █ .

³ OJ C , , p. .

⁴ OJ C , , p. .

⁵ COM(2019) 640 final.

exposed to the harmful effects of climate change and environmental degradation. At the same time, managing the transition requires significant structural changes **both at regional and national level. In order to be successful, the transition should reduce inequalities, create a net employment effect with new high quality jobs, and be fair and socially acceptable for all. Projects and beneficiaries should comply with the Union's Treaty-based fundamental values, the Paris Agreement, and the Union's climate neutrality and biodiversity objective.**

- (1a) ***Achieving the Union's climate objectives requires addressing not only the problem of variable speed transition in the Union as regards climate action, but also the risk of growing socio-economic disparities between regions and the discontent of potentially adversely affected social groups. It is of paramount importance that efforts are concentrated on economic transformation and revitalisation of the territories concerned, for example coal mining regions, rather than relying on workers' mobility and risking the depopulation and stagnation of entire regions. In order to maintain coherence between the objectives of the transition and the priorities and goals of the Union such as boosting jobs, reducing poverty and inequality, effective support should be provided in order to diversify local economies through sound investments and to create sustainable employment to ensure that workers employed in sectors affected by the transition will be re-absorbed into local labour market.***
- (2) The Commission adopted a Communication on the European Green Deal Investment Plan⁶ on 14 January 2020, establishing the Just Transition Mechanism which focuses on the regions, **people** and sectors that are **currently** most affected by the transition given their dependence on fossil fuels, including coal, peat and oil shale or greenhouse gas-intensive industrial processes but have less capacity to finance the necessary investments. ***These regions and sectors are the ones identified by the Commission and Members States in the territorial just transition plan established in accordance with Article 7 of Regulation (EU) .../... [JTF Regulation] and approved by the Commission.*** The Just Transition Mechanism consists of three pillars: a Just Transition Fund implemented under shared management, a dedicated just transition scheme under InvestEU, and a public sector loan facility to mobilise additional investments to the regions concerned. ***All three pillars complement each other in supporting the implementation of the European Green Deal and address the economic, social and regional challenges and opportunities of the transition to a sustainable, climate-neutral and climate-resilient, resource-efficient, and circular economy by 2050 at the latest.***
- (3) The proposal for establishing the Just Transition Fund was adopted by the Commission on 14 January 2020⁷. For the better programming and implementation of the Fund, territorial just transition plans are to be adopted, setting out the key steps and timeline of the transition process ***towards the achievement the Union 2030 climate targets and a climate-neutral economy by 2050 at the latest, in a way that leaves no one behind,*** and identifying the territories most negatively affected by the transition towards a climate neutral economy and with less capacity to deal with the transition challenges. ***The partnership principle applies to the preparation, implementation, monitoring and***

⁶ COM(2020) 21 final.

⁷ COM(2020) 22 final

evaluation of the territorial just transition plans as referred to in Article [7] of Regulation (EU) .../... [JTF Regulation].

- (3a) *The public sector has a particular place in the process of driving the transition to a climate-neutral Union economy. It is necessary to recognise that the components of a climate-neutral economy, such as renewables and wider low-carbon developments, cross-sectorial innovation and social investments, have a value beyond short-term financial returns and need distinct treatment. One of the key roles of the public sector is to step in when the market is failing.*
- (4) A public sector loan facility (the ‘Facility’) should be provided. It constitutes the third pillar of the Just Transition Mechanism, supporting public sector entities in their investments. Such investments should meet the development needs resulting from the *social and economic* transition challenges described in the territorial just transition plans as *approved, after meaningful consultation with all relevant stakeholders at regional level*, by the Commission, *contribute towards achieving the goals of the European Green Deal and the European Pillar of Social Rights, and be in line with the objective of a climate-neutral Union by 2050 at the latest.* The activities envisaged for support should *take into account the objectives and criteria, where relevant, of the Regulation (EU) 2020/852 of the European Parliament and of the Council⁸ [Taxonomy Regulation]* and complement *and ensure synergies with* those supported under the other two pillars of the Just Transition Mechanism *in order to ensure that all three pillars are working towards the same objectives. The Commission should monitor the complementarity between the three pillars on an ongoing basis and aim to develop synergies where possible. The sectors or regions that are particularly affected by climate transition, but not specifically targeted under the first pillar, should be able to benefit from the Facility. Investments that are inconsistent with the achievement of the Union’s climate and environmental objectives should not be eligible for support under this Facility.*
- (4a) *The disruptive economic and social effects of the COVID-19 crisis have weakened public and private investment capacity, thereby limiting the financial resources essential for the transition to a climate-neutral and resource-efficient Union. In that regard and in the framework of Next Generation EU, the Facility should contribute to reducing that gap and enable Member States to undertake the necessary investments to foster the achievement of the Union's long-term sustainability priorities.*
- (5) In order to enhance *regional cohesion and* the economic diversification of territories impacted by the transition, the Facility should cover a wide range of *sustainable* investments, on condition that they contribute to meet the development needs in the transition towards *the Union’s new 2030 targets for climate and energy, as established in Regulation (EU) .../... of the European Parliament and the Council [establishing the framework for achieving climate neutrality and amending Regulation (EU) 2018/1999 (European Climate Law)] and a climate- and carbon-neutral and circular economy by 2050 at the latest*, as described in the territorial just transition plans. The investments supported *should not include any of the activities excluded under Article*

⁸ *Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (OJ L 198, 22.6.2020, p. 13).*

[5] of Regulation (EU) .../... [JTF Regulation] and may cover the decarbonisation of the energy and transport sector, industry and building stock, sustainable district heating networks for coal regions in transition, green and sustainable mobility, investments in green and sustainable research and innovation and digitalisation activities, including in universities and public research institutions, the fostering of the transfer of advanced and market-ready technologies, investments in digitalisation, digital innovation and digital connectivity, including digital and precision farming, environmental infrastructure in smart waste management, clean and safe water, water sanitation, the deployment of clean technology for affordable and renewable energy, as well as clean hydrogen, biogas and biomethane in the limits of sustainable availability, energy efficiency and integration measures including renovations and conversions of buildings, urban renewal and regeneration, support to transition to a circular economy, land and ecosystem restoration and decontamination, protection and restoring biodiversity and natural habitats, unless falling within the scope of liabilities for environmental damage in accordance with the polluter pays principle referred to in Article 191 TFEU, as well as up- and re-skilling, new skills development and training with a focus on gender equality, investments in care facilities, and the creation of jobs and social infrastructure, including care facilities and social housing. Infrastructure developments may also include solutions leading to their enhanced resilience to withstand ecological disasters, namely those accentuated by climate change, such as floods, forest fires and changing weather conditions. Comprehensive investment approach should be favoured in particular for territories with important transition needs. Investments in other sectors could also be supported if they are consistent with the adopted territorial just transition plans. By supporting investments that do not generate sufficient revenues, the Facility aims at providing public sector entities with additional resources necessary to address the territorial, social, economic and environmental challenges resulting from the adjustment to climate transition. In order to help identify and assess investments with a high positive environmental impact eligible under the Facility which can make a substantial contribution to the Union's climate and energy targets as well as to the maintaining of biodiversity, while respecting the principle of do no harm, the Commission should take into account the EU taxonomy on environmentally sustainable economic activities. Technical and administrative assistance will be available in conjunction with such investments.

- (5a) The objectives of the Facility should be pursued in the framework of sustainable development and the Union's promotion of the aim of preserving, protecting and improving the quality of the environment as set out in Article 11 and Article 191(1) TFEU, taking into account the polluter pays principle and the commitments agreed under the Paris Agreement.**
- (5b) The horizontal principles as set out in Article 3 of the Treaty on the European Union ('TEU') and in Article 10 TFEU, including the principles of subsidiarity and proportionality as set out in Article 5 TEU should be respected in the implementation of the Facility, taking into account the Charter of Fundamental Rights of the European Union. Member States should also respect the obligations of the UN Convention on the Rights of the Child and of the UN Convention on the Rights of Persons with Disabilities and ensure accessibility in line with its Article 9 and in accordance with the Union law harmonising accessibility requirements for products and services. The Facility should not support actions that contribute to any form of segregation or exclusion, or support infrastructure which is inaccessible to persons**

with a disability. Member States and the Commission should aim at eliminating inequalities and at promoting equality between men and women and integrating the gender perspective, as well as at combating discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation. The Commission should be able to reject applications that do not respect the Union's fundamental values and fundamental rights, including the principle of non-discrimination and equal opportunities.

- (5c) *Member States and the Commission should ensure that the implementation of the Facility contributes to the respect and the promotion of equality between women and men, to eliminating inequalities and promoting gender equality, and to integrating the gender perspective, in accordance with Article 8 TFEU. Given the disproportionate impact of the transition process as well as that of climate change on women, it is important that gender equality objectives are taken into account in all dimensions and in all stages of the preparation, monitoring, implementation and evaluation of the Facility in a timely and consistent manner. Gender impact assessments, gender budgeting and monitoring of results from a gender perspective should therefore become part of the programming cycle.*
- (5d) *Transitioning to climate-neutrality also presents new economic opportunities. Transition to a renewables-based economy holds a significant job creation potential that, if properly tapped, could eventually lead to high employment levels in territories currently dependent on fossil fuels. The shift to renewable energy can enable local communities to become active participants in and owners of the energy transition and move from single- to a multi-industry model. In particular, the reconversion of former mine sites to renewable energy generation and storage, and construction of renewable energy infrastructure in such sites or neighbouring areas can provide green jobs to communities. Moreover, such reconversion can contribute to energy security and resilience, based on a decentralised energy system model.*
- (6) Horizontal financial rules adopted by the European Parliament and the Council on the basis of Article 322 of the Treaty on the Functioning of the European Union apply to this Regulation. These rules are laid down in the Financial Regulation and determine in particular the procedure for establishing and implementing the budget through grants, procurement, prizes, indirect implementation, and provide for checks on the responsibility of financial actors. Rules adopted on the basis of Article 322 TFEU also concern the protection of the Union's budget in case of generalised deficiencies as regards the rule of law in the Member States, as the respect for the rule of law is an essential precondition for sound financial management and effective EU funding. ***In the event of a breach of fundamental values in a Member State resulting in the adoption of measures for the protection of the Union budget, the Commission should seek to provide direct support the transition of concerned regions and, with the agreement of the European Parliament and the Council, should temporarily manage funds with the recipients.***
- (7) The Facility should provide support in the form of grants provided by the Union combined with loans provided by a finance partner. The financial envelope of the grant component, implemented by the Commission in direct management should take the form of financing not linked to costs, in accordance with Article 125 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council (the 'Financial

Regulation')⁹. That form of financing should help incentivise project promoters to participate and contribute to the achievement of the Facility's objectives in an efficient way relative to the size of the loan. The loan component should be provided by the European Investment Bank ('the EIB'). The Facility may also be extended to other finance partners providing the loan component, where additional resources for the grant component become available or where it is required for the correct implementation.

- (7a) ***The COVID-19 pandemic has reinforced the importance of the Just Transition Mechanism with regard to the need to rebuild the economies of regions most affected by the climate transition. Given the interdependence between the climate transition and sustainable economic growth, there needs to be sufficient resources as part of the Facility to address the challenges, which have been exacerbated by the COVID-19 pandemic, of the transition to a climate- neutral economy in the Union by 2050.***
- (8) EUR [1 760 000 000] of the grant component of the Facility are expected to be financed from the Union budget in accordance with [new MFF proposal] and should constitute the prime reference amount, within the meaning of point 17 of the Inter-institutional Agreement of 2 December 2013 between the European Parliament, the Council and the Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management¹⁰, for the European Parliament and the Council during the annual budgetary procedure. ■ ■ ■
- (12) Resources for advisory support should also be provided for in order to promote the preparation, development and implementation of projects, ***including at the application stage.***
- (13) In order to ensure that all Member States are granted the possibility to benefit from the grant component ***to the highest level possible, and understanding that it is transition regions that might be mostly financially and socially hit by the transition***, a mechanism should be set up to establish earmarked national shares to be respected during a first stage, based on the distribution key proposed in the Just Transition Fund Regulation. ***The needs of less developed regions as referred to in Article [102(2)] of Regulation .../... [new CPR] should be taken into account.*** However, in order to reconcile that objective with the need to optimise the economic impact of the Facility and its implementation, such national allocations should not be earmarked after ***the Multiannual Financial Framework (MFF) 2021-2027***. Thereafter, the remaining resources available for the grant component should be provided without any pre-allocated national share and on a competitive basis at Union level, while ensuring predictability for investment and following a needs-based and ***equitable*** regional convergence approach ***and promoting economic, social and territorial cohesion, with an emphasis on those territories most affected by the climate transition. An interim evaluation report should be published by 1 January 2024 to provide input into allocating the remaining resources.***
- (14) Specific eligibility conditions and award ***prioritisation*** criteria, ***in the event that demand exceeds funding resources under national allocations***, should be set out in the work programme and the call for proposals. Those eligibility conditions and

⁹ Regulation (EU Euratom) 2018/1046.

¹⁰ OJ C 373, 20.12.2013, p. 1.

http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.C_.2013.373.01.0001.01.ENG&toc=OJ:C:2013:373:TOC

prioritisation criteria should take into account the *relevant criteria established by the EU Taxonomy for Sustainable Investment and the ‘do no significant harm’ principle, the ability of the project to meet the objectives and* development needs described in the territorial just transition plans, *the contribution to the climate transition, the possible adoption of a phase-out plan for all fossil fuels by the public sector entity requesting support in a timeframe compatible with the Paris Agreement goals, the contribution to the achievement of the Union’s 2030 climate and energy targets and climate neutrality by 2050, the cost effectiveness of the project,* the overall objectives of promoting *economic, social and territorial cohesion and addressing the economic and social costs of the transition to a climate-neutral economy in the Union by 2050 at the latest, while ensuring that no one is left behind,* and the role of the grant component for the *affordability* of the project. *The Commission should ensure that gender equality and the integration of gender perspective are taken into account and promoted in the work programme.* Union Support established by this Regulation should thus only be made available to Member States with at least one territorial just transition plan adopted. The work programme and calls for proposals will also take into account the territorial just transition plans submitted by Member States to ensure that coherence and consistency across the different pillars of the mechanism is ensured.

- (14a) *To protect the Union budget and honour the Union's values, Member States should uphold the Rule of Law and a generalised rule of law deficiency could be subject to the suspension of payments and commitments, reduced funding and a prohibition on concluding new commitments in accordance with the EU regulation of the European Parliament and of the Council on the protection of the Union's budget in case of generalised deficiencies as regards the rule of law in the Member States.*
- (14a) *On an ad-hoc basis, and subject to approval by the Commission, the Facility support may be given to regions undergoing an unforeseen business crisis as a result of actions taken to address climate change, in order to provide an adequate response to crisis situations that may arise in the context of the transition. This is to ensure that regions may receive support even if they are not pre-labelled as impacted regions.*
- (15) Support under this Facility should only be provided to projects that *address the economic and social costs of the transition to a climate-neutral economy in the Union by 2050, do not generate a sufficient stream of own revenues or secure project funding to the same extent or within the same timeline without the element of grant support from the Union budget, and, as a result, would not be achieved without the financial Union support under this Facility.* Own revenues should correspond to revenues, budgetary transfers excepted, generated directly by the activities carried out by the project, such as sales, fees or tolls and as incremental savings generated by the upgrade of existing assets.
- (15a) *Projects supported under this Facility should aim to be financially viable throughout the lifetime of the project. The Commission, in cooperation with beneficiaries and finance partners, should monitor the financial viability of projects under this Facility on an ongoing basis.*
- (16) Since the grant component should reflect the divergent development needs of regions across Member States, such support should be *prioritised in those regions.* Taking into account that public sector entities in less developed regions, as defined in Article 102(2) of Regulation [new CPR], *in the outermost regions, as defined in Article 349 TFEU,*

and in rural, sparsely populated and depopulated areas generally experience lower public investment capacity, the grant rates applied to loans provided to such entities should be comparatively higher.

- (17) In order to ensure an effective implementation of the Facility, it may be necessary to provide advisory support for the preparation, development, and implementation of projects. This support should be provided through the InvestEU Advisory Hub *and financed from resources from the Union budget*.
- (18) In order to speed up implementation and ensure that resources are used in a timely fashion, this Regulation should lay down specific safeguards to be included in the grant agreements. In view of that objective, the Commission, in line with the principle of proportionality, should be able to reduce or terminate any Union support in case of serious lack of progress in the implementation of the project. The Financial Regulation lays down rules on the implementation of the Union budget. In order to ensure coherence in the implementation of Union funding programmes, the Financial Regulation should apply to the grant component and to resources for advisory support provided under this Facility.
- (18a) Since the efficiency of this Facility depends on the administrative capacities of the beneficiaries, the Commission should ensure that projects are accompanied by modernisation and digitalisation efforts in public administration and community service delivery, enhancing innovation where necessary by the use of inter alia cohesion policy instruments.*
- (19) In accordance with the Financial Regulation and Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council and Council Regulations (Euratom, EC) No 2988/95, (Euratom, EC) No 2185/96 and (EU) 2017/1939, the financial interests of the Union are to be protected through proportionate measures, including the prevention, detection, correction and investigation of irregularities, including fraud, the recovery of funds lost, wrongly paid or incorrectly used, and, where appropriate, the imposition of administrative penalties. In particular, in accordance with Regulations (Euratom, EC) No 2185/96 and (EU, Euratom) No 883/2013, the European Anti-Fraud Office (OLAF) may carry out administrative investigations, including on-the-spot checks and inspections, with a view to establishing whether there has been fraud, corruption or any other illegal activity affecting the financial interests of the Union. In accordance with Regulation (EU) 2017/1939, the European Public Prosecutor's Office (EPPO) may investigate and prosecute offences against the financial interests of the Union, as provided for in Directive (EU) 2017/1371 of the European Parliament and of the Council. In accordance with the Financial Regulation, any person or entity receiving Union funds is to fully cooperate in the protection of the financial interests of the Union, grant the necessary rights and access to the Commission, OLAF, the EPPO in respect of those Member States participating in enhanced cooperation pursuant to Regulation (EU) 2017/1939, and the European Court of Auditors (ECA), and ensure that any third parties involved in the implementation of Union funds grant equivalent rights.
- (20) In order to supplement and amend certain non-essential elements of this Regulation, the power to adopt acts in accordance with Article 290 TFEU should be delegated to the Commission in respect of *setting out the national shares of available resources for*

each Member State with a redistributive factor for less developed regions, developing the gender impact assessment guidelines, establishing work programmes in accordance with the Financial Regulation, setting out the details of eligibility conditions and selection procedures for selecting finance partners other than EIB as well as of the amendment of the elements contained in Annex II of this Regulation regarding the key performance indicators. It is of particular importance that the Commission can carry out appropriate consultations during its preparatory work, including at expert level, and that those consultations be conducted in accordance with the principles laid down in the Inter-institutional Agreement of 13 April 2016 on Better Law-Making. In particular, to ensure equal participation in the preparation of delegated acts, the European Parliament and the Council receive all documents at the same time as Member States' experts, and their experts systematically have access to meetings of Commission expert groups dealing with the preparation of delegated acts.

