OPINION

of the Committee on Economic and Monetary Affairs

for the Committee on Regional Development

on the proposal for a regulation of the European Parliament and of the Council establishing the Just Transition Fund

(COM(2020)0022 – C9-0007/2020 – 2020/0006(COD))

Rapporteur for opinion: Henrike Hahn
AMENDMENTS

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

Amendment 1

Proposal for a regulation

Recital I

Text proposed by the Commission

(1) The regulatory framework governing the Union’s cohesion policy for the period from 2021 to 2027, in the context of the next multi-annual financial framework, contributes to the fulfilment of the Union’s commitments to implement the Paris Agreement and the United Nations Sustainable Development Goals by concentrating Union funding on green objectives. This Regulation implements one of the priorities set out in the Communication on the European Green Deal (‘the European Green Deal’) and is part of the Sustainable Europe Investment Plan providing dedicated financing under the Just Transition Mechanism in the context of cohesion policy to address the economic and social costs of the transition to a climate-neutral and circular economy, where any remaining greenhouse gas emissions are compensated by equivalent absorptions.

Amendment

(1) The regulatory framework governing the Union’s cohesion policy for the period from 2021 to 2027, in the context of the next multi-annual financial framework, contributes to the fulfilment of the Union’s commitments to implement the Paris Agreement to limit the increase in the global temperature to 1.5 °C above pre-industrial levels, the European Pillar of Social Rights and the United Nations Sustainable Development Goals by concentrating Union funding on green and social objectives. This Regulation implements one of the priorities set out in the Communication on the European Green Deal (‘the European Green Deal’) and is part of the Sustainable Europe Investment Plan providing dedicated financing under the Just Transition Mechanism in the context of cohesion policy to address the economic, social energy sustainability, energy security, energy affordability and regional challenges and opportunities of the transition to a sustainable, climate-neutral and climate-resilient, resource-efficient, and fully circular economy by 2050 at the latest, where there are no net emissions of greenhouse gases and while aiming to avoid adverse impacts on human health and the environment related to, inter alia, the deterioration of biodiversity and ecosystems, overconsumption of resources, air and chemical pollution, and waste.


Amendment 2

Proposal for a regulation
Recital 2

Text proposed by the Commission

(2) The transition to a climate-neutral and circular economy constitutes one of the most important policy objectives for the Union. On 12 December 2019, the European Council endorsed the objective of achieving a climate-neutral Union by 2050, in line with the objectives of the Paris Agreement. While fighting climate change and environmental degradation will benefit all in the long term and provides opportunities and challenges for all in the medium term, not all regions and Member States start their transition from the same point or have the same capacity to respond. Some are more advanced than others, whereas the transition entails a wider social and economic impact for those regions that rely heavily on fossil fuels - especially coal, lignite, peat and oil shale - or greenhouse gas intensive industries. Such a situation not only creates the risk of a variable speed transition in the Union as regards climate action, but also of growing disparities between regions, detrimental to the objectives of social, economic and territorial cohesion.

Amendment

(2) The transition to a sustainable, climate-neutral and climate-resilient, resource-efficient and fully circular economy by 2050 at the latest constitutes one of the most important policy objectives for the Union and will require significant new investment, particularly in new and innovative technologies. On 12 December 2019, the European Council endorsed the New Green Deal and the objective of achieving a climate-neutral Union by 2050, in line with the objectives of the Paris Agreement. On 17 April 2020, the European Parliament stressed that the objective of climate neutrality should inform the policy responses to combat the COVID-19 pandemic and its consequences and that the Green Deal strategy should be at the core of the recovery and reconstruction of the European economy. While fighting climate change and environmental degradation will benefit all in the long term and provides opportunities and challenges for all in the medium term, not all regions and Member States start their transition from the same point or have the same capacity to respond. Some are more advanced than others, whereas the transition entails a wider social and economic impact for those regions that currently rely heavily on fossil fuels or greenhouse gas intensive industries or industries manufacturing products that are incompatible with the climate-neutrality objective. Such a situation may not only endanger the transition in the Union as regards climate action, but may also lead to growing disparities between...
regions, detrimental to the objectives of social, economic and territorial cohesion. Member States should be given the necessary means to achieve the Union targets for carbon neutrality and prevent regions from being left behind.

Amendment 3

Proposal for a regulation
Recital 3

Text proposed by the Commission

(3) In order to be successful, the transition has to be fair and socially acceptable for all. Therefore, both the Union and the Member States must take into account its economic and social implications from the outset, and deploy all possible instruments to mitigate adverse consequences. The Union budget has an important role in that regard.

Amendment

(3) In order to be successful, the transition has to be fair and socially inclusive and to contribute to the creation of decent and quality jobs, eradication of poverty and the sustainable development of the Union while countering unemployment, social marginalisation and economic downturns in the most exposed regions and taking into account energy sustainability, energy security and affordability challenges. Therefore, both the Union and the Member States must take into account its economic, environmental, social and regional implications from the outset, and deploy all possible instruments to facilitate the necessary structural changes and mitigate adverse consequences on affected workers and other stakeholders particularly affected by the transition. The Union budget should play an important role in that regard.

Amendment 4

Proposal for a regulation
Recital 3 a (new)

Text proposed by the Commission

(3 a) By 2030, the transition is expected to create an additional 1, 2 million jobs in the Union, in addition to the 12 million
new jobs already expected. According to Commission’s estimates\(^1\), in coal regions, where more than 200,000 jobs are directly related to coal activity, up to 315,000 jobs can be created by 2030 through deploying clean energy technologies, and more than 460,000 jobs by 2050. Coal regions alone could satisfy 60% of the projected deployment of clean energy technology required to achieve the ambitious targets of carbon neutrality. Moreover, the development of clean energy projects in coal regions benefits from the availability of infrastructure and land, the presence of already trained personnel with electrical and mechanical skills that are particularly suitable for reemployment in the renewable energy industry, and industrial heritage already in place.

\(^{1}\) European Commission, Joint Research Centre, Clean energy technologies in coal regions: opportunities for jobs and growth, 2020, https://op.europa.eu/en/publication-detail/-/publication/cdd4593e-1d56-11ea-95ab-01aa75ed71a1

Amendment 5

Proposal for a regulation
Recital 4

*Text proposed by the Commission*

(4) As set out in the European Green Deal and the Sustainable Europe Investment Plan, a Just Transition Mechanism should complement the other actions under the next multi-annual financial framework for the period from 2021 to 2027. It should contribute to addressing the social and economic consequences of transitioning towards Union climate neutrality by bringing together the Union budget’s spending on climate and social objectives at regional...
It should contribute to addressing the social, economic and regional consequences of transitioning towards Union climate neutrality and reaching all of the Union’s other environmental objectives by bringing together the Union budget’s spending on climate and social objectives at regional level, contributing to a robust and sustainable economy, with jobs able to provide decent standard of living and positive effects on public health.

Amendment 6

Proposal for a regulation

Recital 5

Text proposed by the Commission

(5) This Regulation establishes the Just Transition Fund (‘JTF’) which is one of the pillars of the Just Transition Mechanism implemented under cohesion policy. The aim of the JTF is to mitigate the adverse effects of the climate transition by supporting the most affected territories and workers concerned. In line with the JTF specific objective, actions supported by the JTF should directly contribute to alleviate the impact of the transition by financing the diversification and modernisation of the local economy and by mitigating the negative repercussions on employment. This is reflected in the JTF specific objective, which is established at the same level and listed together with the policy objectives set out in Article [4] of Regulation EU [new CPR].