- (21) In order to set out an appropriate financial framework for the grant component of this Facility **after the Multiannual Financial Framework (MFF) 2021-2027, the power to adopt acts in accordance with Article 290 TFEU** should be **delegated to** the Commission to set out the available national allocations expressed as shares of the overall financial envelope of the Facility for each Member State in accordance with the methodology set out in Annex I of Regulation [the JTF Regulation]. The implementing powers should be conferred without comitology procedures given that the shares derive directly from the application of a pre-defined calculation methodology.
- (22) The objective of this Regulation, namely to leverage public investment in territories, most impacted by the transition towards climate neutrality **and a circular economy** by addressing the corresponding development needs, cannot be sufficiently achieved by the Member States alone. The main reasons in this regard are the difficulties for public entities to **solely** support investments **which** benefit the territories most negatively impacted by climate transition **and which do not generate sufficient streams of own revenues** without EU grant support and the need for a coherent implementation framework under direct management. Since those objectives can be better achieved at Union level, the Union may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 TEU. In accordance with the principle of proportionality as set out in that Article, this Regulation does not go beyond what is necessary in order to achieve that objective,

HAVE ADOPTED THIS REGULATION:

CHAPTER I GENERAL PROVISIONS

Article 1 Subject matter and scope

This Regulation provides for the public sector loan facility (the ‘Facility’) in support of public sector entities by combining grants from the Union budget with loans granted by the finance partners **in accordance with their rules, lending policies and procedures** and lays down the objectives of the Facility. It lays down rules for the grant component of Union support provided under this Facility covering in particular its budget for the period 2021-2027, the forms of Union support and provisions on eligibility.

The Facility shall provide support benefitting Union territories facing serious social, environmental and economic challenges deriving from the transition process towards *the Union's new 2030 targets for climate and energy and as established in Regulation (EU).../... of the European Parliament and the Council [establishing the framework for achieving climate neutrality and amending Regulation (EU) 2018/1999 (European Climate Law)] and a circular and a climate-neutral economy in the Union by 2050 at the latest. Beneficiaries under this Facility shall comply with the Union's Treaty-based fundamental values.*

Article 2 Definitions

For the purposes of this Regulation, the following definitions apply:

1. 'administrative agreement' means the legal instrument establishing the cooperation framework between the Commission and a finance partner setting out the respective tasks and responsibilities for the implementation of the Facility in accordance with the provisions of this Regulation;
2. 'beneficiary' means a public sector legal entity established in a Member State as a public law body, or as a body governed by private law entrusted with a public service mission, *or a state-owned enterprise, or a local or regional authority owned enterprise*, with whom a grant agreement has been signed under the Facility;
3. 'finance partners' means the EIB, other international financial institutions, national promotional banks and financial institutions *including private ones*, with which the Commission signs an administrative agreement to cooperate within the Facility;
4. 'project' means any action identified by the Commission as eligible, financially and technically independent, which has a pre-defined objective and a set period during which it must be implemented and finalised, *projects that have already started, but could not be completed as a result of lacking financial resources, can also be eligible under the Facility*;
5. 'territorial just transition plan' means a plan established in accordance with Article 7 of Regulation [JTF Regulation] *prepared together with the relevant local and regional authorities of the territories concerned and on which the social partners, regional civil society and the private sector representatives have been consulted, in accordance with the partnership principle laid down in Article [6] of Regulation (EU) ... /... [new CPR]*, and approved by the Commission;
6. 'loan scheme' means a loan granted to a beneficiary by finance partners aimed at financing a set of several pre-identifiable projects under the Facility.
- 6a. *'additionality principle' means the support for projects that do not generate a sufficient stream of own revenues to cover investment costs and secure funding to the same extent or within the same timeframe without the element of grant support from the Union budget, in line with point (b) of Article 209(2) of the Financial Regulation, and that contribute to the general objectives laid down in Article 3 of this Regulation.*

Article 3 Objectives

1. The general objective of the Facility is to address serious socio-economic challenges deriving from the transition process towards a climate-neutral economy for the benefit of the Union territories identified in the territorial just transition plans prepared by the Member States in accordance with Article 7 of Regulation [JTF Regulation] **and to contribute to the Union's policy objectives, in particular the new Union's 2030 targets for climate and energy and the transition towards a climate-neutral economy in the Union by 2050 at the latest, in line with the Union's commitments under the Paris Agreement and Union's objectives and responding to the need to strengthen competitiveness and ensuring that the transition reduces inequalities, creates a net employment effect together with the European Pillar of Social Rights and the UN Sustainable Development Goals.**
2. The Facility shall have the specific objective of increasing public sector investments, which address the development needs of regions identified in the territorial just transition plans, by facilitating the financing of projects that do not generate a sufficient stream of own revenues **to cover investment costs within the meaning of the additionality principle as referred to in point (6a) of Article 2.**
3. In pursuing the achievement of the specific objective referred to in paragraph 2, this Regulation also **enables the provision of** ■ advisory support for the preparation, development, and implementation of eligible projects where necessary, **including at the project application stage.** That advisory support shall be provided in accordance with the rules and implementation methods for the InvestEU Advisory Hub established by Article [20] of Regulation [InvestEU Regulation].

Article 4 Budget

1. Without prejudice to additional resources allocated in the Union budget for the period 2021-2027, the grant component of support provided under this Facility, **including the advisory support for the preparation, development, and implementation of projects,** shall be financed from resources ■ from the Union budget for an amount of EUR **1 760 000 000** in current prices. ■ ■ ■
3. The resources referred to in paragraph 1 may be complemented by financial contributions from Member States, third countries and from non-Union bodies. These resources shall constitute external assigned revenue within the meaning of Article 21(5) of the Financial Regulation. ■
5. An amount up to 2% of the resources referred to in paragraph 1 may be used for technical and administrative assistance for the implementation of the Facility such as preparatory, monitoring, control, audit and evaluation activities including corporate information and technology systems, as well as administrative expenditure and fees of the finance partners. **Higher amounts of technical and administrative assistance may be made available upon request to beneficiaries who have lower administrative capacities in terms of technological equipment, staff and infrastructure.**
6. Resources up to an amount of EUR **50 000 000** included in those referred to in paragraph 1, shall be provided for activities set out in Article 3(3).

7. Budgetary commitments for actions extending over more than one financial year may be broken down over several years into annual instalments.

Article 4a

Access to the resources

Access to the Facility shall be conditional on the adoption of a national objective towards the achievement of climate neutrality by 2050. For those Member States, which have not yet committed to a national target for climate neutrality, only 50 % of their national allocation shall be released, while the remaining 50 % shall be made available once they have adopted that target.

CHAPTER II UNION SUPPORT

Article 5

Forms of Union support and methods of implementation

1. Union support provided under the Facility shall be provided in the form of grants in accordance with Title VIII of the Financial Regulation.
2. Union support provided under the Facility shall be implemented in direct management in accordance with the Financial Regulation.
3. The Commission may delegate powers to implement tasks of the Union support provided under the Facility to executive agencies in accordance with Article 69 of the Financial Regulation with a view to the optimum management and efficiency of the Facility.

Article 6

Availability of resources

1. The resources referred to in Article 4(1), after deduction of a provision for technical and administrative expenditure referred to in Article 4(5), shall be used to finance projects, in accordance with paragraphs 2 and 3.
2. For grants awarded pursuant to calls for proposals launched no later than *the duration of the Multiannual Financial Framework (MFF) 2021-2027*, Union support awarded to eligible projects in a Member State shall not exceed the national shares set out in the decision to be adopted by the Commission pursuant to paragraph 4.
3. For grants awarded pursuant to calls for proposals launched as from 1 January **2028**, Union support awarded to eligible projects shall be provided without any pre-allocated national share and on a competitive basis at Union level until exhaustion of remaining resources. The award of such grants shall *place special attention on less developed regions as referred to in Article [102(2)] of Regulation .../... [new CPR] and* take into account the need to ensure predictability of investment and the promotion of *economic, social and territorial cohesion*.
4. The Commission shall adopt a *delegated act in accordance with Article 17* setting out the respective shares for each Member State resulting from the application of the methodology set out in Annex I of Regulation [JTF Regulation] *and the application of a redistributive factor taking into account the need of less developed regions as*

referred to in Article [102(2)] of Regulation .../... [new CPR] in the form of percentages of the total available resources referred to in Article 4(1) of this Regulation.

Article 7

Administrative agreements with finance partners

An administrative agreement shall be signed between the Commission and the finance partner prior to the implementation of the Facility with that finance partner. The agreement shall set out the respective rights and obligations of each party to the agreement, including on audit and communication arrangements.

CHAPTER III ELIGIBILITY

Article 8

Eligible projects

1. Only projects contributing to the objectives referred to in Article 3 and fulfilling all the conditions set out below shall be eligible for Union support under the Facility:
 - (a) the projects *demonstrate clear and measurable impact and include, where appropriate, output indicators* in addressing serious social, economic, *geographical* or environmental challenges deriving from the transition process towards *the new Union's 2030 targets for climate and energy and a circular and climate-neutral economy in the Union by 2050 at the latest and contribute to the objectives and needs of the* territories identified in a territorial just transition plan, even if they are not located in those territories;
 - (b) the projects do not receive support under any other Union programmes *for the same activities*;
 - (c) the projects receive a loan by the finance partner under the Facility; █
 - (d) the projects █ *comply with the additionality principle as referred to in point (6a) of Article 2.*
 - (e) *the projects have been subject to a gender impact assessment; and*
 - (f) *the projects do not cause significant harm to one or more environmental objectives referred to in Article 9 of Regulation (EU) 2020/852.*
- 1a. *By derogation from point (b) of paragraph 1, projects receiving Union support under the Facility may also receive advisory and technical assistance support for their preparation, development and implementation from other Union programmes.*
- 1b. *The Facility shall not support activities which would hamper the development and deployment of low carbon alternatives or which lead in the long run to a lock-in of carbon-intensive assets and that would undermine the achievement of the Union's climate and environment objectives.*

The Facility shall not support activities excluded under Article [5] of Regulation (EU) .../... [JTF Regulation].

- 1c. Two years after the entry into force of this Facility, the Commission shall review the eligibility conditions outlined in this Article in order to assess their impact on environmental objectives referred to in Article 9 of Regulation (EU) 2020/852. As part of that review, the Commission shall assess whether the conditions need to be updated to appropriately apply the 'do no harm principle' and other relevant criteria established by Regulation (EU) 2020/852 [Taxonomy Regulation] and take the necessary action.*
- 1d. The Commission shall adopt delegated acts in accordance with Article 17 to supplement this Article by establishing the guidelines on how to conduct the impact assessment referred to in point (e) of paragraph 1 and to specify the content and format of the information and data to be provided. The Commission shall develop these guidelines in cooperation with the implementing partners and after consulting the relevant experts and stakeholders, in particular national women's organisations from Member States, and shall provide for streamlined provisions with the aim of avoiding excessive administrative burden or delays in the selection process.*

Article 9
Eligible persons and entities

Notwithstanding the criteria set out in Article 197 of the Financial Regulation, only public sector legal entities established in a Member State as a public law body, or as a body governed by private law entrusted with a public service mission, are eligible to apply as potential beneficiaries under this Regulation.

CHAPTER IV GRANTS

Article 10
Grants

1. Grants shall take the form of financing not linked to costs in accordance with Article 125(1)(a) of the Financial Regulation.
2. The amount of the grant shall not exceed 15% of the amount of the loan provided by the finance partner under this Facility. For projects located in territories in NUTS level 2 regions with a GDP per capita not exceeding 75% of the average GDP of the EU-27 as referred to in Article [102(2)] of Regulation [new CPR], the amount of the grant shall not exceed **25** % of the amount of the loan provided by the finance partner.
3. Payments of an awarded grant may be split into several instalments linked to the progress in implementation as set out in the grant agreement.

Article 11
Reduction or termination of the grants

1. In addition to the grounds specified in Article 131(4) of the Financial Regulation and after consulting the finance partner, the amount of the grant may be reduced or the grant agreement may be terminated, if within two years from the date of signature of the grant agreement, the economically most significant supply, works or services

contract has not been signed, in cases where the conclusion of such contract is envisaged pursuant to the grant agreement.

2. When Union support is combined with loan schemes and when supply, works or services contracts are not envisaged, paragraph 1 shall not apply.

In such cases and after consulting the finance partner, the amount of the grant may be reduced or the grant agreement may be terminated, and any related amounts paid may be recovered, in accordance with the conditions set out in the grant agreement.

CHAPTER V ADVISORY SUPPORT SERVICES

Article 12

Advisory support services

1. Advisory support under this Regulation shall be implemented in indirect management, in accordance with the rules and implementation methods for the InvestEU Advisory Hub established by Article [20] of Regulation [InvestEU Regulation].
2. Activities necessary to support the preparation, development and implementation of projects shall be eligible for advisory support *and financed in accordance with article 4 of this Regulation.*

CHAPTER VI PROGRAMMING, MONITORING, EVALUATION AND CONTROL

Article 13

Work programmes

The *Commission* shall *adopt delegated acts in accordance with Article 17 to supplement this Article by establishing* work programmes **■** in accordance with Article 110 of the Financial Regulation. *Those work programmes shall specify the criteria and conditions for the selection and, in the event that demand exceeds funding resources under national allocations, for the prioritisation of projects, taking into account the relevant criteria laid down by Regulation (EU) 2020/852 [Taxonomy Regulation], the project's ability to meet the objectives and needs identified in the territorial just transition plans, the contribution to climate transition, while ensuring that no one is left behind, the possible adoption of a decarbonisation plan by the public sector entities requesting financing, including dates for the phase-out of fossil fuels in a timeframe compatible with the Paris Agreement targets, as well as the overall objective of promoting regional and territorial convergence and the grant's contribution to the viability of projects. The Commission shall ensure that gender equality and the integration of gender perspective are taken into account and promoted in the work programme*

The work programmes shall set out the national shares of resources, including any additional resources, for each Member State in accordance with Articles 4(1) and 6(2) of this Regulation.

Article 13a

Selection of finance partners other than the EIB

1. *The Commission shall adopt delegated acts in accordance with Article 17 to supplement this Article in order to set out the details of eligibility conditions and selection procedures for finance partners other than EIB.*
2. *The eligibility conditions for the finance partners other than the EIB shall reflect the objectives of the Facility.*
3. *In particular, when selecting the finance partners, the Commission shall take into account their capacity:*
 - (a) *to ensure that their energy lending policy and standards are comparable to the ones applied by the EIB in relation to this Facility;*
 - (b) *to maximise the impact of the Union grant through own resources;*
 - (c) *to ensure appropriate geographical diversification of the Facility and allow for the financing of smaller projects;*
 - (d) *to implement thoroughly the requirements set out in Articles 155(2) and 155(3) of the Financial Regulation concerning tax avoidance, tax fraud, tax evasion, money laundering, terrorism financing and non-cooperative jurisdictions;*
 - (e) *to ensure transparency and public access to information concerning each project;*
 - (f) *to ensure the consistency of their lending policy with the Union's 2030 targets for climate and energy and the objective of a climate neutral economy in the Union by 2050; and*
 - (g) *to integrate the analysis of environmental, climate, social and governance factors in the selection and evaluation of projects.*
4. *The Commission shall publish the selection results.*

Article 14

Monitoring and reporting

1. Key performance indicators to monitor implementation and progress of the Facility towards the achievement of the objectives set out in Article 3 are established in Annex II.
2. The performance reporting system shall ensure that data regarding the indicators referred to in paragraph 1 are collected efficiently, effectively and in a timely fashion. Beneficiaries **and** finance partners shall provide to the Commission the data regarding those indicators.
- 2a. *The Commission shall report annually on the implementation of the Facility in accordance with Article 250 of the Financial Regulation. That report shall provide information on the results and impact of the Facility with respect to its objectives and performance indicators, in particular its contribution to addressing the*

transition needs and to the Union sustainability objectives including its impact on climate, the environment, the social dimension and gender equality applying, where relevant, the criteria of the Union taxonomy established by Regulation (EU) 2020/852. For that purpose, finance partners and beneficiaries shall provide on an annual basis all the necessary information and data and regularly report to the Commission on the progress towards the achievement of output indicators in accordance with Article 8.

3. The Commission shall be empowered to adopt delegated acts in accordance with Article 17 to amend Annex II by modifying the indicators referred to in paragraph 1.

Article 15

Evaluation

1. Evaluations on the implementation of the Facility and its capacity to reach the objectives set out in Article 3 shall be carried out in a sufficiently timely manner to feed into the decision-making process.
2. The interim evaluation of the Facility shall be performed by **1 January 2024 and shall be submitted to the European Parliament and to the Council**, when sufficient information is expected to be available about the implementation of the Facility. The evaluation shall in particular demonstrate how the Union support provided under the Facility shall have contributed in addressing the needs of territories implementing the territorial just transition plans, **especially with regard to additionality**.
3. At the end of the implementation period and no later than 31 December 2031, **the Commission shall submit to the European Parliament and to the Council an independent final evaluation report on the results and long-term impact of the Facility**. **The finance partners and beneficiaries shall provide to the Commission all documents and information necessary to enable it to perform that evaluation.**
- 3a. **In both the interim and final evaluation the Commission shall assess how the Union support provided under the Facility has contributed to achieving the objectives of the European Pillar of Social Rights and the Union sustainability policy objectives, in particular the Union's new 2030 targets for climate and energy as established in Regulation (EU) .../... of the European Parliament and the Council [establishing the framework for achieving climate neutrality and amending Regulation (EU) 2018/1999 (European Climate Law), and the transition towards a circular and climate neutral economy in the Union by 2050 at the latest, applying, where relevant, the Union taxonomy established by Regulation (EU) 2020/852 [Taxonomy Regulation].**

Article 16

Audits

1. Audits on the use of the Union support provided under the Facility carried out by persons or entities, including by other than those mandated by the Union Institutions or bodies, shall form the basis of the overall assurance pursuant to Article 127 of the Financial Regulation.

2. The finance partners *and beneficiaries* shall provide to the Commission and any designated auditors all available documents that are necessary for both these authorities to carry out their obligations.
- 2a, ***External audits on the use of the Union support provided under the Facility shall be carried out by the Court of Auditors in accordance with Article 287 TFEU. The Court of Auditors shall issue a special report on the implementation of the Facility once the rate of implementation of the projects financed reaches at least 60 %, but no later than.... [insert date five years after date of entry into force of this Regulation]. The finance partners and beneficiaries shall provide to the Commission and the Court of Auditors all available documents or information that are necessary for both these authorities to carry out their obligations.***

Article 17

Exercise of the delegation

1. The power to adopt delegated acts is conferred on the Commission subject to the conditions laid down in this Article.
2. The power to adopt delegated acts referred to in ***Articles 6, 8, 13, 13a and 14*** shall be conferred on the Commission until 31 December 2028.
3. The delegation of power referred to in ***Articles 6, 8, 13, 13a and 14*** may be revoked at any time by the European Parliament or by the Council. A decision to revoke shall put an end to the delegation of power specified in that decision. It shall take effect the day following the publication of the decision in the *Official Journal of the European Union* or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.
4. Before adopting a delegated act, the Commission shall consult experts designated by each Member State in accordance with the principles laid down in the Inter-institutional Agreement of 13 April 2016 on Better Law-Making.
5. As soon as it adopts a delegated act, the Commission shall notify it simultaneously to the European Parliament and to the Council.