Amendment

(5) This Regulation establishes the Just Transition Fund (‘JTF’) which is one of the pillars of the Just Transition Mechanism implemented under cohesion policy. The JTF should strive to develop synergies and complementarities with the other pillars of the Just Transition Mechanism in order to ensure that all three pillars are working towards the same objectives and should not crowd out private sector investment that will be facilitated through the Just Transition Mechanism. It should support the overarching objectives of the European Green Deal and be in line with the framework for sustainable activities set out in Regulation (EU) .../... [EU Taxonomy Regulation], in order to tackle climate and environmental challenges while leaving no one behind. The aim of the JTF is to address the challenges and opportunities of the climate transition by providing targeted investment in the regions affected, with a particular focus on sustainable economic activities, by ensuring the take-up of new and innovative sustainable projects and by supporting the most affected territories, workers and local communities concerned.
to adapt their industrial and economic structures while, at the same time, restoring the regions’ long-term competitiveness as well as enhancing social and economic cohesion. In line with the JTF specific objective, actions supported by the JTF should directly contribute to facilitate and support the transition process by financing the diversification and modernisation of the local economy and by allowing the creation of new employment opportunities, including through early consultation of all relevant stakeholders. This is reflected in the JTF specific objective, which is established at the same level and listed together with the policy objectives set out in Article [4] of Regulation EU[new CPR]. Recipients of JTF funds should comply with the Union’s Treaty-based fundamental values.

Amendment 7

Proposal for a regulation
Recital 6

Text proposed by the Commission

(6) In view of the importance of tackling climate change in line with the Union’s commitments to implement the Paris Agreement, the commitment regarding the United Nations Sustainable Development Goals and the increased ambition of the Union as proposed in the European Green Deal, the JTF should provide a key contribution to mainstream climate actions. Resources from the JTF own envelope are additional and come on top of the investments needed to achieve the overall target of 25% of the Union budget expenditure contributing to climate objectives. Resources transferred from the ERDF and ESF+ will contribute fully to the achievement of this target.

Amendment

(6) In view of the importance of tackling climate change in line with the Union’s commitments to implement the Paris Agreement, the commitment regarding the United Nations Sustainable Development Goals, the European Pillar of Social Rights and the increased ambition of the Union as proposed in the European Green Deal, the JTF should provide a key contribution to mainstream climate actions. Resources from the JTF own envelope are additional and come on top of the investments needed to achieve the overall target of at least 25% of the Union budget expenditure contributing to climate objectives. Resources transferred voluntarily by Member States from the ERDF and ESF+, according to the
development needs identified at regional and local level in the national just transition plans, will contribute to the achievement of this target.

**Amendment 8**

**Proposal for a regulation**

**Recital 7**

*Text proposed by the Commission*

(7) The resources from the JTF should complement the resources available under cohesion policy.

*Amendment*

(7) The resources of the JTF should be adequate and commensurate with its ambitious objectives and complement the resources available under cohesion policy but should by no means replace such investments and should not lead to cuts or mandatory transfers from other Union funds covered by Regulation (EU) .../... [new Common Provisions Regulation]. On the basis of the European Investment Bank’s guidelines, funding should be permitted for up to 75%, or more in case of severe economic downturns, of the assumed costs of a project supported by the JTF.

**Amendment 9**

**Proposal for a regulation**

**Recital 7 a (new)**

*Text proposed by the Commission*

(7a) The Fund should be financed through a reinforced MFF 2021-2027 and, subject to a prior impact assessment, by additional fresh resources which may come from the introduction of Union new resources such as but not limited to taxes on enterprises, digital, finance, plastics, carbon and income from emissions trading schemes;
Amendment 10
Proposal for a regulation
Recital 8

Text proposed by the Commission

(8) Transitioning to a climate-neutral economy is a challenge for all Member States. It will be particularly demanding for those Member States that rely heavily on fossil fuels or greenhouse gas intensive industrial activities which need to be phased out or which need to adapt due to the transition towards climate neutrality and that lack the financial means to do so. The JTF should therefore cover all Member States, but the distribution of its financial means should reflect the capacity of Member States to finance the necessary investments to cope with the transition towards climate neutrality.

Amendment

(8) Transitioning to a sustainable and climate-neutral economy is both a challenge and an opportunity for all Member States in order to better respond to future crises and achieve economic and social prosperity within the planetary boundaries. The transition will be particularly demanding for those Member States that rely heavily on fossil fuels or greenhouse gas intensive industrial activities or manufacturing of products incompatible with the climate-neutrality objective which need to be phased out or which need to adapt due to the transition towards climate neutrality and that lack the financial means to do so. No territory or citizen should be left behind. The JTF should therefore cover all Member States, but the distribution of its financial means should reflect the needs and capacity of Member States to finance the necessary investments to enable, facilitate and accelerate the transition towards climate neutrality and a sustainable Europe.

Amendment 11
Proposal for a regulation
Recital 9

Text proposed by the Commission

(9) In order to set out an appropriate financial framework for the JTF, the Commission should set out the annual breakdown of available allocations per Member State under the Investment for jobs and growth goal, based on objective criteria.

Amendment

(9) In order to set out an appropriate financial framework for the JTF, the Commission should set out the annual breakdown of available allocations per Member State under the Investment for jobs and growth goal, based on objective criteria. The Commission should also publish all relevant statistics and information to better understand and to
evaluate the allocation key between Member States.

Amendment 12
Proposal for a regulation
Recital 10

Text proposed by the Commission

(10) This Regulation identifies types of investments for which expenditure may be supported by the JTF. All supported activities should be pursued in full respect of the climate and environmental priorities of the Union. The list of investments should include those that support local economies and are sustainable in the long-term, taking into account all the objectives of the Green Deal. The projects financed should contribute to a transition to a climate-neutral and circular economy. For declining sectors, such as energy production based on coal, lignite, peat and oil shale or extraction activities for these solid fossil fuels, support should be linked to the phasing out of the activity and the corresponding reduction in the employment level. As regards transforming sectors with high greenhouse gas emission levels, support should promote new activities through the deployment of new technologies, new processes or products, leading to significant emission reduction, in line with the EU 2030 climate objectives and EU climate neutrality by 2050\(^2/3\) while maintaining and enhancing employment and avoiding environmental degradation. Particular attention should also be given to activities enhancing innovation and research in advanced and sustainable technologies, as well as in the fields of digitalisation and connectivity, provided that such measures help mitigate the negative side effects of a transition towards, and contribute to, a climate-neutral and circular economy.

Amendment

(10) This Regulation identifies types of investments for which expenditure may be supported by the JTF. All supported activities should be pursued in full respect of the climate and environmental objectives and priorities of the Union and should be in line with the Union framework for sustainable activities laid down in Regulation (EU) \ldots/\ldots [EU Taxonomy Regulation]. The list of investments should prioritise those that support people, workers, communities and local economies and are sustainable in the medium- and long-term, being fully in line with all the objectives of the Green Deal, the Paris Agreement and the European Pillar of Social Rights. The projects financed should contribute to a transition to a sustainable, climate-neutral, climate-resilient, resource-efficient and fully circular economy while not harming any of the Union’s environmental objectives, and should support the objective of restoring the affected regions’ long-term competitiveness. For declining sectors, such as energy production based on fossil fuels or extraction activities for these solid fossil fuels, support should be linked to the phasing out of the activity and the corresponding reduction in the employment level, while ensuring effective cooperation with all the relevant stakeholders to find a balanced yet ambitious timeframe for such actions. As regards transforming sectors with high greenhouse gas emission levels, support should promote new activities through the deployment of new technologies, new
processes or products, leading to significant emission reduction, in line with the EU 2030 climate objectives and EU climate neutrality by 2050 at the latest, while maintaining and enhancing employment and avoiding environmental degradation. Particular attention should also be given to activities enhancing innovation and research in advanced and sustainable technologies, as well as in the fields of digitalisation and connectivity, provided that such measures help and facilitate a transition towards, and contribute to, a climate-neutral and circular economy.