CHAPTER VII TRANSITIONAL AND FINAL PROVISIONS

Article 18

Information, communication and publicity

- 1a. ***Finance partners shall disclose all relevant financial information and any other pre-defined key non-financial information related to each project financed and shall make that information publicly available on their website after the signature of the relevant loan or loan scheme, as applicable.***

Such information to be made publicly available shall not contain commercially sensitive information or personal data that are not to be disclosed under Union data protection law.

1. The beneficiaries and the finance partners shall ensure, ***to the highest possible level and in line with their rules, policies and procedures***, the visibility of the Union

support provided under the Facility, in particular when promoting the projects and their results, by providing targeted information to multiple audiences, including the media and the public.

- 1a. The Commission shall submit the opinions it has issued on the projects selected under this Facility to the European Parliament in accordance with Annex II to the Framework Agreement on relations between the European Parliament and the Commission.*
2. The Commission shall implement information and communication actions relating to the Facility, *ensure transparency and public access to information concerning* the funded projects and their results *and shall measure the effectiveness of the messages*. Financial resources allocated to the Facility shall also contribute to the corporate communication of the political priorities of the Union, as far as they are related to the objectives referred to in Article 3. *The Commission shall ensure that an effective communication campaign be organised at the onset of the selection process and that information about calls for proposals be made directly available to all public authorities across the EU. Information regarding the technical and administrative support provided to applicants should also be actively promoted. The Commission shall regularly update and publish the list of projects that have been selected or refused under this Facility with the description of specific criteria for acceptance or refusal.*

Article 19 Transitional provisions

Where necessary, appropriations may be entered in the budget beyond 2027 to cover the payment of instalments of grant Union support, provided for in accordance with Article 6(2), to enable the management of actions not completed by 31 December 2027.

Article 20 Entry into force

This Regulation shall enter into force on the [...] [twentieth] day following that of its publication in the Official Journal of the European Union.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

For the European Parliament
The President

For the Council
The President

■ ANNEX II

Key performance indicators¹¹

1. Volume of grants awarded
2. Volume of loans signed
 - 2.1 Individual loans
 - 2.2 Loan schemes
3. Overall investment mobilised, divided as follows
 - 3.1 Amount of private financing mobilised
 - 3.2 Amount of public financing mobilised
4. Number of projects receiving support, including geographical coverage
 - 4.1 Country
 - 4.2 NUTS 2 region
 - 4.3 Just transition territory supported
5. Number of projects receiving financing under the Facility
6. Number of projects by sector
 - 6.1 Transport
 - 6.2 Social infrastructure
 - 6.3 Public utilities (water, wastewater, district heating, energy, waste management)
 - 6.4 Direct support to *climate* transition, *decarbonisation* (renewable energy, energy efficiency) *and other environmental objectives*
 - 6.5 Environmental protection
 - 6.6 Urban infrastructure (including housing)
 - 6.6.a *Quality of housing (including energy efficiency)*
 - 6.7 Others
7. Greenhouse gas emission reduced, *where relevant*
 - 7a. *Employment and unemployment rate*
 - 7b. *Depopulation rate*
 - 7c. *Population of regions/territories benefitting from projects carried out under the Facility*

¹¹ All indicators shall be broken down by region, where relevant. All personal data shall be broken down by gender, where relevant.

5.10.2020

OPINION OF THE COMMITTEE ON THE ENVIRONMENT, PUBLIC HEALTH AND FOOD SAFETY

for the Committee on Budgets and the Committee on Economic and Monetary Affairs

on the proposal for a regulation of the European Parliament and of the Council on the public sector loan facility under the Just Transition Mechanism (COM(2020)0453 – C9-0153/2020 – 2020/0100(COD))

Rapporteur for opinion: Pascal Canfin

AMENDMENTS

The Committee on the Environment, Public Health and Food Safety calls on the Committee on Budgets and on the Committee on Economic and Monetary Affairs, as the committees responsible, to take into account the following amendments:

Amendment 1

Proposal for a regulation

Recital 1

Text proposed by the Commission

(1) The Commission adopted a Communication on the European Green Deal on 11 December 2019⁹, drawing its roadmap towards a new growth policy for Europe and setting ambitious objectives to counter climate change and for environmental protection. In line with the objective to achieve climate neutrality in the Union by 2050 in an effective and fair manner, the European Green Deal announced a Just Transition Mechanism to provide means for facing the climate **challenge** while leaving no one behind. The most vulnerable regions and people are the most exposed to the harmful effects of climate change and environmental degradation. At the same time, managing

Amendment

(1) The Commission adopted a Communication on the European Green Deal on 11 December 2019⁹, drawing its roadmap towards a new **sustainable** growth policy for Europe and setting ambitious objectives to counter climate change and for environmental protection. In line with the objective to achieve **the Union's 2030 climate and energy targets, and to reach** climate neutrality in the Union by 2050 **at the latest** in an effective and fair manner, **as laid down in [Regulation (EU) 2020/XXX establishing the framework for achieving climate neutrality and amending Regulation (EU) 2018/1999 (the 'European Climate Law')]**, the European Green Deal

the transition requires significant structural changes.

announced a Just Transition Mechanism to provide means for facing the *economic, social and environmental challenges of the transition to a climate neutral, environmentally-sustainable, energy and resource-efficient, circular economy*, while leaving no one behind. The most vulnerable regions and people are the most exposed to the harmful effects of climate change and environmental degradation. At the same time, managing the transition requires significant structural changes.

⁹ COM(2019) 640 final.

⁹ COM(2019) 640 final.

Amendment 2

Proposal for a regulation Recital 1 a (new)

Text proposed by the Commission

Amendment

(1a) The financing and investment operations should be aligned with current policy priorities of the Union such as the European Green Deal and its commitment to achieving climate neutrality by 2050 at the latest, the ‘Strategy for shaping Europe’s digital future’ and the ‘European Pillar of Social Rights’. Those operations should support the creation and preservation of quality and sustainable jobs and cross-border activities within the Union and should contribute to the green and digital transition of the European economy.

Amendment 3

Proposal for a regulation Recital 2

Text proposed by the Commission

Amendment

(2) The Commission adopted a Communication on the European Green

(2) The Commission adopted a Communication on the European Green

Deal Investment Plan¹⁰ on 14 January 2020, establishing the Just Transition Mechanism which focuses on the regions and sectors that are most affected by the transition given their dependence on fossil fuels, including coal, peat and oil shale or greenhouse gas-intensive industrial processes but have less capacity to finance the necessary investments. The Just Transition Mechanism consists of three pillars: a Just Transition Fund implemented under shared management, a dedicated just transition scheme under InvestEU, and a public sector loan facility to mobilise additional investments to the regions concerned.

¹⁰ COM(2020) 21 final.

Deal Investment Plan¹⁰ on 14 January 2020, establishing the Just Transition Mechanism which focuses on the regions, ***people*** and sectors that are most affected by the transition given their dependence on fossil fuels, including coal, peat and oil shale or greenhouse gas-intensive industrial processes but have less capacity to finance the necessary investments ***towards climate neutrality***. The Just Transition Mechanism consists of three pillars: a Just Transition Fund implemented under shared management, a dedicated just transition scheme under InvestEU, and a public sector loan facility to mobilise additional investments to the regions concerned.

¹⁰ COM(2020) 21 final.

Amendment 4

Proposal for a regulation

Recital 3 a (new)

Text proposed by the Commission

Amendment

(3a) The Just Transition Fund is an essential part of the Union Recovery Plan and should remain a key part thereof, with corresponding significant resources.

Amendment 5

Proposal for a regulation

Recital 4

Text proposed by the Commission

Amendment

(4) A public sector loan facility (the ‘Facility’) should be provided. It constitutes the third pillar of the Just Transition Mechanism, supporting public sector entities in their investments. Such investments should meet the development needs resulting from the transition

(4) A public sector loan facility (the ‘Facility’) should be provided. It constitutes the third pillar of the Just Transition Mechanism, supporting public sector entities in their investments. Such investments should meet the development needs resulting from the transition

challenges described in the territorial just transition plans as adopted by the Commission. The activities envisaged for support should be consistent with and complement those supported under the other two pillars of the Just Transition Mechanism.

challenges described in the territorial just transition plans as adopted by the Commission, ***and be in line with the objective of a climate-neutral Union by 2050. They should also support the overarching objectives of the European Green Deal, in particular the “do no significant harm” principle referred to in Regulation (EU) 2020/852 of the European Parliament and of the Council^{1a}, and be in line with the framework for sustainable activities set out in EU taxonomy established by that Regulation.*** The activities envisaged for support should be consistent with and complement those supported under the other two pillars of the Just Transition Mechanism.

^{1a} ***Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (OJ L 198, 22.6.2020, p. 13).***

Amendment 6

Proposal for a regulation Recital 4 a (new)

Text proposed by the Commission

Amendment

(4a) The disruptive economic and social effects of the COVID-19 crisis have weakened public and private investment capacity, thereby limiting the financial resources essential for the transition to a climate-neutral and resource-efficient Union. In that regard and in the framework of Next Generation EU, the Facility should contribute to reducing that gap and enable Member States to undertake the necessary investments to foster the achievement of the Union's

Amendment 7

Proposal for a regulation

Recital 5

Text proposed by the Commission

(5) In order to enhance the economic diversification of territories impacted by the transition, the Facility should cover a wide range of investments, on condition that they contribute to meet the development needs in the transition towards a climate neutral economy, as described in the territorial just transition plans. The investments supported may cover energy and transport **infrastructure**, district heating networks, green mobility, smart waste management, clean energy and energy efficiency measures including renovations and conversions of buildings, support to transition to a circular economy, land restoration and decontamination, as well as up- and re-skilling, training and social infrastructure, including social housing. Infrastructure developments may also include solutions leading to their enhanced resilience to withstand disasters. Comprehensive investment approach should be favoured in particular for territories with important transition needs. Investments in other sectors could also be supported if they are consistent with the adopted territorial just transition plans. By supporting investments that do not generate sufficient revenues, the Facility aims at providing public sector entities with additional resources necessary to address the social, economic and environmental challenges resulting from the adjustment to climate transition. In order to help identify investments with a high positive environmental impact eligible under the Facility, the EU taxonomy on environmentally sustainable economic

Amendment

(5) In order to enhance the economic diversification **and modernisation** of territories impacted by the transition, the Facility should cover a wide range of investments, on condition that they contribute to meet the development needs in the transition towards **the Union's 2030 climate and energy targets, and** a climate neutral economy **by 2050**, as described in the territorial just transition plans. The investments supported may cover **technology to support the decarbonisation of the energy sector and environmentally-friendly and decarbonised** transport, district heating networks, green, **smart and sustainable** mobility, **investments in research and innovation activities, including in universities and public research institutions, fostering the transfer of advanced and market-ready technologies, investments in digitalisation,** smart waste **and water** management, **greenhouse gas emission reduction**, clean energy and energy efficiency measures including renovations and conversions of buildings, support to transition to a circular economy, land restoration and decontamination as well as up- and re-skilling, training and social infrastructure, including social housing. Infrastructure developments may also include solutions leading to their enhanced resilience to withstand disasters. Comprehensive investment approach should be favoured in particular for territories with important transition needs. Investments in other sectors could also be supported if they are consistent with the adopted territorial just transition plans **and reduce the socio-**

activities *may* be used.

economic costs of the transition towards a climate-neutral economy by 2050. By supporting investments that do not generate sufficient revenues, the Facility aims at providing public sector entities with additional resources necessary to address the social, economic and environmental challenges resulting from the adjustment to climate transition. In order to help identify investments with a high positive environmental impact eligible under the Facility, the EU taxonomy on environmentally sustainable economic activities *should* be used *and the "do no significant harm" principle referred to in Regulation (EU) 2020/852 adhered to.*

Amendment 8

Proposal for a regulation Recital 5 a (new)

Text proposed by the Commission

Amendment

(5a) Horizontal principles as set out in Article 3 of the Treaty on the European Union (TEU) and in Article 10 of the Functioning of the European Union (TFEU), including the principles of subsidiarity and proportionality set out in Article 5 TEU should be respected in the implementation of the Facility, taking into account the Charter of Fundamental Rights of the European Union. Member States should also respect the obligations of the United Nations Convention on the Rights of the Child and of the United Nations Convention on the Rights of Persons with Disabilities and ensure accessibility in line with its Article 9 and in accordance with Union law harmonising accessibility requirements for products and services. The Facility should not support actions that contribute to any form of segregation or exclusion, or support infrastructure which is inaccessible to persons with a disability. Member States and the Commission

should aim to eliminate inequalities and promote equality between men and women and integrate the gender perspective, as well as to combat discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation.

Amendment 9

Proposal for a regulation

Recital 5 b (new)

Text proposed by the Commission

Amendment

(5b) This Regulation sets out an exclusion list of investments that are detrimental to the targets set out in the Paris Agreement and the European Green Deal, and are not in line with the European Investment Bank's energy financing policy. Those investments should be excluded from Union support provided by the Facility.

Amendment 10

Proposal for a regulation

Recital 5 c (new)

Text proposed by the Commission

Amendment

(5c) The objectives of the Facility should be pursued in the framework of sustainable development and the Union's promotion of the aim of preserving, protecting and improving the quality of the environment as set out in Articles 11 and 191(1) TFEU, taking into account the 'polluter pays' principle and the commitment of limiting the temperature increase to 1,5°C above pre-industrial levels as agreed under the Paris Agreement.

Amendment 11

Proposal for a regulation
Recital 5 d (new)

Text proposed by the Commission

Amendment

(5d) The Member States and the Commission should ensure that the implementation of the Facility contributes to the respect and the promotion of equality between men and women in accordance with Article 8 TFEU. Evaluations have shown the importance of taking gender equality objectives into account in a timely and consistent manner in all dimensions and in all stages of the preparation, monitoring, implementation and evaluation of operational programmes. It is therefore necessary for gender impact assessments, gender budgeting and the monitoring of results from a gender perspective to be part of the programming cycle.

Amendment 12

Proposal for a regulation
Recital 7

Text proposed by the Commission

Amendment

(7) The Facility should provide support in the form of grants provided by the Union combined with loans provided by a finance partner. The financial envelope of the grant component, implemented by the Commission in direct management should take the form of financing not linked to costs, in accordance with Article 125 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council (the ‘Financial Regulation’)¹². That form of financing should help incentivise project promoters to participate and contribute to the achievement of the Facility’s objectives in an efficient way relative to the size of the loan. The loan component should be provided by the European Investment Bank (‘the EIB’).

(7) The Facility should provide support in the form of grants provided by the Union combined with loans provided by a finance partner. The financial envelope of the grant component, implemented by the Commission in direct management should take the form of financing not linked to costs, in accordance with Article 125 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council (the ‘Financial Regulation’)¹². That form of financing should help incentivise project promoters to participate and contribute to the achievement of the Facility’s objectives in an efficient way relative to the size of the loan. The loan component should be provided by the European Investment Bank (the ‘EIB’).

The Facility may also be extended to other finance partners providing the loan component, where additional resources for the grant component become available or where it is required for the correct implementation.

The Facility may also be extended to other finance partners providing the loan component, where additional resources for the grant component become available or where it is required for the correct implementation. ***In such a case, other finance partners should respect climate, environmental, social and transparency standards at least equivalent to those of the EIB.***

¹² Regulation (EU Euratom) 2018/1046.

¹² Regulation (EU Euratom) 2018/1046.

Amendment 13

Proposal for a regulation Recital 13

Text proposed by the Commission

(13) In order to ensure that all Member States are granted the possibility to benefit from the grant component, a mechanism should be set up to establish earmarked national shares to be respected during a first stage, based on the distribution key proposed in the Just Transition Fund Regulation. However, in order to reconcile that objective with the need to optimise the economic impact of the Facility and its implementation, such national allocations should not be earmarked after 31 December 2024. Thereafter, the remaining resources available for the grant component should be provided without any pre-allocated national share and on a competitive basis at Union level, while ensuring predictability for investment and following a needs-based and regional convergence approach.

Amendment

(13) In order to ensure that all Member States are granted the possibility to benefit from the grant component, a mechanism should be set up to establish earmarked national shares to be respected during a first stage, based on the distribution key proposed in the Just Transition Fund Regulation. ***The needs of less developed regions as referred to in Article [102(2)] of [Regulation (EU) 2020/XXX of the European Parliament and of the Council laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, and the European Maritime and Fisheries Fund and financial rules for those and for the Asylum and Migration Fund, the Internal Security Fund and the Border Management and Visa Instrument ("Common Provisions Regulation")]*** should be taken into account. However, in order to reconcile that objective with the need to optimise the economic impact of the Facility and its implementation, such national allocations should not be earmarked after 31 December 2024.

Thereafter, the remaining resources available for the grant component should be provided without any pre-allocated national share and on a competitive basis at Union level, while ensuring predictability for investment and following a needs-based and regional convergence approach **and promoting economic, social and territorial cohesion**.

Amendment 14

Proposal for a regulation

Recital 14

Text proposed by the Commission

(14) Specific eligibility conditions and award criteria should be set out in the work programme and the call for proposals. Those eligibility conditions and award criteria should take into account the relevance of the project in the context of the development needs described in the territorial just transition plans, the overall objective of promoting regional and territorial convergence **and** the significance of the grant component for the viability of the project. Union Support established by this Regulation should thus only be made available to Member States with at least one territorial just transition plan adopted. The work programme and calls for proposals will also take into account the territorial just transition plans submitted by Member States to ensure that coherence and consistency across the different pillars of the mechanism is ensured.

Amendment

(14) Specific eligibility conditions and award criteria should be set out in the work programme and the call for proposals. Those eligibility conditions and award criteria should take into account the relevance of the project in the context of the development needs described in the territorial just transition plans, the overall objective of promoting regional and territorial convergence, the significance of the grant component for the viability of the project **and the screening criteria established pursuant to Regulation (EU) 2020/852**. Union Support established by this Regulation should thus only be made available to Member States with at least one territorial just transition plan adopted. The work programme and calls for proposals will also take into account the territorial just transition plans submitted by Member States to ensure that coherence and consistency across the different pillars of the mechanism is ensured.

Amendment 15

Proposal for a regulation

Recital 15

Text proposed by the Commission

(15) Support under this Facility should only be provided to projects that do not generate a sufficient stream of own revenues that would allow them to be financially viable and to be financed solely by loans provided on market terms. Own revenues should correspond to revenues, budgetary transfers excepted, generated directly by the activities carried out by the project, such as sales, fees or tolls and as incremental savings generated by the upgrade of existing assets.

Amendment

(15) Support under this Facility should only be provided to projects that ***adhere to the EU taxonomy established by Regulation (EU) 2020/852 and the "do no significant harm" principle referred to in that Regulation, and*** do not generate a sufficient stream of own revenues that would allow them to be financially viable and to be financed solely by loans provided on market terms ***and that could, consequently, not be realised without the Union's financial support under this Facility.*** Own revenues should correspond to revenues, budgetary transfers excepted, generated directly by the activities carried out by the project, such as sales, fees or tolls and as incremental savings generated by the upgrade of existing assets.

Amendment 16

Proposal for a regulation

Recital 17

Text proposed by the Commission

(17) In order to ensure an effective implementation of the Facility, it may be necessary to provide advisory support for the preparation, development, and implementation of projects. This support should be provided through the InvestEU Advisory Hub.