As set out in “A Clean Planet for all European strategic long-term vision for a prosperous, modern, competitive and climate neutral economy”, Communication from the Commission to the European Parliament, the European Council, the Council, the European Economic and Social Committee, the Committee of the Regions and the European Investment Bank - COM(2018) 773 final.

Amendment 13
Proposal for a regulation
Recital 11

Text proposed by the Commission

(11) To protect citizens who are most vulnerable to the climate transition, the JTF should also cover the up-skilling and reskilling of the affected workers, with the aim of helping them to adapt to new employment opportunities, as well as providing job-search assistance to jobseekers and their active inclusion into the labour market.

Amendment

(11) Securing sustainable employment opportunities for workers and territories affected by the climate transition is a fundamental objective of the JTF. To protect citizens and employees who are most vulnerable to the climate transition, the JTF should also cover the professional training, new skills development, the up-skilling and reskilling of the affected workers and job seekers, with the aim of helping them to requalify and adapt to new sustainable employment opportunities as
well as providing job-search assistance to jobseekers and their active inclusion into the labour market, taking into account the need to ensure equal opportunities for all and achieving gender balance across sectors.

Amendment 14
Proposal for a regulation
Recital 11 a (new)

Text proposed by the Commission

Amendment

(11a) The COVID-19 pandemic and its health and economic effects has impacted the Union and the priorities of the Commission. The COVID-19 crisis also revealed the interdependence between the ecosystems and our economy as well as the heavy dependence of the Union economic system on long supply chains. That has reinforced the importance of the JTF and the need to allocate adequate resources to address the challenges to achieve the transition to a sustainable and fully circular economy and to strengthen the resilience of the Union economies, especially in the most affected regions. The JTF and the cohesion funds allocations should avoid increasing the disparities between Member States after the Covid-19 crisis. The Commission amended proposal on the JTF proposes to increase the size of the Just Transition Fund to above €40 billion.

Amendment 15
Proposal for a regulation
Recital 11 b (new)

Text proposed by the Commission

Amendment

(11b) Member States and the Commission should ensure that the implementation of the priorities financed
under the JTF contributes to the respect and the promotion of equality between women and men in accordance with Article 8 TFEU. Gender equality objectives and the economic independence of women should be ensured in all dimensions and in all stages of the preparation, monitoring, implementation and evaluation of operational programmes in a timely and consistent manner.

Amendment 16
Proposal for a regulation
Recital 12

Text proposed by the Commission

(12) In order to enhance the economic diversification of territories impacted by the transition, the JTF should provide support to productive investment in SMEs. Productive investment should be understood as investment in fixed capital or immaterial assets of enterprises in view of producing goods and services thereby contributing to gross-capital formation and employment. For enterprises other than SMEs, productive investments should only be supported if they are necessary for mitigating job losses resulting from the transition, by creating or protecting a significant number of jobs and they do not lead to or result from relocation. Investments in existing industrial facilities, including those covered by the Union Emissions Trading System, should be allowed if they contribute to the transition to a climate-neutral economy by 2050 and go substantially below the relevant benchmarks established for free allocation under Directive 2003/87/EC of the European Parliament and of the Council and if they result in the protection of a significant number of jobs. Any such investment should be justified accordingly in the relevant territorial just transition

Amendment

(12) In order to enhance the economic diversification and reconversion of territories impacted by the transition, the JTF should provide support to sustainable and productive investment with a focus on SMEs, micro-enterprises and entrepreneurs, social enterprises and cooperatives in order to help them re-orient their business activities and create new opportunities. Productive investment should be understood as investment in fixed capital or immaterial assets of enterprises in view of producing goods and services thereby contributing to gross-capital formation, scaling up and sustainable employment. Sustainable investment should be understood as investment within the meaning of point (17) of Article 2 of Regulation (EU) 2019/2088 of the European Parliament and of the Council. For enterprises other than SMEs, sustainable and productive investments should only be supported if they are necessary for mitigating job losses resulting from the transition, by creating or protecting a significant number of jobs and they do not lead to or result from relocation. A mechanism for sustainability screening should be put in place to
plan. In order to protect the integrity of the internal market and cohesion policy, support to undertakings should comply with Union State aid rules as set out in Articles 107 and 108 TFEU and, in particular, support to productive investments by enterprises other than SMEs should be limited to enterprises located in areas designated as assisted areas for the purposes of points (a) and (c) of Article 107(3) TFEU.

determine if they have any detrimental environmental, climate or social impacts. Investments in existing industrial facilities, including those covered by the Union Emissions Trading System, should be allowed if they contribute to the transition to a climate-neutral economy by 2050 and go substantially below the relevant benchmarks established for free allocation under Directive 2003/87/EC of the European Parliament and of the Council and if they result in the protection of a significant number of jobs. Any such investment should be justified accordingly in the relevant territorial just transition plan. In order to protect the integrity of the internal market and cohesion policy and to avoid distorting competition between enterprises, support to undertakings should comply with Union State aid rules as set out in Articles 107 and 108 TFEU and, in particular, support to productive investments by enterprises other than SMEs should be limited to enterprises located in areas designated as assisted areas for the purposes of points (a) and (c) of Article 107(3) TFEU. The JTF should aim to only support investments related to the climate transition that are viable in the mid to long term and provide an added value to the territory concerned. The Commission and Member States should monitor the viability of investments derived from the JTF on an ongoing basis.


Amendment 17
Proposal for a regulation
Recital 12 a (new)

Text proposed by the Commission

(12a) In order to ensure that the Fund is not used to pay for the costs of restoring environmental damages that fall under the environmental liability of an undertaking, support to investment related to the regeneration, repurposing and decontamination of sites and to the restoration of land and ecosystems, should be allowed only when no undertaking can be held legally liable to finance such activities, in accordance with the polluter-pays principle enshrined in Article 191 TFEU.

Amendment 18
Proposal for a regulation
Recital 13

Text proposed by the Commission

(13) In order to provide flexibility for the programming of the JTF resources under the Investment for jobs and growth goal, it should be possible to prepare a self-standing JTF programme or to programme JTF resources in one or more dedicated priorities within a programme supported by the European Regional Development Fund (‘ERDF’), the European Social Fund Plus (‘ESF+’) or the Cohesion Fund. In accordance with Article 21a of Regulation (EU) [new CPR], JTF resources should be reinforced with complementary funding from the ERDF and the ESF+. The respective amounts transferred from the ERDF and the ESF+ should be consistent

Amendment

(13) In order to provide flexibility and coherence for the programming of the JTF resources under the Investment for jobs and growth goal, it should be possible to prepare a self-standing JTF programme or to programme JTF resources in one or more dedicated priorities within a programme supported by the European Regional Development Fund (‘ERDF’), the European Social Fund Plus (‘ESF+’) or the Cohesion Fund. In accordance with Article 21a of Regulation (EU) [new CPR], JTF resources may be reinforced on a voluntary basis with complementary funding from the ERDF and the ESF+. The respective amounts transferred from the
ERDF and the ESF+ should be consistent with the type of operations set out in the territorial just transition plans. The JTF should be operationalised as quickly as possible to support transitioning regions, especially in the context of the COVID-19 crisis. The Commission should ensure that the relevant administrative processes are run in a smooth way.

Amendment 19

Proposal for a regulation
Recital 14

Text proposed by the Commission

(14) The JTF support should be conditional on the effective implementation of a transition process in a specific territory in order to achieve a climate-neutral economy. In that regard, Member States should prepare, in cooperation with the relevant stakeholders and supported by the Commission, territorial just transition plans, detailing the transition process, consistently with their National Energy and Climate Plans. To this end, the Commission should set up a Just Transition Platform, which would build on the existing platform for coal regions in transition to enable bilateral and multilateral exchanges of experience on lessons learnt and best practices across all affected sectors.