Amendment

(17) In order to ensure an effective implementation of the Facility, it may be necessary to provide advisory support for the preparation, development, and implementation of projects, ***particularly regarding sustainability and adherence to the EU taxonomy established by Regulation (EU) 2020/852.*** This support should be provided through the InvestEU Advisory Hub.

Amendment 17

Proposal for a regulation

Recital 18 a (new)

Text proposed by the Commission

Amendment

(18a) In order to improve transparency

and accountability under the Facility, finance partners should publicly disclose all relevant information on each project financed and the Commission should grant public access to the opinions it has issued on each project selected or financed by the EIB. The Commission should also report annually to the European Parliament and to the Council on the implementation of the Facility in particular with regard to the results and impact of the Facility with respect to its objectives and performance indicators.

Amendment 18

Proposal for a regulation

Recital 22

Text proposed by the Commission

(22) The objective of this Regulation, namely to leverage public investment in territories, most impacted by the transition towards climate neutrality by addressing the corresponding development needs, cannot be sufficiently achieved by the Member States alone. The main reasons in this regard are the difficulties for public entities to support investments, which do not generate sufficient streams of own revenues and benefit the territories most negatively impacted by climate transition, without EU grant support and the need for a coherent implementation framework under direct management. Since those objectives can be better achieved at Union level, the Union may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 TEU. In accordance with the principle of proportionality as set out in that Article, this Regulation does not go beyond what is necessary in order to achieve that objective,

Amendment

(22) The objective of this Regulation, namely to leverage public investment in territories, most impacted by the transition towards climate neutrality **and circular economy** by addressing the corresponding development needs, cannot be sufficiently achieved by the Member States alone. The main reasons in this regard are the difficulties for public entities to support investments, which do not generate sufficient streams of own revenues and benefit the territories most negatively impacted by climate transition, without EU grant support and the need for a coherent implementation framework under direct management. Since those objectives can be better achieved at Union level, the Union may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 TEU. In accordance with the principle of proportionality as set out in that Article, this Regulation does not go beyond what is necessary in order to achieve that objective,

Amendment 19

Proposal for a regulation Article 1 – paragraph 2

Text proposed by the Commission

The Facility shall provide support benefitting Union territories facing serious social, environmental and economic challenges deriving from the transition process towards a climate-neutral economy of the Union by 2050.

Amendment

The Facility shall provide support benefitting Union territories **and their people** facing **diverse** serious social, environmental and economic challenges deriving from the transition process towards **the achievement of the Union's updated climate and energy targets, as established in [Regulation (EU) 2020/XXX establishing the framework for achieving climate neutrality and amending Regulation (EU) 2018/1999 (the 'European Climate Law')]**, and a climate-neutral **and circular** economy of the Union by 2050 **at the latest**.

Amendment 20

Proposal for a regulation Article 2 – paragraph 1 – point 5

Text proposed by the Commission

5. 'territorial just transition plan' means a plan established in accordance with Article 7 of Regulation [JTF Regulation] and approved by the Commission;

Amendment

5. 'territorial just transition plan' means a plan established **by relevant local and regional authorities together with stakeholders of the territory concerned** in accordance with Article 7 of Regulation [JTF Regulation] and approved by the Commission;

Amendment 21

Proposal for a regulation Article 3 – paragraph 1

Text proposed by the Commission

1. The general objective of the Facility is to address serious socio-economic challenges deriving from the

Amendment

1. The general objective of the Facility is to address serious socio-economic **and environmental** challenges

transition process towards a climate-neutral economy *for the benefit* of the Union territories identified in the territorial just transition plans prepared by the Member States in accordance with Article 7 of Regulation [JTF Regulation].

deriving from the transition process towards a climate-neutral, *environmentally sustainable, energy and resource efficient and circular* economy of the Union *by 2050 at the latest, for the benefit of the Union* territories identified in the territorial just transition plans prepared by the Member States in accordance with Article 7 of Regulation [JTF Regulation] *and to contribute to the European Green Deal objectives, in particular the objective of a climate-neutral economy by 2050.*

Amendment 22

Proposal for a regulation Article 3 – paragraph 2

Text proposed by the Commission

2. The Facility shall have the specific objective of increasing public sector investments, which address the development needs of regions identified in the territorial just transition plans, by facilitating the financing of projects that do not generate a sufficient stream of own revenues and would not be *financed* without the element of grant support from the Union budget.

Amendment

2. The Facility shall have the specific objective of increasing public sector investments, which address the development needs of regions identified in the territorial just transition plans, by facilitating the financing of projects that *are consistent with the Union policies, in line with the Paris Agreement and its commitment to achieve climate neutrality by 2050 at the latest*, that do not generate a sufficient stream of own revenues and would not be *realised* without the element of grant support from the Union budget.

Amendment 23

Proposal for a regulation Article 5 – paragraph 1

Text proposed by the Commission

1. Union support provided under the Facility shall be provided in the form of grants in accordance with Title VIII of the Financial Regulation.

Amendment

1. Union support provided under the Facility, *subject to national sustainable transition plans approved by the Commission*, shall be provided in the form of grants in accordance with Title VIII of

the Financial Regulation.

Amendment 24

Proposal for a regulation

Article 6 – paragraph 3

Text proposed by the Commission

3. For grants awarded pursuant to calls for proposals launched as from 1 January 2025, Union support awarded to eligible projects shall be provided without any pre-allocated national share and on a competitive basis at Union level until exhaustion of remaining resources. The award of such grants shall take into account the need to ensure predictability of investment and the promotion of regional *convergence*.

Amendment

3. For grants awarded pursuant to calls for proposals launched as from 1 January 2025, Union support awarded to eligible projects shall be provided without any pre-allocated national share and on a competitive basis at Union level until exhaustion of remaining resources. The award of such grants shall take into account the need to ensure predictability of investment and the promotion of regional *economic, social and territorial cohesion and shall place special attention on less developed regions as referred to in Article [102(2)] of [Regulation (EU) 2020/XXX of the European Parliament and of the Council laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, and the European Maritime and Fisheries Fund and financial rules for those and for the Asylum and Migration Fund, the Internal Security Fund and the Border Management and Visa Instrument ("Common Provisions Regulation")]*.

Amendment 25

Proposal for a regulation

Article 6 – paragraph 4

Text proposed by the Commission

4. The Commission shall adopt a decision by means of *an implementing* act setting out the respective shares for each Member State resulting from the application of the methodology set out in

Amendment

4. The Commission shall adopt a decision by means of *a delegated* act *in accordance with Article 17* setting out the respective shares for each Member State resulting from the application of the

Annex I of Regulation [JTF Regulation] in the form of percentages of the total available resources.

methodology set out in Annex I of Regulation [JTF Regulation] in the form of percentages of the total available resources.

Amendment 26

Proposal for a regulation Article 6 – paragraph 4 a (new)

Text proposed by the Commission

Amendment

4a. Access to the Facility shall be conditional on the adoption of a national objective towards the achievement of climate neutrality by 2050 at the latest. For those Member States, which have not yet committed to a national target for climate neutrality, only 50 % of their national allocation shall be released, and the remaining 50 % shall be made available once they have adopted that target.

Amendment 27

Proposal for a regulation Article 8 – paragraph 1 – point a

Text proposed by the Commission

Amendment

(a) the projects achieve measurable impact in addressing serious social, economic or environmental challenges deriving from the transition process towards a climate-neutral ***economy and*** benefit territories identified in a territorial just transition plan, even if they are not located in those territories;

(a) the projects achieve measurable impact in addressing serious social, economic or environmental challenges deriving from the transition process towards ***the achievement of the Union's updated climate and energy targets, as established in [Regulation (EU) 2020/XXX establishing the framework for achieving climate neutrality and amending Regulation (EU) 2018/1999 the 'European Climate Law']***, and towards a climate-neutral, ***environmentally sustainable, energy and resource efficient and circular economy of the Union by 2050 at the latest***, and contribute to the ***objectives and needs of the*** benefit territories identified in a territorial just

transition plan, even if they are not located in those territories;

Amendment 28

Proposal for a regulation

Article 8 – paragraph 1 – point a a (new)

Text proposed by the Commission

Amendment

(aa) the projects are consistent with the technical screening criteria established by Regulation (EU) 2020/852;

Amendment 29

Proposal for a regulation

Article 8 – paragraph 1 – point d

Text proposed by the Commission

Amendment

(d) the projects do not generate a sufficient stream of own revenues **allowing them to be financed** without Union support.

(d) the projects do not generate a sufficient stream of own revenues **and would not be realised** without Union support.

Amendment 30

Proposal for a regulation

Article 8 – paragraph 1 a (new)

Text proposed by the Commission

Amendment

The following activities shall be excluded from the scope of Union support under this Facility:

(a) investments that are not in line with the EIB's energy financing policy;

(b) projects that are inconsistent with the achievement of the Union's climate and environmental objectives or that are incompatible with the "do no significant harm" principle referred to in Article 17 of Regulation (EU) 2020/852;

(c) *activities excluded under Article [5] of [Regulation (EU) 2020/XXX establishing the Just Transition Fund (JTF Regulation)].*

Amendment 31

Proposal for a regulation Article 13 – paragraph 1

Text proposed by the Commission

The Facility shall be implemented by work programmes ***established in accordance with Article 110 of the Financial Regulation.*** The work programmes shall set out the national shares of resources, including any additional resources, for each Member State in accordance with Articles 4(1) and 6(2) of this Regulation.

Amendment

The Facility shall be implemented by work programmes. ***The Commission shall adopt delegated acts in accordance with Article 17 in order to establish work programmes. The work programmes shall specify the criteria and conditions for the selection and for the prioritisation of projects, taking into account the relevant screening criteria established pursuant to Regulation (EU) 2020/852, the project's ability to meet the objectives and needs identified in the territorial just transition plans, the contribution to the transition towards a climate-neutral, environmentally sustainable, energy and resource efficient and circular economy of the Union by 2050 at the latest, the overall objective of promoting regional and territorial convergence and the grant's contribution to the viability of projects.*** The work programmes shall set out the national shares of resources, including any additional resources, for each Member State in accordance with Articles 4(1) and 6(2) of this Regulation.

Amendment 32

Proposal for a regulation Article 13 – paragraph 1 a (new)

Text proposed by the Commission

Amendment

The Commission shall adopt delegated acts in accordance with Article 17 setting

out annual work programmes. Those annual work programmes shall set out calls for proposals including the possibility for commitment of all national shares until 31 December 2024.

Amendment 33

Proposal for a regulation Article 13 a (new)

Text proposed by the Commission

Amendment

Article 13a

Selection of finance partners other than the EIB

The Commission shall adopt delegated acts in accordance with Article 17 in order to set out the details of eligibility conditions and selection procedures for finance partners other than EIB.

The eligibility conditions for the finance partners other than the EIB shall reflect the objectives of the Facility.

In particular, when selecting the finance partners, the Commission shall take into account their capacity:

(a) to ensure that their energy lending policy and standards are at least equivalent to those of the EIB;

(b) to maximise the impact of the Union guarantee through own resources;

(c) to ensure appropriate geographical diversification of the Facility and allow for the financing of smaller projects;

(d) to implement thoroughly the requirements set out in Article 155(2) and (3) of the Financial Regulation concerning tax avoidance, tax fraud, tax evasion, money laundering, terrorism financing and non-cooperative jurisdictions;

(e) to ensure transparency and public access to information concerning each

project;

(f) to ensure the consistency of their lending policy with the new Union's 2030 targets for climate and energy and the objective of a climate neutral economy in the Union and the alignment with the Union commitments under the Paris Agreement;

(g) to integrate the analysis of environmental, climate, social and governance factors in the selection and evaluation of projects.

The Commission shall publish the selection results.

Justification

Addition of point (a) relating to EIB standards as compared to the list in the draft report

Amendment 34

Proposal for a regulation Article 14 – paragraph 1

Text proposed by the Commission

1. Key performance indicators to monitor implementation and progress of the Facility towards the achievement of the objectives set out in Article 3 are established in Annex II.

Amendment

1. Key performance **and sustainability** indicators to monitor implementation and progress of the Facility towards the achievement of **climate neutrality and other environmental objectives of the Union, the adherence to the "do no significant harm" principle referred to in Regulation (EU) 2020/852, and** the objectives set out in Article 3 are established in Annex II.

Amendment 35

Proposal for a regulation Article 14 – paragraph 2

Text proposed by the Commission

2. The performance reporting system

Amendment

2. The performance reporting system

shall ensure that data regarding the indicators referred to in paragraph 1 are collected efficiently, effectively and in a timely fashion. Beneficiaries in cooperation with finance partners shall provide to the Commission the data regarding those indicators.

shall ensure that data regarding the **key performance and sustainability** indicators referred to in paragraph 1 are collected efficiently, effectively and in a timely, **reliable and independent** fashion. Beneficiaries in cooperation with finance partners shall provide to the Commission the data regarding those indicators.

Amendment 36

Proposal for a regulation Article 14 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

2a. The Commission shall report annually on the implementation of the Facility in accordance with Article 250 of the Financial Regulation. That report shall provide information on the results and impact of the Facility with respect to its objectives and performance indicators, in particular its contribution to the achievement of the financial and investment objectives of the Union on climate and environmental mainstreaming addressing the transition needs. For that purpose, finance partners and beneficiaries shall provide on an annual basis all the necessary information and data.

Both the interim and final evaluation shall also assess the contribution to the achievement of the Union's updated 2030 climate and energy targets as established in [Regulation (EU) 2020/XXX establishing the framework for achieving climate neutrality and amending Regulation (EU) 2018/1999 (the 'European Climate Law')], and the contribution to the achievement of a national objective towards climate neutrality by 2050.

Amendment 37

Proposal for a regulation
Article 16 – paragraph 1

Text proposed by the Commission

1. Audits on the use of the Union support provided under the Facility carried out by persons or entities, including by other than those mandated by the Union Institutions or bodies, shall form the basis of the overall assurance pursuant to Article 127 of the Financial Regulation.

Amendment

1. Audits on the use of the Union support provided under the Facility carried out by persons or entities, including by other than those mandated by the Union Institutions or bodies, shall form the basis of the overall assurance pursuant to Article 127 of the Financial Regulation, **and shall ensure the adherence to the EU taxonomy established by Regulation (EU) 2020/852 and the "do no significant harm" principle referred to in that Regulation.**

Amendment 38

Proposal for a regulation
Article 18 a (new)

Text proposed by the Commission

Amendment

Article 18a

The Commission shall make publicly available upon delivery any opinions issued on the projects selected or financed under this Facility in accordance with the procedure provided for in Article 19 of the Statute of the EIB.

Amendment 39

Proposal for a regulation
Annex II – point 6 – point 6.4

Text proposed by the Commission

Amendment

6.4 Direct support to transition (renewable energy, energy efficiency)

6.4 Direct support to ***climate*** transition, ***decarbonisation, in particular support to renewable energy and energy efficiency, and other environmental objectives***

Amendment 40

Proposal for a regulation Annex II – point 7 a (new)

Text proposed by the Commission

Amendment

7a. Number of new created jobs

Amendment 41

Proposal for a regulation Annex II – point 7 b (new)

Text proposed by the Commission

Amendment

**7b. The effect on the supported
territory GDP**

PROCEDURE – COMMITTEE ASKED FOR OPINION

Title	Public sector loan facility under the Just Transition Mechanism	
References	COM(2020)0453 – C9-0153/2020 – 2020/0100(COD)	
Committees responsible Date announced in plenary	BUDG 17.6.2020	ECON 17.6.2020
Opinion by Date announced in plenary	ENVI 17.6.2020	
Rapporteur Date appointed	Pascal Canfin 10.6.2020	
Rule 58 – Joint committee procedure Date announced in plenary	23.7.2020	
Discussed in committee	1.10.2020	
Date adopted	2.10.2020	
Result of final vote	+: 55	–: 25
	0: 0	
Members present for the final vote	Nikos Androulakis, Bartosz Arłukowicz, Margrete Auken, Simona Baldassarre, Marek Paweł Balt, Traian Băsescu, Aurelia Beigneux, Monika Beňová, Sergio Berlato, Alexander Bernhuber, Malin Björk, Simona Bonafè, Delara Burkhardt, Pascal Canfin, Sara Cerdas, Mohammed Chahim, Tudor Ciuhodaru, Nathalie Colin-Oesterlé, Miriam Dalli, Esther de Lange, Christian Doleschal, Marco Dreosto, Bas Eickhout, Eleonora Evi, Agnès Evren, Fredrick Federley, Pietro Focchi, Catherine Griset, Jytte Guteland, Teuvo Hakkarainen, Anja Hazekamp, Martin Hojsik, Pär Holmgren, Jan Huitema, Yannick Jadot, Adam Jarubas, Petros Kokkalis, Athanasios Konstantinou, Joanna Kopcińska, Ryszard Antoni Legutko, Peter Liese, Sylvia Limmer, Javi López, César Luena, Fulvio Martusciello, Liudas Mažylis, Joëlle Mélin, Tilly Metz, Silvia Modig, Dolores Montserrat, Alessandra Moretti, Dan-Ștefan Motreanu, Ville Niinistö, Ljudmila Novak, Grace O’Sullivan, Jutta Paulus, Stanislav Polčák, Jessica Polfjärd, Luisa Regimenti, Frédérique Ries, María Soraya Rodríguez Ramos, Sándor Rónai, Rob Rooken, Silvia Sardone, Christine Schneider, Günther Sidl, Linea Sjøgaard-Lidell, Nicolae Ștefănuță, Nils Torvalds, Edina Tóth, Véronique Trillet-Lenoir, Petar Vitanov, Alexandr Vondra, Mick Wallace, Pernille Weiss, Michal Wiezik, Tiemo Wölken, Anna Zalewska	
Substitutes present for the final vote	Radan Kanev, Ulrike Müller	

FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

55	+
EPP	Bartosz Arłukowicz, Traian Băsescu, Alexander Bernhuber, Nathalie Colin-Oesterlé, Christian Doleschal, Agnès Evren, Adam Jarubas, Radan Kanev, Esther De Lange, Peter Liese, Fulvio Martusciello, Liudas Mažylis, Dolores Montserrat, Dan-Ștefan Motreanu, Ljudmila Novak, Stanislav Polčák, Jessica Polfjård, Christine Schneider, Edina Tóth, Pernille Weiss, Michal Wiezik
S&D	Nikos Androulakis, Marek Paweł Balt, Monika Beňová, Simona Bonafè, Delara Burkhardt, Sara Cerdas, Mohammed Chahim, Tudor Ciuhodaru, Miriam Dalli, Jytte Guteland, Javi López, César Luena, Alessandra Moretti, Sándor Rónai, Günther Sidl, Petar Vitanov, Tiemo Wölken
RENEW	Pascal Canfin, Fredrick Federley, Martin Hojsik, Jan Huitema, Ulrike Müller, Frédérique Ries, María Soraya Rodríguez Ramos, Nicolae Ștefănuță, Linea Sjøgaard-Lidell, Nils Torvalds, Véronique Trillet-Lenoir
GUE/NGL	Malin Björk, Anja Hazekamp, Petros Kokkalis, Silvia Modig, Mick Wallace
NI	Athanasios Konstantinou

25	-
ID	Simona Baldassarre, Aurelia Beigneux, Marco Dreosto, Catherine Griset, Teuvo Hakkarainen, Sylvia Limmer, Joëlle Mélin, Luisa Regimentí, Silvia Sardone
GREENS/EFA	Margrete Auken, Bas Eickhout, Pär Holmgren, Yannick Jadot, Tilly Metz, Ville Niinistö, Grace O'sullivan, Jutta Paulus
ECR	Sergio Berlato, Pietro Fiocchi, Joanna Kopcińska, Ryszard Antoni Legutko, Rob Rooken, Alexandr Vondra, Anna Zalewska
NI	Eleonora EVI

0	0

Key to symbols:

+ : in favour

- : against

0 : abstention

2.10.2020

OPINION OF THE COMMITTEE ON INDUSTRY, RESEARCH AND ENERGY

for the Committee on Budgets and the Committee on Economic and Monetary Affairs

on the proposal for a regulation of the European Parliament and of the Council on the public sector loan facility under the Just Transition Mechanism (COM(2020)0453 – C9-0153/2020 – 2020/0100(COD))

Rapporteur for opinion: Izabela-Helena Kloc

SHORT JUSTIFICATION

Rapporteur welcomes the proposal to establish a Loan facility for the public sector provided for in this proposal. Public sector has a particular place in the process of driving the transition to a climate-neutral economy of the Union. It is necessary to recognise that its components such as social investments, recultivation of lands and mitigation of energy poverty have a value beyond short-term financial returns and need distinct treatment. One of the key roles of the public sector is to step in when the market is failing.