Amendment

(14) The JTF support should be conditional and measurable on the effective implementation of a transition process in a specific territory, based on targets as well as output and result indicators and effective monitoring in order to achieve a climate-neutral economy. In that regard, Member States should prepare, together with the relevant regional and local authorities and in close cooperation at local and regional levels with all the relevant stakeholders, economic and social partners, representatives of the civil society, experts, training and research institutions, employers, including in industry sectors affected, groups of workers and community-based organisations, and other relevant stakeholders and supported by the Commission, territorial just transition plans, detailing the transition process, consistently with their National Energy and Climate Plans. To this end, the Commission should set up a Just Transition Platform, which would build on the existing platform for coal regions in transition to enable bilateral and multilateral exchanges of experience on lessons learnt and best practices across all affected sectors. In order to ensure an effective and inclusive just transition
strategy, all the relevant stakeholders and partners should be fully involved in all stages of the preparation, development, implementation and evaluation of the JTF programmes and should be put in the best conditions to participate in an effective manner to the selection and implementation of projects and operations financed.

Amendment 20
Proposal for a regulation
Recital 15

(15) The territorial just transition plans should identify the territories most negatively affected, where JTF support should be concentrated and describe specific actions to be undertaken to reach a climate-neutral economy, notably as regards the conversion or closure of facilities involving fossil fuel production or other greenhouse gas intensive activities. Those territories should be precisely defined and correspond to NUTS level 3 regions or should be parts thereof. The plans should detail the challenges and needs of those territories and identify the type of operations needed in a manner that ensures the coherent development of climate-resilient economic activities that are also consistent with the transition to climate-neutrality and the objectives of the Green Deal. Only investments in accordance with the transition plans should receive financial support from the JTF. The territorial just transition plans should be part of the programmes (supported by the ERDF, the ESF+, the Cohesion Fund or the JTF, as the case may be) which are approved by the Commission.

Amendment

(15) The territorial just transition plans should identify the territories most negatively affected, where JTF support should be concentrated and describe specific actions to be undertaken to reach a climate-neutral economy, by 2050 at the latest, notably as regards the conversion or closure of facilities involving fossil fuel production or other greenhouse gas intensive activities or manufacturing of products impacted by the transition, while protecting the workers affected and expanding employment opportunities in the affected territories in order to avoid social exclusion. Those territories should be precisely defined and correspond to NUTS level 3 regions or should be parts thereof. The plans should detail the challenges, needs and opportunities of those territories and identify the type of operations needed in a manner that ensures the coherent development of climate-resilient economic activities that are also consistent with the transition to climate-neutrality and the objectives of the Green Deal, the Paris Agreement and the European Pillar of Social Rights. Only investments in accordance with the transition plans and that do not lead to lock-in effects or stranded assets should receive financial support from the JTF. The
Amendment 21

Proposal for a regulation
Recital 19

Text proposed by the Commission

(19) The objectives of this Regulation, namely to support territories facing economic and social transformation in their transition to a climate-neutral economy, cannot be sufficiently achieved by the Member States alone. The main reasons in this regard are, on the one hand, the disparities between the levels of development of the various territories and the backwardness of the least favoured territories, as well as the limit on the financial resources of the Member States and territories and, on the other hand, the need for a coherent implementation framework covering several Union funds under shared management. Since those objectives can better be 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 those objectives,

Amendment

(19) The objectives of this Regulation, namely to support territories facing economic and social transformation in their transition to a climate-neutral and circular economy by 2050 at the latest, cannot be sufficiently achieved by the Member States alone. The main reasons in this regard are, on the one hand, the disparities between the levels of development and employment of the various territories and the backwardness of the least favoured territories, as well as the limit on the financial resources of the Member States and territories and, on the other hand, the need for a coherent implementation framework covering several Union funds under shared management. Since those objectives can better be 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 those objectives,

Amendment 22

Proposal for a regulation
Article 1 – paragraph 1

Text proposed by the Commission

1. This Regulation establishes the Just

Amendment

1. This Regulation establishes the Just
Transition Fund (‘JTF’) to provide support to territories facing serious socio-economic challenges deriving from the transition process towards a climate-neutral economy of the Union by 2050.