Particular attention needs to be paid to regions that are historically heavily reliant on mining the coal. Coal mining regions have robustly rooted and interlinked communities. Coal is a significant economic driver, providing jobs to around 230.000 people in mines and power plants across 31 regions in 11 EU member states. Closure of mines represents for these regions substantial stress on society. Given the largely heard motto “no one left behind”, rapporteur strongly believes that citizens living in these areas deserve special attention.

In the view of the rapporteur, the loan instrument for the public sector should be highly flexible and allow financing a wide range of investments responding to social, environmental economic and energy security challenges. The provisions of the Regulation should take into account the fact that there are different starting points in the transformation process of individual Member States and their regions, and thus allow for the financing of cost-effective transition technologies.

The rapporteur has proposed several key amendments, mainly intending to clarify provisions of the text.

First, the definition of beneficiary was clarified. The term ‘public sector legal entity’ refers to both to an entity established as a public law body and to those established as private law bodies which are entrusted with a public service mission. This seems to exclude from the scope enterprises that formally are not public sector entities however they carry out important public tasks such as waste management, recycling, city lightning, etc. Rapporteur believes

that such exclusion is not justified and would prevent realisation of a number of vital public interest projects and suggested respective change. Taking into account that there is no uniformed definition and understanding of a notion of “public service mission” across national laws it was clearly stated that the fact of its entering in a PPP with a public body should constitute the public service mission. In this way an ambiguity was solved whether the private entity needs to fulfil a public service mission in general, i.e. prior to and outside of the PPP, or whether, by contrast, the fact of entering in a PPP with a public body constitutes the public service mission.

Second, the rapporteur stressed the necessity of a wide range of investments to be covered under the Facility. Broader development needs stemming from the transition process and detailed in the territorial just transition plans will need to be addressed. In order to promote new economic activities replacing those that are phased out due to ambitious climate policies of the EU and to enhance the economic diversification of territories affected, the Facility should cover a wider range of investments compared to the first pillar. The wider range of investments eligible should reflect the particularities of the needs of the regions affected as expressed in their territorial just transition plans e.g. in transport, waste management, public lighting, district heating, distribution and energy transmission. This should include investments in natural gas as a RES enabler and an efficient and affordable way of fuel-switching from more emissive sources that delivers low-emission solutions for economies and ensures that costs of the transition are kept in checks.

Third, rapporteur believes that third parties should not decide on the directions of EU policies which are agreed upon among all Member States, therefore the provisions of this Regulations should have an overriding character over the lending policies of the financing partners, including EIB. Taking into account the diverse character of the lending policies of the financial institutions, often excluding particular types of investments, it is therefore important to ensure that the Facility has administrative agreements with different finance partners, including national banks, so that a large sectoral range of necessary public investments envisaged in the territorial just transitions plans by the Member States is financed. An open catalogue of financial partners will enable a wider spectrum of the instrument's use in Member states, and will be consistent with the EC's policy to date, which opens the possibility of involving national development banks in the implementation of financial instruments managed directly by the EC.

Fourth, the rapporteur is of the opinion that the beneficiary projects should be eligible to receive support under other Union programmes. Taking away this possibility could lead to lack of expected absorption in less developed regions due to difficulties in cofinancing.

AMENDMENTS

The Committee on Industry, Research and Energy calls on the Committee on Budgets and the Committee on Economic and Monetary Affairs, as the committees responsible, to take into account the following amendments:

Amendment 1

Proposal for a regulation

Recital 1

Text proposed by the Commission

(1) The Commission adopted a Communication on the European Green Deal on 11 December 2019⁹, drawing its roadmap towards a new growth policy for Europe and setting ambitious objectives to counter climate change and for environmental protection. In line with the objective **to achieve** climate neutrality **in the Union** by 2050 in an effective **and fair** manner, the European Green Deal announced a Just Transition Mechanism to provide means for facing the **climate** challenge while leaving no one behind. The most vulnerable regions and people are the most exposed to the harmful effects of climate change and environmental degradation. At the same time, managing the transition requires significant structural changes.

⁹ COM(2019) 640 final.

Amendment

(1) The Commission adopted a Communication on the European Green Deal on 11 December 2019⁹, drawing its roadmap towards a new growth policy for Europe and setting ambitious objectives to counter climate change and for environmental protection. In line with the objectives **of achieving the Union's 2030 targets for climate and energy and** climate neutrality by 2050 in an effective, **fair and solidary** manner **and taking into account the global framework set by Paris Agreement**, the European Green Deal announced a Just Transition Mechanism to provide means for facing the challenge **of the transition** while leaving no one behind. The most vulnerable regions and people are the most exposed to the harmful effects of climate change and environmental degradation. At the same time, managing the transition requires significant structural changes.

⁹ COM(2019) 640 final.

Amendment 2

Proposal for a regulation Recital 1 a (new)

Text proposed by the Commission

Amendment

(1a) Achieving the Union's climate objectives requires addressing not only the problem of variable speed transition in the Union as regards climate action, but also the risk of growing socio-economic disparities between regions and the discontent of potentially adversely affected social groups. It is of paramount importance that efforts are concentrated on economic transformation and revitalisation of the territories concerned, for example coal mining regions, rather

than relying on workers' mobility and risking the depopulation and stagnation of entire regions. In order to maintain coherence between the objectives of the transition and the priorities and goals of the Union such as boosting jobs, reducing poverty and inequality, effective support should be provided in order to diversify local economies through sound investments and to create sustainable employment to ensure that workers employed in sectors affected by the transition will be re-absorbed into local labour market.

Amendment 3

Proposal for a regulation Recital 2

Text proposed by the Commission

(2) The Commission adopted a Communication on the European Green Deal Investment Plan¹⁰ on 14 January 2020, establishing the Just Transition Mechanism which focuses on the regions and sectors that are most affected by the transition given their dependence on fossil fuels, including coal, peat and oil shale or greenhouse gas-intensive industrial processes but have less capacity to finance the necessary investments. The Just Transition Mechanism consists of three pillars: a Just Transition Fund implemented under shared management, a dedicated just transition scheme under InvestEU, and a public sector loan facility to mobilise additional investments to the regions concerned.

¹⁰ COM(2020) 21 final.

Amendment

(2) The Commission adopted a Communication on the European Green Deal Investment Plan¹⁰ on 14 January 2020, establishing the Just Transition Mechanism which focuses on the regions, **communities** and sectors that are most affected by the transition given their dependence on fossil fuels, including coal, peat and oil shale or greenhouse gas-intensive industrial processes, **and structure of their employment** but have less capacity to finance the **necessary** investments. The Just Transition Mechanism consists of three pillars: a Just Transition Fund implemented under shared management, a dedicated just transition scheme under InvestEU, and a public sector loan facility to mobilise additional investments to the regions concerned.

¹⁰ COM(2020) 21 final.

Amendment 4

Proposal for a regulation Recital 3 a (new)

Text proposed by the Commission

Amendment

(3a) The public sector has a particular place in the process of driving the transition to a climate-neutral Union economy. It is necessary to recognise that the components of a climate-neutral economy, such as renewables and wider low-carbon developments, cross-sectorial innovation and social investments, have a value beyond short-term financial returns and need distinct treatment. One of the key roles of the public sector is to step in when the market is failing.

Amendment 5

Proposal for a regulation Recital 4

Text proposed by the Commission

Amendment

(4) A public sector loan facility (the ‘Facility’) should be provided. It constitutes the third pillar of the Just Transition Mechanism, supporting public sector entities in their investments. Such investments should meet the development needs resulting from the transition challenges described in the territorial just transition plans as ***adopted*** by the Commission. The activities envisaged for support should be consistent with and complement those supported under the other two pillars of the Just Transition Mechanism.

(4) A public sector loan facility (the ‘Facility’) should be provided. It constitutes the third pillar of the Just Transition Mechanism, supporting public sector entities in their investments. Such investments should meet the development needs resulting from the transition challenges described in the territorial just transition plans as ***approved*** by the Commission. The activities envisaged for support should be consistent with and complement those supported under the other two pillars of the Just Transition Mechanism.

Amendment 6

Proposal for a regulation Recital 5

(5) In order to enhance the economic diversification of territories impacted by the transition, the Facility should cover a **wide** range of investments, on condition that they contribute to meet the development needs in the transition towards a climate neutral economy, as described in the territorial just transition plans. The investments supported may cover energy and transport infrastructure, district heating **networks**, green mobility, smart waste management, clean energy and energy efficiency measures including renovations and conversions of buildings, support to transition to a circular economy, **land restoration and decontamination**, as well as up- and re-skilling, training and social infrastructure, including social housing. Infrastructure developments may also include solutions leading to their enhanced resilience to withstand disasters. Comprehensive investment approach should be favoured in particular for territories with important transition needs. Investments in other sectors could also be supported if they are consistent with the adopted territorial just transition plans. By supporting investments that do not generate sufficient revenues, the Facility aims at providing public sector **entities** with additional resources necessary to address the social, economic **and** environmental challenges resulting from the adjustment to climate transition. In order to help identify investments with a high positive environmental impact eligible under the Facility, the EU taxonomy on environmentally sustainable economic activities may be used.

(5) In order to enhance the economic diversification of territories impacted by the transition, the Facility should cover a **wider** range of investments **as compared to the first pillar** on condition that they contribute to meet the **social, economic, labour, energy security or environmental** development needs in the transition towards **the Union's 2030 targets for climate and energy and a climate neutral economy by 2050**, as described in the territorial just transition plans. **That transition aims to decouple from resource consumption and eliminate net emissions of greenhouse gases as well as other adverse impacts on human health and the environment related to, inter alia, the deterioration of biodiversity and ecosystems, overconsumption of resources or chemical pollution. The support mechanism should avoid further increasing economic disparities between Union regions and should focus on the strengthening of social cohesion amongst all Union citizens.** The investments supported may cover energy and transport infrastructure, district heating **systems**, green **and sustainable** mobility, smart waste management, clean **and low-carbon** energy and energy efficiency measures including renovations and conversions of buildings, **investments in research and innovation activities**, support to transition to a circular economy, **urban environmental infrastructure, protection of cultural and historical heritage** as well as up- and re-skilling, training and social infrastructure, including social housing. Infrastructure developments may also include solutions leading to their enhanced resilience to withstand disasters. **Investments might also cover land restoration and decontamination unless falling under the scope of liabilities for environmental damage in accordance with polluter-pays principle referred to in**

Article 191 TFEU. Comprehensive investment approach should be favoured in particular for territories with important transition needs. Investments in other sectors could also be supported if they are consistent with the adopted territorial just transition plans. By supporting investments that do not generate sufficient revenues, the Facility aims at providing public sector with additional resources necessary to address the social, economic environmental **and energy security** challenges resulting from the adjustment to climate transition **as well as to deliver long-term job opportunities for workers affected by economic restructuring.** In order to help identify investments with a high positive environmental impact eligible under the Facility, the EU taxonomy on environmentally sustainable economic activities may be used.

Amendment 7

Proposal for a regulation Recital 5 a (new)

Text proposed by the Commission

Amendment

(5a) Projects involving natural gas should be eligible for support provided that such investment is used as a bridging technology replacing coal, lignite, peat, oil shale, until other zero-emissions and innovative technologies are fully deployed to a degree that is sufficient to ensure the continuity of the energy supply and security, and energy affordability, and that demonstrates it delivers significant reductions in greenhouse gas emissions, and allows a further use of renewable gas. Such investment should be necessary for the implementation of the territorial just transition plans established in accordance with Article 7 [JTF] and demonstrate the consistency with the Union's objective of climate neutrality by 2050.

Amendment 8

Proposal for a regulation Recital 5 b (new)

Text proposed by the Commission

Amendment

(5b) In order to avoid stranded assets and to ensure that public funding is used in most cost-effective manner, beneficiary projects should have long-lasting green, sustainable effect and contribute to reaching climate neutrality by 2050.

Amendment 9

Proposal for a regulation Recital 5 c (new)

Text proposed by the Commission

Amendment

(5c) Transitioning to climate-neutrality also presents new economic opportunities. Transition to a renewables-based economy holds a significant job creation potential that, if properly tapped, could eventually lead to high employment levels in territories currently dependent on fossil fuels. The shift to renewable energy can enable local communities to become active participants in and owners of the energy transition and move from single- to a multi-industry model. In particular, the reconversion of former mine sites to renewable energy generation and storage, and construction of renewable energy infrastructure in such sites or neighbouring areas can provide green jobs to communities. Moreover, such reconversion can contribute to energy security and resilience, based on a decentralised energy system model.

Amendment 10

Proposal for a regulation Recital 5 d (new)

Text proposed by the Commission

Amendment

(5d) The supported investments covering in particular energy efficiency, waste management in accordance with waste hierarchy and waste-water management, could be successfully implemented through Private Public Partnerships (PPPs). Therefore the Facility should cover PPPs. A private entity, whether or not it belongs to a public sector, that has entered into a long-term PPP with a public body in order to implement a project that meets criteria laid down by this Regulation should be an eligible beneficiary of the Facility. The fact of its entering in a PPP with a public body should constitute the public service mission.

Amendment 11

Proposal for a regulation Recital 14

Text proposed by the Commission

Amendment

(14) Specific eligibility conditions and award criteria should be set out in the work programme and the call for proposals. Those eligibility conditions and award criteria should take into account the **relevance** of the project **in the context of** the development needs described in the territorial just transition plans, the overall objective of promoting regional and territorial convergence and the significance of the grant component for the viability of the project. Union Support established by this Regulation should thus only be made available to Member States with at least one territorial just transition plan adopted.

(14) **In case demand exceeds the nationally allocated funding resources**, specific eligibility conditions and award criteria should be set out in the work programme and the call for proposals. Those eligibility conditions and award criteria should take into account the **ability** of the project **to meet the objectives and** the development needs described in the territorial just transition plans, the overall objective of promoting regional and territorial convergence, **as well as the overall impact on the regional labour market** and the significance of the grant component for the viability of the project.

The work programme and calls for proposals will also take into account the territorial just transition plans submitted by Member States to ensure that coherence and consistency across the different pillars of the mechanism is ensured.

Union Support established by this Regulation should thus only be made available to Member States with at least one territorial just transition plan adopted. The work programme and calls for proposals will also take into account the territorial just transition plans submitted by Member States to ensure that coherence and consistency across the different pillars of the mechanism is ensured.

Amendment 12

Proposal for a regulation Recital 16 a (new)

Text proposed by the Commission

Amendment

(16a) Given the relatively low level of the grant component, a number of projects could have an insufficient stream of own revenues in order to be supported only by the Facility. This could lead to lack of expected absorption in less developed regions where a lower-income public sector could experience difficulties in cofinancing. Therefore, eligible projects could combine support under other Union programmes.

Amendment 13

Proposal for a regulation Recital 22

Text proposed by the Commission

Amendment

(22) The objective of this Regulation, namely to leverage public investment in territories, most impacted by the transition towards climate neutrality by addressing the corresponding development needs, cannot be sufficiently achieved by the Member States alone. The main reasons in this regard are the difficulties for public entities to support investments, which do not generate sufficient streams of own

(22) The objective of this Regulation, namely to leverage public investment in territories, most impacted by the transition towards climate neutrality by addressing the corresponding development needs, cannot be sufficiently achieved by the Member States alone. The main reasons in this regard are the difficulties for public entities to support investments ***that benefit the territories most negatively affected by***

revenues and ***benefit the territories most negatively impacted by climate transition, without EU*** grant support and the need for a coherent implementation framework under direct management. Since those objectives can be better achieved at Union level, the Union may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 TEU. In accordance with the principle of proportionality as set out in that Article, this Regulation does not go beyond what is necessary in order to achieve that objective,

the climate and energy transition but do not generate sufficient streams of own revenues and ***would not be funded by the project promoter within the same timeframe or to the same extent*** without ***the element of*** grant support ***from the Union budget*** and the need for a coherent implementation framework under direct management. Since those objectives can be better achieved at Union level, the Union may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 TEU. In accordance with the principle of proportionality as set out in that Article, this Regulation does not go beyond what is necessary in order to achieve that objective,

Amendment 14

Proposal for a regulation Article 1 – paragraph 2

Text proposed by the Commission

The Facility shall provide support benefitting Union territories facing serious social, environmental ***and*** economic challenges deriving from the transition process towards a climate-neutral economy ***of the Union*** by 2050.

Amendment

The Facility shall provide support benefitting Union territories facing serious social, environmental economic ***and energy security*** challenges deriving from the transition process towards ***the Union's 2030 targets for climate and energy and*** a climate-neutral economy by 2050.

Amendment 15

Proposal for a regulation Article 2 – paragraph 1 – point 2

Text proposed by the Commission

2. 'beneficiary' means a ***public sector*** legal entity established in a Member State as a public law body, or as a body governed by private law entrusted with a public service mission, with whom a grant agreement has been signed under the

Amendment

2. 'beneficiary' means a legal entity established in a Member State as a public law body, or as a body governed by private law entrusted with ***the implementation of a public-private partnership (PPP) or with another*** public service mission with whom a grant agreement has been signed under

Facility;

the Facility;

Amendment 16

Proposal for a regulation

Article 2 – paragraph 1 – point 3

Text proposed by the Commission

3. 'finance partners' means the EIB, other international financial institutions, national promotional banks and financial institutions, with which the Commission signs an administrative agreement to cooperate within the Facility;

Amendment

3. 'finance partners' means the EIB, other international financial institutions, national **and regional** promotional banks and financial institutions, with which the Commission signs an administrative agreement to cooperate within the Facility;

Amendment 17

Proposal for a regulation

Article 2 – paragraph 1 – point 6 a (new)

Text proposed by the Commission

Amendment

6a. 'additionality' means the support for projects that do not generate a sufficient stream of own revenues and would not be financed without the element of grant support from the Union budget and that contribute to the general objectives laid down in Article 3.

Amendment 18

Proposal for a regulation

Article 3 – paragraph 1

Text proposed by the Commission

1. The general objective of the Facility is to address serious socio-economic challenges deriving from the transition process towards **a** climate-neutral economy for the benefit of the Union territories identified in the territorial just transition plans prepared by the

Amendment

1. The general objective of the Facility is to address serious socio-economic challenges **and opportunities** deriving from the transition process towards **the Union's 2030 target for climate and energy and** climate-neutral economy **by 2050, in line with Paris**

Member States in accordance with Article 7 of Regulation [JTF Regulation].

Agreement objectives and responding to the need to strengthen competitiveness, for the benefit of the territories identified in the territorial just transition plans prepared by the Member States in accordance with Article 7 of Regulation [JTF Regulation].

Amendment 19

Proposal for a regulation Article 3 – paragraph 2

Text proposed by the Commission

2. The Facility shall have the specific objective of increasing public sector investments, which address the development needs of regions identified in the territorial just transition plans, by facilitating the financing of projects that do not generate a sufficient stream of own revenues and would not be financed without the element of grant support from the Union budget.

Amendment

2. The Facility shall have the specific objective of increasing public sector investments, which ***support actions and solutions for fair, efficient and affordable energy transition and*** address the development needs of regions identified in the territorial just transition plans, by facilitating the financing of projects that ***are in line with the Union's climate targets, provide long-term sustainable employment, but*** do not generate a sufficient stream of own revenues and would not be financed without the element of grant support from the Union budget.

Amendment 20

Proposal for a regulation Article 3 – paragraph 3

Text proposed by the Commission

3. In pursuing the achievement of the specific objective referred to in paragraph 2, this Regulation also aims at providing advisory support for the preparation, development, and implementation of eligible projects where necessary. That advisory support shall be provided in accordance with the rules and implementation methods for the InvestEU Advisory Hub established by Article [20]

Amendment

3. In pursuing the achievement of the specific objective referred to in paragraph 2, this Regulation also aims at providing advisory support for the ***assessment of eligibility,*** preparation, development, and implementation of eligible projects where necessary. That advisory support shall be provided in accordance with the rules and implementation methods for the InvestEU Advisory Hub established by Article [20]

of Regulation [InvestEU Regulation].

of Regulation [InvestEU Regulation].

Amendment 21

Proposal for a regulation

Article 8 – paragraph 1 – point a

Text proposed by the Commission

(a) the projects achieve measurable impact in addressing serious social, economic or environmental challenges deriving from the transition process towards a climate-neutral economy and benefit territories identified in a territorial just transition plan, even if they are not located in those territories;

Amendment

(a) the projects achieve measurable impact in addressing serious social, economic , **labour, energy security** or environmental challenges deriving from the transition process towards **the Union's 2030 target for climate and energy and a climate-neutral economy by 2050** and benefit territories identified in a territorial just transition plan, even if they are not located in those territories;

Amendment 22

Proposal for a regulation

Article 8 – paragraph 1 – point b

Text proposed by the Commission

(b) **the projects do not receive support under any other Union programmes;**

Amendment

deleted

Amendment 23

Proposal for a regulation

Article 8 – paragraph 1 a (new)

Text proposed by the Commission

Amendment

Projects involving natural gas shall be considered eligible, provided that such investments are necessary for the implementation of the territorial just transition plans established in accordance with Article 7 [JTF] and under the following duly justified circumstances:

(a) the investments are taking place in

territories facing particularly serious energy transition challenges due to their high dependency on solid fossil fuels, such as those regions with a high-share of solid fossil fuel-based district heating systems;

(b) the investments contribute to the Union's environmental objectives on climate change mitigation and adaptation, through accelerating the phase-out of coal, lignite, peat or oil shale;

(c) the investments are consistent with Union's energy and climate objectives and legislation, and the national energy and climate plans, and are of a transitional nature;

(d) a prior assessment of the use of renewable-only energy sources has been carried out;

(e) the replacement of highly carbon-intensive and solid fossil fuels based energy infrastructure delivers a significant reductions in greenhouse gas emissions and air pollution and increases energy efficiency;

(f) the activities supported contribute to reducing energy poverty;

(g) the activities supported do not hamper the development of renewable energy sources in the concerned territories and are compatible and in synergy with a future use of renewable energy sources.

Amendment 24

Proposal for a regulation Article 9 – paragraph 1

Text proposed by the Commission

Notwithstanding the criteria set out in Article 197 of the Financial Regulation, only **public sector** legal entities established in a Member State as a public law body, or as a body governed by private law

Amendment

Notwithstanding the criteria set out in Article 197 of the Financial Regulation, only legal entities established in a Member State as a public law body, or as a body governed by private law entrusted with **the**

entrusted with **a** public service mission, are eligible to apply as potential beneficiaries under this Regulation.

implementation of a PPP or with another public service mission, are eligible to apply as potential beneficiaries under this Regulation.

Amendment 25

Proposal for a regulation Article 10 – paragraph 2

Text proposed by the Commission

2. The amount of the grant shall not exceed 15% of the amount of the loan provided by the finance partner under this Facility. For projects located in territories in NUTS level 2 regions with a GDP per capita not exceeding 75% of the average GDP of the EU-27 as referred to in Article [102(2)] of Regulation [new CPR], the amount of the grant shall not exceed **20%** of the amount of the loan provided by the finance partner.

Amendment

2. The amount of the grant shall not exceed 15% of the amount of the loan provided by the finance partner under this Facility. For projects located in territories in NUTS level 2 regions with a GDP per capita not exceeding 75% of the average GDP of the EU-27 as referred to in Article [102(2)] of Regulation [new CPR], the amount of the grant shall not exceed **25%** of the amount of the loan provided by the finance partner. ***For projects located in territories in NUTS level 2 regions with a GDP per capita of between 75 % and 100 % of the average GDP of the EU-27 as referred to in Article [102(2)] of Regulation [new CPR], which in the 2014-2020 programming period were classified as less developed regions, the amount of the grant shall not exceed 25 % of the amount of the loan provided by the finance partner.***

Amendment 26

Proposal for a regulation Article 11 – paragraph 1

Text proposed by the Commission

1. In addition to the grounds specified in Article 131(4) of the Financial Regulation and after consulting the finance partner, the amount of the grant may be reduced or the grant agreement may be terminated, if within **two** years from the

Amendment

1. In addition to the grounds specified in Article 131(4) of the Financial Regulation and after consulting the finance partner, the amount of the grant may be reduced or the grant agreement may be terminated, if within **three** years from the

date of signature of the grant agreement, the economically most significant supply, works or services contract has not been signed, in cases where the conclusion of such contract is envisaged pursuant to the grant agreement.

date of signature of the grant agreement, the economically most significant supply, works or services contract has not been signed, in cases where the conclusion of such contract is envisaged pursuant to the grant agreement.

Amendment 27

Proposal for a regulation Article 13 a (new)

Text proposed by the Commission

Amendment

Article 13a

Selection of finance partners other than the EIB

The Commission shall set out the conditions and procedures for selecting finance partners other than EIB. Those implementing acts shall be adopted in accordance with the procedure referred to in Article 5 of Regulation (EU) No 182/2011.

Finance partners other than the EIB which have successfully passed the pillar assessment procedure set out in the Article 154 of the Financial Regulation shall be eligible to implement the Facility.

The eligibility conditions for selecting the finance partners other than the EIB shall reflect the objectives of the Facility. In particular, when selecting the finance partners the Commission shall take into account the capacity of finance partners to:

(a) maximise the impact of the Union grant component through own resources;

(b) ensure appropriate geographical diversification of the Facility and allow for the financing of smaller projects;

(c) ensure transparency and public access to information concerning each project;

(d) ensure that the projects selected for

support under the Facility are consistent with the objectives of the Facility and the Union's 2030 targets for climate and energy and climate neutral economy by 2050;

(e) integrate the analysis of environmental, climate, social and governance factors in the selection and evaluation of projects.

The Commission shall publish the selection results.

Amendment 28

Proposal for a regulation Article 14 – paragraph 3

Text proposed by the Commission

3. The Commission shall be empowered to adopt delegated acts in accordance with Article 17 to amend Annex II by modifying the indicators referred to in paragraph 1.

Amendment

3. *Where the interim evaluation referred to in article 15(2) finds that the indicators in Annex II do not allow for a proper assessment of the Facility* the Commission shall be empowered to adopt delegated acts in accordance with Article 17 to amend Annex II by modifying the indicators referred to in paragraph 1.

Amendment 29

Proposal for a regulation Article 14 a (new)

Text proposed by the Commission

Amendment

Article 14a

Transparency

1. *Beneficiaries shall ensure, for the benefit of the general public and a wide re-use of public sector and publicly funded information across the Union, transparency concerning the actions under this instrument. They shall publish online in open, machine-readable*

formats, as set out in Article 5(1) of the Directive 2019/1024 (EC) of the European Parliament and of the Council, relevant information concerning funded projects, such as description of the project, impact assessment, evaluation and audit reports.

2. Finance partners shall disclose all relevant information on each project financed and make that information publicly available on their website, without prejudice to applicable Union and national rules concerning confidentiality and professional secrecy.

3. The Commission shall ensure the publication of the information on beneficiaries pursuant to Article 38 of the Financial Regulation.

Amendment 30

Proposal for a regulation Article 15 – paragraph 2

Text proposed by the Commission

2. The interim evaluation of the Facility shall be performed by 30 June 2025, when sufficient information is expected to be available about the implementation of the Facility. The evaluation shall in particular demonstrate how the Union support provided under the Facility shall have contributed in addressing the needs of territories implementing the territorial just transition plans.

Amendment

2. The interim evaluation of the Facility shall be performed by 30 June 2025, when sufficient information is expected to be available about the implementation of the Facility. The evaluation shall in particular demonstrate how the Union support provided under the Facility shall have contributed in addressing the needs of territories implementing the territorial just transition plans. ***It shall also analyse how Union support provided under the Facility has contributed to meeting the Union's sustainability policy objectives, in particular the Union's 2030 targets for climate and energy and the transition towards a climate-neutral economy by 2050.***

Amendment 31

Proposal for a regulation Annex II – point 7 a (new)

Text proposed by the Commission

Amendment

7a. Number of saved jobs

Amendment 32

Proposal for a regulation Annex II – point 7 b (new)

Text proposed by the Commission

Amendment

7b. Number of new jobs created

Amendment 33

Proposal for a regulation Annex II – point 7 c (new)

Text proposed by the Commission

Amendment

7c. The impact on the GDP of the supported territory

PROCEDURE – COMMITTEE ASKED FOR OPINION

Title	Public sector loan facility under the Just Transition Mechanism
References	COM(2020)0453 – C9-0153/2020 – 2020/0100(COD)
Committees responsible Date announced in plenary	BUDG ECON 17.6.2020 17.6.2020
Opinion by Date announced in plenary	ITRE 17.6.2020
Rapporteur Date appointed	Izabela-Helena Kloc 10.7.2020
Rule 58 – Joint committee procedure Date announced in plenary	23.7.2020
Discussed in committee	1.9.2020
Date adopted	1.10.2020
Result of final vote	+: 54 –: 13 0: 4
Members present for the final vote	Nicola Beer, François-Xavier Bellamy, Hildegard Bentele, Tom Berendsen, Vasile Blaga, Michael Bloss, Manuel Bompard, Paolo Borchia, Marc Botenga, Cristian-Silviu Buşoi, Jerzy Buzek, Carlo Calenda, Andrea Caroppo, Ignazio Corrao, Ciarán Cuffe, Josianne Cutajar, Nicola Danti, Pilar del Castillo Vera, Martina Dlabajová, Christian Ehler, Valter Flego, Niels Fuglsang, Lina Gálvez Muñoz, Claudia Gamon, Nicolás González Casares, Bart Groothuis, Christophe Grudler, András Gyürk, Henrike Hahn, Robert Hajšel, Ivo Hristov, Ivars Ijabs, Romana Jerković, Eva Kaili, Seán Kelly, Izabela-Helena Kloc, Łukasz Kohut, Zdzisław Krasnodębski, Andrius Kubilius, Miapetra Kumpula-Natri, Thierry Mariani, Eva Maydell, Joëlle Mélin, Angelika Niebler, Ville Niinistö, Aldo Patriciello, Mauri Pekkarinen, Mikuláš Peksa, Tsvetelina Penkova, Morten Petersen, Markus Pieper, Clara Ponsatí Obiols, Sira Rego, Manuela Ripa, Jérôme Rivière, Robert Roos, Sara Skytvedal, Maria Spyrali, Jessica Stegrud, Beata Szydło, Grzegorz Tobiszowski, Patrizia Toia, Evžen Tošenovský, Marie Toussaint, Isabella Tovaglieri, Henna Virkkunen, Pernille Weiss, Carlos Zorrinho
Substitutes present for the final vote	Damian Boeselager, Tomas Tobé

FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

54	+
EPP	Hildegard Bentele, Tom Berendsen, Vasile Blaga, Cristian-Silviu Buşoi, Jerzy Buzek, Maria Da Graça Carvalho, Pilar Del Castillo Vera, Christian Ehler, András Gyürk, Seán Kelly, Andrius Kubilius, Eva Maydell, Angelika Niebler, Aldo Patriciello, Markus Pieper, Sara Skytvedal, Maria Spyraiki, Tomas Tobé, Henna Virkkunen, Pernille Weiss
S&D	Carlo Calenda, Josianne Cutajar, Lina Gálvez Muñoz, Nicolás González Casares, Robert Hajšel, Ivo Hristov, Romana Jerković, Eva Kaili, Łukasz Kohut, Miapetra Kumpula-Natri, Tsvetelina Penkova, Patrizia Toia, Carlos Zorrinho
RENEW	Nicola Beer, Nicola Danti, Martina Dlabajová, Valter Flego, Claudia Gamon, Bart Groothuis, Christophe Grudler, Ivars Ijabs, Mauri Pekkarinen, Morten Petersen
ID	Paolo Borchia, Andrea Caroppo, Thierry Mariani, Joëlle Mélin, Jérôme Rivière, Isabella Tovaglieri
ECR	Izabela-Helena Kloc, Zdzisław Krasnodębski, Beata Szydło, Grzegorz Tobiszowski, Evžen Tošenovský

13	-
GREENS	Michael Bloss, Damien Boeslager, Ciarán Cuffe, Henrike Hahn, Ville Niinistö, Mikuláš Peksa, Marie Toussaint
ECR	Robert Roos, Jessica Stegrud
GUE	Manuel Bompard, Marc Botenga, Sira Rego
NI	Ignazio Corrao

4	0
EPP	François-Xavier Bellamy
S&D	Niels Fuglsang
Greens	Manuela Ripa
NI	Clara Ponsatí Obiols

Key to symbols:

+ : in favour

- : against

0 : abstention

1.10.2020

OPINION OF THE COMMITTEE ON REGIONAL DEVELOPMENT

for the Committee on Budgets and the Committee on Economic and Monetary Affairs

on the proposal for a regulation of the European Parliament and of the Council on the public sector loan facility under the Just Transition Mechanism (COM(2020)0453 – C9-0153/2020 – 2020/0100(COD))

Rapporteur for opinion: Cristina Maestre Martín De Almagro

AMENDMENTS

The Committee on Regional Development calls on the Committee on Budgets and the Committee on Economic and Monetary Affairs, as the committees responsible, to take into account the following amendments:

Amendment 1

Proposal for a regulation

Recital 1

Text proposed by the Commission

(1) The Commission adopted a Communication on the European Green Deal on 11 December 2019¹, drawing its roadmap towards a new growth policy for Europe and setting ambitious objectives to counter climate change and for environmental protection. In line with the objective to achieve climate neutrality ***in the Union*** by 2050 in an effective and fair manner, the European Green Deal announced a Just Transition Mechanism to provide means for facing the climate challenge while leaving no one behind. The most vulnerable regions and people are the most exposed to the harmful effects of climate change and environmental

Amendment

(1) The Commission adopted a Communication on the European Green Deal on 11 December 2019¹, drawing its roadmap towards a new growth policy for Europe and setting ambitious objectives to counter climate change and for environmental protection. In line with the objective to achieve ***the Union's 2030 climate and energy targets, and*** climate neutrality by 2050 in an effective and fair manner, the European Green Deal announced a Just Transition Mechanism to provide ***support and*** means for facing the climate challenge while leaving no one behind. The most vulnerable regions and people are the most exposed to the harmful

degradation. At the same time, managing the transition requires significant structural changes.

effects of climate change and environmental degradation ***leading to depopulation of the regions affected***. At the same time, managing the transition requires significant structural changes, ***which will require ambitious funding from the Union, and while Member States have different starting position, the least developed regions, outermost regions, mountains, islands, sparsely populated, rural, remote and geographically disadvantaged areas with small population are those where the transition in energy towards climate neutrality is more difficult to implement.***

¹ COM(2019) 640 final.

¹ COM(2019) 640 final.

Amendment 2

Proposal for a regulation

Recital 2

Text proposed by the Commission

(2) The Commission adopted a Communication on the European Green Deal Investment Plan² on 14 January 2020, establishing the Just Transition Mechanism which focuses on the regions and sectors that are most affected by the transition given their dependence on fossil fuels, including coal, peat and oil shale or greenhouse gas-intensive industrial processes but have less capacity to finance the necessary investments. The Just Transition Mechanism consists of three pillars: a Just Transition Fund implemented under shared management, a dedicated just transition scheme under InvestEU, and a public sector loan facility to mobilise additional investments to the regions concerned.

² COM(2020) 21 final.

Amendment

(2) The Commission adopted a Communication on the European Green Deal Investment Plan² on 14 January 2020, establishing the Just Transition Mechanism which focuses on the regions, ***people*** and sectors that are most affected by the transition given their dependence on fossil fuels, including coal, peat and oil shale or greenhouse gas-intensive industrial processes but have less capacity to finance the necessary investments. The Just Transition Mechanism consists of three pillars: a Just Transition Fund implemented under shared management, a dedicated just transition scheme under InvestEU, and a public sector loan facility to mobilise additional investments to the regions concerned.

² COM(2020) 21 final.

Amendment 3

Proposal for a regulation Recital 3

Text proposed by the Commission

(3) The proposal for establishing the Just Transition Fund was adopted by the Commission on 14 January 2020³. For the better programming and implementation of the Fund, territorial just transition plans are to be adopted, setting out the key steps and timeline of the transition process and identifying the territories most negatively affected by the transition towards a climate neutral economy and with less capacity to deal with the transition challenges.

³ COM(2020) 22 final.

Amendment

(3) The proposal for establishing the Just Transition Fund was adopted by the Commission on 14 January 2020³. For the better programming and implementation of the Fund, territorial just transition plans are to be adopted, setting out the key steps and timeline of the transition process ***towards reaching the 2030 climate targets of the Union as defined in Article 2(11) of Regulation (EU) 2018/1999^{3a}*** and identifying the territories most negatively affected by the transition towards a climate neutral economy ***by 2050*** and with less capacity to deal with the ***social and environmental*** transition challenges. ***The partnership principle should apply for the preparation, implementation, monitoring and evaluation of the territorial just transition plans as referred to in Article [7] of Regulation [JTF Regulation].***

³ COM(2020) 22 final.

^{3a} Regulation (EU) 2018/1999 of the European Parliament and of the Council of 11 December 2018 on the Governance of the Energy Union and Climate Action, amending Regulations (EC) No 663/2009 and (EC) No 715/2009 of the European Parliament and of the Council, Directives 94/22/EC, 98/70/EC, 2009/31/EC, 2009/73/EC, 2010/31/EU, 2012/27/EU and 2013/30/EU of the European Parliament and of the Council, Council Directives 2009/119/EC and (EU) 2015/652 and repealing Regulation (EU) No 525/2013 of the European Parliament and of the Council (OJ L 328, 21.12.2018, p. 1.).

Amendment 4

Proposal for a regulation

Recital 4

Text proposed by the Commission

(4) A public sector loan facility (the ‘Facility’) should be provided. It constitutes the third pillar of the Just Transition Mechanism, supporting public sector entities in their investments. Such investments should meet the development needs resulting from the transition challenges described in the territorial just transition plans as adopted by the Commission. The activities envisaged for support should be consistent with, **and** complement those supported under the other two pillars of the Just Transition Mechanism.

Amendment

(4) A public sector loan facility (the ‘Facility’) should be provided. It constitutes the third pillar of the Just Transition Mechanism, supporting public sector entities in their investments. Such investments should meet the development needs resulting from the transition challenges described in the territorial just transition plans as adopted by the Commission with due consideration of the ***characteristics and the potential*** of the area to be developed. The activities envisaged for support should be consistent with, complement ***and ensure synergies with*** those supported under the other two pillars of the Just Transition Mechanism. ***Such activities should also be in line with the 2030 emissions reduction targets and aimed at achieving a climate-neutral economy by 2050.***

Amendment 5

Proposal for a regulation

Recital 5

Text proposed by the Commission

(5) In order to enhance the economic diversification of territories impacted by the transition, the Facility should cover a wide range of investments, on condition that they contribute to meet the development needs in the transition towards a climate neutral economy, as described in the territorial just transition plans. The investments supported may cover energy **and** transport infrastructure, district heating networks, **green** mobility, **smart** waste management, clean energy and energy efficiency measures including renovations and conversions of buildings,

Amendment

(5) In order to enhance the economic diversification of territories ***most negatively*** impacted by the transition, the Facility should cover a wide range of investments, on condition that they contribute to meet the development needs in the transition towards ***the Union’s 2030 climate and energy targets, and*** a climate neutral economy ***by 2050***, as described in the territorial just transition plans. The investments supported may cover ***smart energy systems , an environmentally-friendly and decarbonised*** transport sector infrastructure, ***high efficient*** district

support to transition to a circular economy, land restoration and decontamination, as well as up- and re-skilling, training and social infrastructure, including social housing. Infrastructure developments may also include solutions leading to their enhanced resilience to withstand disasters. Comprehensive investment approach should be favoured in particular for territories with important transition needs. Investments in other sectors could also be supported if they are consistent with the adopted territorial just transition plans. By supporting investments that do not generate sufficient revenues, the Facility aims at providing public sector entities with additional resources necessary to address the social, economic and environmental challenges resulting from the adjustment to climate transition. In order to help identify investments with a high positive environmental impact eligible under the Facility, the EU taxonomy on environmentally sustainable economic activities *may* be used.

heating networks, *zero-carbon, smart and sustainable* mobility, *investments in research and innovation activities, including in universities and public research institutions, fostering the transfer of advanced and market-ready technologies, investments in digitalisation, digital innovation and digital connectivity, including digital and precision farming,* waste management *in accordance with the waste hierarchy, greenhouse gas emission reduction,* clean energy and energy efficiency measures including renovations and conversions of buildings, support to transition to a circular economy, *fight against the depopulation process,* land restoration and decontamination *when the “polluters pays” principle cannot be applied,* as well as up- and re-skilling, training and social infrastructure, including social housing, *as well as the digital coverage of the regions and the improvement of broadband connections. All financed projects should be in line with the climate objectives set for 2030, so the Commission should study the adequacy of these projects to the goal in relation to the reduction of emissions.* Infrastructure developments may also include solutions leading to their enhanced resilience to withstand disasters *and coordination of crisis response capacities, especially in those regions that have been hit hard by extreme weather events in recent years.* Comprehensive investment approach should be favoured in particular for territories with important transition needs. Investments in other sectors could also be supported if they are consistent with the adopted territorial just transition plans, *and having been affected by the climate transition, they have not been able to benefit from the First Pillar of the Just Transition Mechanism, the Just Transition Fund.* By supporting investments that do not generate sufficient revenues, the Facility aims at providing public sector entities with additional resources necessary to address the social,

economic and environmental challenges resulting from the adjustment to climate transition. ***Relevant local and regional authorities, economic and social partners and civil society of the territories concerned should be involved in the process of identification of the investments supported by the Facility in accordance with the partnership principle laid down in Article 6 of Regulation (EU) ... /... [new CPR].*** In order to help identify investments with a high positive environmental impact eligible under the Facility, the EU taxonomy on environmentally sustainable economic activities ***should*** be used. ***The devastating consequences of COVID-19 on many Union regions as well as the uneven impact of the virus should also be taken into account, in order to ensure that the support goes to the most negatively impacted regions.***

Amendment 6

Proposal for a regulation Recital 5 a (new)

Text proposed by the Commission

Amendment

(5a) In the context of the efforts to increase economic, territorial and social cohesion, the Facility should also contribute to eliminating inequalities, promoting gender equality and integrating the gender perspective, as well as combating discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation as set out in Article 2 of the Treaty on European Union (TEU), Article 10 TFEU and Article 21 of the Charter of Fundamental Rights of the European Union. All stakeholders involved at all stages of implementation of the Facility should commit to promote equality, and in particular, ensure that the impact on women is taken into account, given that women are disproportionately impacted by

climate change and the transition process.

Amendment 7

Proposal for a regulation

Recital 12

Text proposed by the Commission

(12) Resources for advisory support should also be provided for in order to promote the preparation, development and implementation of projects.

Amendment

(12) Resources for advisory support **and expertise** should also be provided for in order to promote the preparation, development and implementation of projects.

Amendment 8

Proposal for a regulation

Recital 13

Text proposed by the Commission

(13) In order to ensure that all Member States are granted the possibility to benefit from the grant component, a mechanism should be set up to establish earmarked national shares to be respected during a first stage, based on the distribution key proposed in the Just Transition Fund Regulation. However, in order to reconcile that objective with the need to optimise the economic impact of the Facility and its implementation, such national allocations should not be earmarked after 31 December 2024. Thereafter, the remaining resources available for the grant component should be provided without any pre-allocated national share and on a competitive basis at Union level, while ensuring predictability for investment **and** following a needs-based **and regional convergence** approach.

Amendment

(13) In order to ensure that all Member States are granted the possibility to benefit from the grant component, a mechanism should be set up to establish earmarked national shares to be respected during a first stage, based on the distribution key proposed in the Just Transition Fund Regulation. ***The needs of less developed regions as referred to in Article [102(2)] of Regulation .../... [new CPR] should be taken into account.*** However, in order to reconcile that objective with the need to optimise the economic impact of the Facility and its implementation, such national allocations should not be earmarked after 31 December 2024. Thereafter, the remaining resources available for the grant component should be provided without any pre-allocated national share and on a competitive basis at Union level, while ensuring predictability for investment, following a needs-based approach ***and promoting economic, social and territorial cohesion, prioritising in particular the less developed regions that suffer from a lower capacity for public***

investment.

Amendment 9

Proposal for a regulation Recital 14

Text proposed by the Commission

(14) Specific eligibility conditions and award criteria should be set out in the work programme and the call for proposals. Those eligibility conditions and award criteria should take into account the **relevance** of the project **in the context** of the development needs described in the territorial just transition plans, the overall objective of promoting **regional** and territorial **convergence** and the significance of the grant component for the viability of the project. Union Support established by this Regulation should thus only be made available to Member States with at least one territorial just transition plan adopted. The work programme and calls for proposals will also take into account the territorial just transition plans submitted by Member States to ensure that coherence and consistency across the different pillars of the mechanism is ensured.

Amendment

(14) Specific eligibility conditions and award criteria should be set out in the work programme and the call for proposals. Those eligibility conditions and award criteria should take into account the **relevant criteria established by Regulation (EU) ... /... of the European Parliament and the Council [Regulation on establishment of a framework to facilitate sustainable investment], the ability** of the project **to meet the objectives** of the development needs described in the territorial just transition plans, **the contribution to the achievement of the Union's 2030 climate and energy targets, and climate neutrality by 2050**, the overall objective of promoting **economic, social** and territorial **cohesion, and reducing the development gap between regions**, and the significance of the grant component for the viability of the project, **as well as the commitment by the Member States in relation to the climate objectives set in the European Green Deal. The Commission should ensure that that gender equality and the integration of the gender perspective are taken into account and promoted in the work programme.** Union Support established by this Regulation should thus only be made available to Member States with at least one territorial just transition plan adopted. The work programme and calls for proposals will also take into account the territorial just transition plans submitted by Member States to ensure that coherence and consistency across the different pillars of the mechanism is ensured.

Amendment 10

Proposal for a regulation Recital 16

Text proposed by the Commission

(16) Since the grant component should reflect the divergent development needs of regions across Member States, such support should be modulated. Taking into account that public sector entities in less developed regions, as defined in Article 102(2) of Regulation [new CPR], generally experience lower public investment capacity, the grant rates applied to loans provided to such entities should be comparatively higher.

Amendment

(16) Since the grant component should reflect the divergent development needs of regions across Member States, ***as well as the compliance of those regions with the greenhouse gas emissions reduction targets***, such support should be modulated. Taking into account that public sector entities in less developed regions, as defined in Article 102(2) of Regulation [new CPR], ***in the outermost regions, as defined in Article 349 TFEU, and in rural, sparsely populated and depopulated areas***, generally experience lower public investment capacity, the grant rates applied to loans provided to such entities should be comparatively higher.

Amendment 11

Proposal for a regulation Recital 18

Text proposed by the Commission

(18) In order to speed up implementation and ensure that resources are used in a timely fashion, this Regulation should lay down specific safeguards to be included in the grant agreements. In view of that objective, the Commission, in line with the principle of proportionality, should be able to reduce or terminate any Union support in case of serious lack of progress in the implementation of the project. The Financial Regulation lays down rules on the implementation of the Union budget. In order to ensure coherence in the implementation of Union funding programmes, the Financial Regulation should apply to the grant component and to resources for advisory support provided

Amendment

(18) In order to speed up implementation and ensure that resources are used in a timely fashion, this Regulation should lay down specific safeguards to be included in the grant agreements. In view of that objective, the Commission, in line with the principle of proportionality, should be able to reduce or terminate any Union support in case of serious lack of progress in the implementation of the project, ***as well as in the event of non-compliance with the objective of reducing emissions. The Commission, after notifying the Member State concerned of the reduction or termination of Union support, should communicate to the Council and the European Parliament the reasons for the***

under this Facility.

reduction or termination. The Financial Regulation lays down rules on the implementation of the Union budget. In order to ensure coherence in the implementation of Union funding programmes, the Financial Regulation should apply to the grant component and to resources for advisory support provided under this Facility.

Amendment 12

Proposal for a regulation Recital 19

Text proposed by the Commission

(19) In accordance with the Financial Regulation and Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council and Council Regulations (Euratom, EC) No 2988/95, (Euratom, EC) No 2185/96 and (EU) 2017/1939, the financial interests of the Union are to be protected through proportionate measures, including the prevention, detection, correction and investigation of irregularities, including fraud, the recovery of funds lost, wrongly paid or incorrectly used, and, where appropriate, the imposition of administrative penalties. In particular, in accordance with Regulations (Euratom, EC) No 2185/96 and (EU, Euratom) No 883/2013, the European Anti-Fraud Office (OLAF) may carry out administrative investigations, including on-the-spot checks and inspections, with a view to establishing whether there has been fraud, corruption or any other illegal activity affecting the financial interests of the Union. In accordance with Regulation (EU) 2017/1939, the European Public Prosecutor's Office (EPPO) may investigate and prosecute offences against the financial interests of the Union, as provided for in Directive (EU) 2017/1371 of the European Parliament and of the Council. In accordance with the Financial

Amendment

(19) In accordance with the Financial Regulation and Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council and Council Regulations (Euratom, EC) No 2988/95, (Euratom, EC) No 2185/96 and (EU) 2017/1939, the financial interests of the Union are to be protected through proportionate measures, including the prevention, detection, correction and investigation of irregularities, including fraud, the recovery of funds lost, wrongly paid or incorrectly used, and, where appropriate, the imposition of administrative penalties. ***Any irregularities identified should be communicated to the European Parliament and the Council.*** In particular, in accordance with Regulations (Euratom, EC) No 2185/96 and (EU, Euratom) No 883/2013, the European Anti-Fraud Office (OLAF) may carry out administrative investigations, including on-the-spot checks and inspections, with a view to establishing whether there has been fraud, corruption or any other illegal activity affecting the financial interests of the Union. In accordance with Regulation (EU) 2017/1939, the European Public Prosecutor's Office (EPPO) may investigate and prosecute offences against the financial interests of the Union, as provided for in Directive (EU) 2017/1371

Regulation, any person or entity receiving Union funds is to fully cooperate in the protection of the financial interests of the Union, grant the necessary rights and access to the Commission, OLAF, the EPPO in respect of those Member States participating in enhanced cooperation pursuant to Regulation (EU) 2017/1939, and the European Court of Auditors (ECA), and ensure that any third parties involved in the implementation of Union funds grant equivalent rights.

of the European Parliament and of the Council. In accordance with the Financial Regulation, any person or entity receiving Union funds is to fully cooperate in the protection of the financial interests of the Union, grant the necessary rights and access to the Commission, OLAF, the EPPO in respect of those Member States participating in enhanced cooperation pursuant to Regulation (EU) 2017/1939, and the European Court of Auditors (ECA), and ensure that any third parties involved in the implementation of Union funds grant equivalent rights.

Amendment 13

Proposal for a regulation

Recital 21

Text proposed by the Commission

(21) In order to set out an appropriate financial framework for the grant component of this Facility until 31 December 2024, ***implementing powers should be conferred on the Commission to set out the available national allocations expressed as shares of the overall financial envelope of the Facility for each Member State in accordance with the methodology set out in Annex I of Regulation [the JTF Regulation]. The implementing powers should be conferred without comitology procedures given that the shares derive directly from the application of a pre-defined calculation methodology.***

Amendment

(21) In order to set out an appropriate financial framework for the grant component of this Facility until 31 December 2024, ***the power to adopt acts in accordance with Article 290 of the Treaty on the Functioning of the European Union should be delegated to the Commission*** in respect of setting out the available national allocations expressed as shares of the overall financial envelope of the Facility for each Member State.

Amendment 14

Proposal for a regulation

Article 1 – paragraph 2

Text proposed by the Commission

The Facility shall provide support benefitting Union territories facing serious

Amendment

The Facility shall provide support benefitting Union territories facing serious

social, environmental and economic challenges deriving from the transition process towards a climate-neutral economy *of the Union* by 2050.

social, environmental and economic challenges deriving from the transition process towards *the Union's 2030 climate and energy targets, and* a climate-neutral economy by 2050.

Amendment 15

Proposal for a regulation

Article 2 – paragraph 1 – point 2

Text proposed by the Commission

2. 'beneficiary' means a public sector legal entity established in a Member State as a public law body, or as a body governed by private law entrusted with *a* public service mission, with whom a grant agreement has been signed under the Facility;

Amendment

2. 'beneficiary' means a public sector legal entity established in a Member State as a public law body, or as a body governed by private law entrusted with *the implementation of a public-private partnership (PPP) or with another* public service mission with whom a grant agreement has been signed under the Facility;

Amendment 16

Proposal for a regulation

Article 2 – paragraph 1 – point 5

Text proposed by the Commission

5 'territorial just transition plan' means a plan established in accordance with Article 7 of Regulation [JTF Regulation] and approved by the Commission;

Amendment

5 'territorial just transition plan' means a plan established in accordance with Article 7 of Regulation [JTF Regulation] *and in accordance with the partnership principle laid down in Article 6 of Regulation (EU) .../... [new CPR]*, and approved by the Commission;

Amendment 17

Proposal for a regulation

Article 3 – paragraph 1

Text proposed by the Commission

1. The general objective of the Facility is to address serious socio-

Amendment

1. The general objective of the Facility is to address serious socio-

economic challenges deriving from the transition process towards a climate-neutral economy for the benefit of the Union territories identified in the territorial just transition plans prepared by the Member States in accordance with Article 7 of Regulation [JTF Regulation].

economic **and environmental** challenges deriving from the transition process towards a climate-neutral economy for the benefit of the Union territories identified in the territorial just transition plans prepared by the Member States in accordance with Article 7 of Regulation [JTF Regulation], **and to contribute to achieving the Union's 2030 climate and energy targets, and climate neutrality by 2050, in line with Paris Agreement objectives.**

Amendment 18

Proposal for a regulation Article 3 – paragraph 2

Text proposed by the Commission

2. The Facility shall have the specific objective of increasing public sector investments, which address the development needs of regions identified in the territorial just transition plans, by facilitating the financing of projects that do not generate a sufficient stream of own revenues and would not be financed without the element of grant support from the Union budget.

Amendment

2. The Facility shall have the specific objective of increasing public sector investments, which address the development needs of regions identified in the territorial just transition plans, by facilitating the financing of **environmentally sustainable** projects that do not generate a sufficient stream of own revenues and would not be financed without the element of grant support from the Union budget. **Special attention shall be placed on less developed regions as referred to in Article [102(2)] of Regulation .../... [new CPR].**

The Facility shall also promote the transition towards an economy which is climate neutral, environmentally sustainable and economically and socially just, and which guarantees social cohesion between territories of the Union.

Amendment 19

Proposal for a regulation Article 3 – paragraph 3

Text proposed by the Commission

3. In pursuing the achievement of the specific objective referred to in paragraph 2, this Regulation also aims at providing advisory support for the preparation, development, and implementation of eligible projects where necessary. That advisory support shall be provided in accordance with the rules and implementation methods for the InvestEU Advisory Hub established by Article [20] of Regulation [InvestEU Regulation].

Amendment

3. In pursuing the achievement of the specific objective referred to in paragraph 2, this Regulation also aims at providing advisory support **and expertise** for the preparation, development, and implementation of eligible projects where necessary. That advisory support shall be provided in accordance with the rules and implementation methods for the InvestEU Advisory Hub established by Article [20] of Regulation [InvestEU Regulation].

Amendment 20

Proposal for a regulation Article 4 – paragraph 5

Text proposed by the Commission

5. An amount up to 2% of the resources referred to in paragraph 1 may be used for technical and administrative assistance for the implementation of the Facility such as preparatory, monitoring, control, audit and evaluation activities including corporate information and technology systems, as well as administrative expenditure and fees of the finance partners.

Amendment

5. An amount up to 2% of the resources referred to in paragraph 1 may be used for technical and administrative assistance for the implementation of the Facility such as preparatory, monitoring, control, audit, **information, communication, publicity** and evaluation activities including corporate information and technology systems, as well as administrative expenditure and fees of the finance partners.

Amendment 21

Proposal for a regulation Article 4 a (new)

Text proposed by the Commission

Amendment

Article 4 a

Access to the resources

1. Access to the Facility shall be

conditional on the adoption of a national objective towards the achievement of climate neutrality by 2050. For those Member States, which have not yet committed to a national target for climate neutrality, only 50 % of their national allocation shall be released, while the remaining 50 % shall be made available once they have adopted that target.

2. Access to the Facility shall be conditional to the respect for the rule of law, which is an essential precondition for sound financial management and effective Union funding, as well as the respect for human rights, including the rights of the minorities such as LGBTI rights, which are undermined in several Member States as a consequence of the creation of LGBTI free zones. The Commission shall reject applications from local authorities that have adopted "LGBT-free" declarations.

Amendment 22

Proposal for a regulation Article 6 – paragraph 3

Text proposed by the Commission

3. For grants awarded pursuant to calls for proposals launched as from 1 January 2025, Union support awarded to eligible projects shall be provided without any pre-allocated national share and on a competitive basis at Union level until exhaustion of remaining resources. The award of such grants shall take into account the need to ensure predictability of investment and the promotion of regional convergence.

Amendment

3. For grants awarded pursuant to calls for proposals launched as from 1 January 2025, Union support awarded to eligible projects shall be provided without any pre-allocated national share and on a competitive basis at Union level until exhaustion of remaining resources. The award of such grants shall **prioritise less developed regions as referred to in Article [102(2)] of Regulation .../... [new CPR]** and take into account the need to ensure predictability of investment and the promotion of regional convergence.

Amendment 23

Proposal for a regulation Article 6 – paragraph 4

Text proposed by the Commission

4. The Commission shall adopt **a decision by means of an implementing act** setting out the respective shares for each Member State resulting from the application of the methodology set out in Annex I of Regulation [JTF Regulation] in the form of percentages of the total available resources.

Amendment

4. The Commission shall **be empowered to adopt delegated acts in accordance with Article 17** setting out the respective shares for each Member State resulting from the application of the methodology set out in Annex I of Regulation [JTF Regulation] **and the application of a redistributive factor taking into account the need of less developed regions as referred to in Article [102(2)] of Regulation .../... [new CPR]** in the form of percentages of the total available resources.

Amendment 24

Proposal for a regulation Article 8 – paragraph 1 – point a

Text proposed by the Commission

(a) the projects achieve measurable impact in addressing serious social, economic or environmental challenges deriving from the transition process towards a climate-neutral economy and benefit territories identified in a territorial just transition plan, even if they are not located in those territories;

Amendment

(a) the projects achieve measurable impact in addressing serious social, economic, **demographic** or environmental challenges deriving from the transition process towards a climate-neutral economy, **contribute to achieving the Union's 2030 climate and energy targets, and climate neutrality by 2050**, and benefit territories identified in a territorial just transition plan, even if they are not located in those territories;

Amendment 25

Proposal for a regulation Article 8 – paragraph 1 – point a a (new)

Text proposed by the Commission

Amendment

(aa) the projects are environmentally sustainable in accordance with the

criteria established in Regulation (EU) 2020/852 of the European Parliament and of the Council ^{14a};

^{14a} Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (OJ L 198, 22.6.2020, p. 13).

Amendment 26

Proposal for a regulation Article 8 – paragraph 1 – point b

Text proposed by the Commission

(b) the projects do not receive support under any other Union programmes;

Amendment

(b) the projects do not receive support ***or receive insufficient support*** under any other Union programmes;

Amendment 27

Proposal for a regulation Article 8 – paragraph 1 – point d a (new)

Text proposed by the Commission

Amendment

(da) the projects do not support activities excluded under Article [5] of Regulation (EU) ... /... [JTF Regulation].

Amendment 28

Proposal for a regulation Article 8 – paragraph 1 – point d b (new)

Text proposed by the Commission

Amendment

(db) the projects guarantee that they will not involve any jobs, capital or production processes being transferred from one Member State to another.

Amendment 29

Proposal for a regulation Article 10 – paragraph 2

Text proposed by the Commission

2. The amount of the grant shall not exceed 15% of the amount of the loan provided by the finance partner under this Facility. For projects located in territories in NUTS level 2 regions with a GDP per capita not exceeding 75% of the average GDP of the EU-27 as referred to in Article [102(2)] of Regulation [new CPR], the amount of the grant shall not exceed **20%** of the amount of the loan provided by the finance partner.

Amendment

2. The amount of the grant shall not exceed 15% of the amount of the loan provided by the finance partner under this Facility. For projects located in territories in NUTS level 2 regions **as established by Regulation (EC) No 1059/2003 of the European Parliament and of the Council^{14b}** with a GDP per capita not exceeding 75% of the average GDP of the EU-27 as referred to in Article [102(2)] of Regulation [new CPR], **and for transition regions with a GDP of between 75 % and 100 % of the average GDP of the EU-27 and which were classified as ‘lagging regions’ in the 2014-2020 financial perspective, as well as for projects located in outermost regions, as defined in Article 349 TFEU**, the amount of the grant shall not exceed **25 %** of the amount of the loan provided by the finance partner.

^{14b} Regulation (EC) No 1059/2003 of the European Parliament and of the Council of 26 May 2003 on the establishment of a common classification of territorial units for statistics (NUTS) (OJ L 154, 21.6.2003, p. 1).

Amendment 30

Proposal for a regulation Article 11 – paragraph 2 – subparagraph 2

Text proposed by the Commission

In such cases and after consulting the finance partner, the amount of the grant may be reduced or the grant agreement may be terminated, and any related amounts paid may be recovered, in accordance with the conditions set out in

Amendment

In such cases and after consulting the finance partner, the amount of the grant may be reduced or the grant agreement may be terminated, and any related amounts paid may be recovered, in accordance with the conditions set out in

the grant agreement.

the grant agreement. ***The amount of the grant may be reduced or the grant agreement may be terminated if the mid-term review finds non-compliance with the objectives established in Article 3 of.***

Amendment 31

Proposal for a regulation Article 13 – paragraph 1

Text proposed by the Commission

The Facility shall be implemented by work programmes established in accordance with Article 110 of the Financial Regulation. The work programmes shall set out the national shares of resources, including any additional resources, for each Member State in accordance with Articles 4(1) and 6(2) of this Regulation.

Amendment

The Facility shall be implemented by work programmes established in accordance with Article 110 of the Financial Regulation ***The Commission shall be empowered to adopt delegated acts in accordance with Article 17 adopting such work programmes. The work programmes shall specify the eligibility conditions and award criteria, taking into account the relevant criteria established by Regulation (EU) 2020/852, the ability of the project to meet the objectives and development needs described in the territorial just transition plans, the contribution to the achievement of the Union's 2030 climate and energy targets, and climate neutrality by 2050, the overall objective of promoting regional and territorial convergence and the significance of the grant component for the viability of the project. The Commission shall ensure that gender equality and the integration of gender perspective are taken into account and promoted in the work programme.*** The work programmes shall set out the national shares of resources, including any additional resources, for each Member State in accordance with Articles 4(1) and 6(2) of this Regulation.

Amendment 32

Proposal for a regulation Article 15 – title

Text proposed by the Commission

Evaluation

Amendment

Evaluation *and revision*

Amendment 33

Proposal for a regulation Article 15 – paragraph 3

Text proposed by the Commission

3. At the end of the implementation period and no later than 31 December 2031, a final evaluation report on the results and long-term impact of the Facility shall be *established*.

Amendment

3. At the end of the implementation period and no later than 31 December 2031, a final evaluation report on the results and long-term impact of the Facility shall be *presented to the European Parliament and the Council, to determine whether the funded projects have contributed to face the economic, social, demographic and environmental challenges in the respective regions. This final evaluation shall assess the contribution the Facility has made to the achievement of the Union's 2030 climate and energy targets, and a climate neutral economy by 2050, as well as the social and economic impact of the support provided under the Facility, including the impact on the promotion of gender equality..*

Amendment 34

Proposal for a regulation Article 17 – paragraph 2

Text proposed by the Commission

2. The power to adopt delegated acts referred to in *Article* 14 shall be conferred on the Commission until 31 December 2028.

Amendment

2. The power to adopt delegated acts referred to in *Articles 6, 13 and* 14 shall be conferred on the Commission until 31 December 2028.

Amendment 35

Proposal for a regulation Article 17 – paragraph 3

Text proposed by the Commission

3. The delegation of power referred to in **Article 14** may be revoked at any time by the European Parliament or by the Council. A decision to revoke shall put an end to the delegation of power specified in that decision. It shall take effect the day following the publication of the decision in the *Official Journal of the European Union* or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.

Amendment 36

Proposal for a regulation Article 18 – paragraph 1

Text proposed by the Commission

1. The beneficiaries and the finance partners shall ensure the visibility of the Union support provided under the Facility, in particular when promoting the projects and their results, by providing targeted information to multiple audiences, including the media and the public.

Amendment

3. The delegation of power referred to in **Articles 6, 13 and 14** may be revoked at any time by the European Parliament or by the Council. A decision to revoke shall put an end to the delegation of power specified in that decision. It shall take effect the day following the publication of the decision in the *Official Journal of the European Union* or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.

Amendment

1. The beneficiaries and the finance partners, ***with the support of national and regional authorities***, shall ensure the visibility of the Union support provided under the Facility, in particular when promoting the projects and their results, by providing targeted information to multiple audiences, ***using various communication channels***, including the media, ***social media*** and the public.
The information about the Union support shall be provided in clear, approachable and attractive manner, using a variety of communication channels.

Amendment 37

Proposal for a regulation Article 18 – paragraph 2

Text proposed by the Commission

2. The Commission shall implement information and communication actions relating to the Facility, the funded projects and their results. Financial resources allocated to the Facility shall also contribute to the corporate communication of the political priorities of the Union, as far as they are related to the objectives referred to in Article 3.

Amendment

2. The Commission shall implement information and communication actions relating to the Facility, ***ensure transparency and public access to information concerning*** the funded projects and their results ***and shall measure the effectiveness of the messages.*** Financial resources allocated to the Facility shall also contribute to the corporate communication of the political priorities of the Union, as far as they are related to the objectives referred to in Article 3.

Amendment 38

Proposal for a regulation Annex II – point 7 a (new)

Text proposed by the Commission

Amendment

(7a) Stemming depopulation in regions affected by climate transition

PROCEDURE – COMMITTEE ASKED FOR OPINION

Title	Public sector loan facility under the Just Transition Mechanism
References	COM(2020)0453 – C9-0153/2020 – 2020/0100(COD)
Committees responsible Date announced in plenary	BUDG ECON 17.6.2020 17.6.2020
Opinion by Date announced in plenary	REGI 17.6.2020
Rapporteur Date appointed	Cristina Maestre Martín De Almagro 9.6.2020
Rule 58 – Joint committee procedure Date announced in plenary	23.7.2020
Date adopted	24.9.2020
Result of final vote	+: 24 –: 7 0: 9
Members present for the final vote	François Alfonsi, Mathilde Androuët, Pascal Arimont, Adrian-Dragoş Benea, Isabel Benjumea Benjumea, Tom Berendsen, Stéphane Bijoux, Andrea Cozzolino, Corina Creţu, Rosa D’Amato, Tamás Deutsch, Christian Doleschal, Francesca Donato, Chiara Gemma, Cristian Ghinea, Mircea-Gheorghe Hava, Krzysztof Hetman, Ondřej Knotek, Constanze Krehl, Elżbieta Kruk, Cristina Maestre Martín De Almagro, Pedro Marques, Nora Mebarek, Martina Michels, Andželika Anna Możdżanowska, Andrey Novakov, Younous Omarjee, Alessandro Panza, Tsvetelina Penkova, Caroline Roose, André Rougé, Vincenzo Sofo, Susana Solís Pérez, Irène Tolleret, Viktor Uspaskich, Monika Vana
Substitutes present for the final vote	Daniel Buda, Stelios Kypouropoulos, Tonino Picula, Bronis Ropé

FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

24	+
GUE/NGL	Martina Michels, Younous Omarjee
NI	Rosa D'Amato, Chiara Gemma
PPE	Pascal Arimont
RENEW	Stéphane Bijoux, Cristian Ghinea, Ondrej Knotek, Susana Solís Pérez, Irène Tolleret, Viktor Uspaskich
S&D	Adrian-Dragoş Benea, Andrea Cozzolino, Corina Creţu, Constanze Krehl, Cristina Maestre Martín De Almagro, Pedro Marques, Nora Mebarek, Tsvetelina Penkova, Tonino Picula
VERTS/ALE	François Alfonsi, Caroline Roose, Bronis Ropė, Monika Vana

7	-
ID	Mathilde Androuët, Francesca Donato, Alessandro Panza, André Rougé, Vincenzo Sofo
ECR	Elzbieta Kruk, Andżelika Anna Mozdżanowska

9	0
PPE	Isabel Benjumea Benjumea, Tom Berendsen, Daniel Buda, Tamás Deutsch, Christian Doleschal, Mircea-Gheorghe Hava, Krzysztof Hetman, Stelios Kympouropoulos, Andrey Novakov

Key to symbols:

+ : in favour

- : against

0 : abstention

PROCEDURE – COMMITTEE RESPONSIBLE

Title	Public sector loan facility under the Just Transition Mechanism			
References	COM(2020)0453 – C9-0153/2020 – 2020/0100(COD)			
Date submitted to Parliament	28.5.2020			
Committees responsible Date announced in plenary	BUDG 17.6.2020	ECON 17.6.2020		
Committees asked for opinions Date announced in plenary	EMPL 17.6.2020	ENVI 17.6.2020	ITRE 17.6.2020	TRAN 17.6.2020
	REGI 17.6.2020			
Not delivering opinions Date of decision	EMPL 25.6.2020	TRAN 23.6.2020		
Rapporteurs Date appointed	Johan Van Overtveldt 22.7.2020	Henrike Hahn 22.7.2020		
Rule 58 – Joint committee procedure Date announced in plenary	23.7.2020			
Date adopted	16.10.2020			
Result of final vote	+: –: 0:	75 10 12		
Members present for the final vote	Rasmus Andresen, Clotilde Armand, Gunnar Beck, Marek Belka, Isabel Benjumea Benjumea, Stefan Berger, Robert Biedroń, Anna Bonfrisco, Gilles Boyer, Olivier Chastel, Lefteris Christoforou, David Cormand, Paolo De Castro, Francesca Donato, Derk Jan Eppink, Engin Eroglu, Markus Ferber, José Manuel Fernandes, Jonás Fernández, Raffaele Fitto, Frances Fitzgerald, José Manuel García-Margallo y Marfil, Eider Gardiazabal Rubial, Luis Garicano, Alexandra Geese, Valentino Grant, Claude Gruffat, Elisabetta Gualmini, Francisco Guerreiro, Enikő Győri, Valérie Hayer, Eero Heinäluoma, Niclas Herbst, Monika Hohlmeier, Danuta Maria Hübner, Stasys Jakeliūnas, Herve Juvin, Othmar Karas, Billy Kelleher, Mislav Kolakušić, Moritz Körner, Joachim Kuhs, Zbigniew Kuźmiuk, Georgios Kyrtos, Aurore Lalucq, Héléne Laporte, Pierre Larrourou, Aušra Maldeikienė, Margarida Marques, Pedro Marques, Costas Mavrides, Jörg Meuthen, Csaba Molnár, Siegfried Mureşan, Caroline Nagtegaal, Luděk Niedermayer, Lefteris Nikolaou-Alavanos, Andrey Novakov, Jan Olbrycht, Dimitrios Papadimoulis, Piernicola Pedicini, Lídia Pereira, Kira Marie Peter-Hansen, Sirpa Pietikäinen, Dragoş Pîslaru, Evelyn Regner, Antonio Maria Rinaldi, Bogdan Rzońca, Alfred Sant, Joachim Schuster, Ralf Seekatz, Pedro Silva Pereira, Nicolae Ştefănuţă, Paul Tang, Irene Tinagli, Nils Torvalds, Ernest Urtasun, Nils Ušakovs, Inese Vaidere, Johan Van Overtveldt, Rainer Wieland, Angelika Winzig, Stéphanie Yon-Courtin, Marco Zanni, Roberts Zile			
Substitutes present for the final vote	Matteo Adinolfi, Manon Aubry, Tiziana Beghin, Damien Carême, Tamás Deutsch, Niels Fuglsang, Henrike Hahn, Martin Hlaváček,			

	Eugen Jurzyca, Petros Kokkalis, Eva Maydell, Mick Wallace
Date tabled	16.10.2020

FINAL VOTE BY ROLL CALL IN COMMITTEE RESPONSIBLE

75	+
ECR	Johan Van Overtveldt
GUE/NGL	Manon Aubry, Petros Kokkalis, Dimitrios Papadimoulis, Mick Wallace
NI	Tiziana Beghin, Piernicola Pedicini
PPE	Isabel Benjumea Benjumea, Stefan Berger, Lefteris Christoforou, Markus Ferber, José Manuel Fernandes, Frances Fitzgerald, José Manuel García-Margallo y Marfil, Niclas Herbst, Monika Hohlmeier, Danuta Maria Hübner, Othmar Karas, Georgios Kyrtos, Aušra Maldeikienė, Eva Maydell, Siegfried Mureşan, Luděk Niedermayer, Jan Olbrycht, Lídia Pereira, Sirpa Pietikäinen, Ralf Seekatz, Inese Vaidere, Rainer Wieland, Angelika Winzig
RENEW	Clotilde Armand, Gilles Boyer, Olivier Chastel, Engin Eroglu, Luis Garicano, Valérie Hayer, Martin Hlaváček, Billy Kelleher, Moritz Körner, Caroline Nagtegaal, Dragoş Pîslaru, Nils Torvalds, Stéphanie Yon-Courtin, Nicolae Ştefănuţă
S&D	Marek Belka, Robert Biedroń, Paolo De Castro, Jonás Fernández, Niels Fuglsang, Eider Gardiazabal Rubial, Elisabetta Gualmini, Eero Heinäluoma, Aurore Lalucq, Pierre Larrouturou, Margarida Marques, Pedro Marques, Costas Mavrides, Csaba Molnár, Evelyn Regner, Alfred Sant, Joachim Schuster, Pedro Silva Pereira, Paul Tang, Irene Tinagli, Nils Ušakovs
VERTS/ALE	Rasmus Andresen, Damien Carême, David Cormand, Alexandra Geese, Claude Gruffat, Francisco Guerreiro, Henrike Hahn, Stasys Jakeliūnas, Kira Marie Peter-Hansen, Ernest Urtasun

10	-
ECR	Derk Jan Eppink, Eugen Jurzyca
ID	Gunnar Beck, Herve Juvin, Joachim Kuhs, Hélène Laporte, Jörg Meuthen
NI	Lefteris Nikolaou-Alavanos
PPE	Tamás Deutsch, Enikő Győri

12	0
ECR	Raffaele Fitto, Zbigniew Kuźmiuk, Bogdan Rzońca, Roberts Zīle
ID	Matteo Adinolfi, Anna Bonfrisco, Francesca Donato, Valentino Grant, Antonio Maria Rinaldi, Marco Zanni
NI	Mislav Kolakušić
PPE	Andrey Novakov

Key to symbols:

+ : in favour

- : against

0 : abstention