The JTF shall support the long-term competitiveness and social and regional cohesion of these territories.

\textit{1a The words “at the latest” should apply each time the date 2050 is mentioned (throughout the text).}

\begin{itemize}
  \item \textbf{Amendment 23}
  \item \textbf{Proposal for a regulation}
  \item \textbf{Article 1 – paragraph 2}
  \item \textit{Text proposed by the Commission}
  \begin{quote}
  2. It lays down the specific objective of the JTF, its geographical coverage and resources, the scope of its support with regard to the Investment for jobs and growth goal referred to in [point (a) of Article 4(2)] of Regulation (EU) [new CPR] as well as specific provisions for programming and indicators necessary for monitoring.
  \end{quote}
  \item \textit{Amendment}
  \begin{quote}
  2. It lays down the specific objective of the JTF, its geographical coverage and resources, the scope of its support with regard to the Investment for jobs and growth goal referred to in [point (a) of Article 4(2)] of Regulation (EU) [new CPR] as well as specific provisions for programming, transparent criteria as well as sustainability indicators necessary for monitoring.
  \end{quote}
  \item \textbf{Amendment 24}
  \item \textbf{Proposal for a regulation}
  \item \textbf{Article 2 – paragraph 1}
  \item \textit{Text proposed by the Commission}
  \begin{quote}
  In accordance with the second subparagraph of Article [4(1)] of Regulation (EU) [new CPR], the JTF shall contribute to the single specific objective
  \end{quote}
  \item \textit{Amendment}
  \begin{quote}
  In accordance with the policy objectives set out in [Article 4(1)] of Regulation (EU) [new CPR], the JTF shall contribute to the single specific objective ‘enabling regions,
‘enabling regions and people to address the social, economic and environmental impacts of the transition towards a climate-neutral economy’.

**Amendment 25**

**Proposal for a regulation**

**Article 3 – paragraph 1**

*Text proposed by the Commission*

1. The JTF shall support the Investment for jobs and growth goal in all Member States.

*Amendment*

1. The JTF shall support a just transition for all and the Investment for jobs and sustainable growth goal in all Member States, including especially in regions that rely heavily on the mining and combustion of coal and lignite, subject to Articles 1 and 2.

**Amendment 26**

**Proposal for a regulation**

**Article 3 – paragraph 2 – subparagraph 1**

*Text proposed by the Commission*

The resources for the JTF under the Investment for jobs and growth goal available for budgetary commitment for the period 2021-2027 shall be EUR 7.5 billion in 2018 prices, *which may* be increased, as *the case may be*, by additional resources allocated in the Union budget, and by other resources in accordance with the applicable basic act.

*Amendment*

The *fresh* resources for the JTF under the Investment for jobs and growth goal available for budgetary commitment for the period 2021-2027 shall be at least EUR 40 billion in 2018 prices. *Those resources shall not be transferred from the allocations of the funds covered by the Regulation (EU) .../* [new CPR], particularly from the European Regional Development Fund (ERDF), the European Social Fund (ESF+) or the European Agricultural Fund for Rural Development (EAFRD). Subject to a prior impact assessment, the JTF shall, insofar as possible, be increased, by additional own resources allocated in the Union...
budget, including new potential levies, and by other resources in accordance with the applicable basic act.

Amendment 27

Proposal for a regulation
Article 3 – paragraph 2 – subparagraph 2

Text proposed by the Commission

For the purposes of programming and subsequent inclusion in the Union budget, the amount referred to in the first subparagraph shall be indexed at 2% per year.

Amendment

For the purposes of programming and subsequent inclusion in the Union budget, the amount referred to in the first subparagraph shall be indexed annually in line with Union inflation.

Amendment 28

Proposal for a regulation
Article 3 – paragraph 3

Text proposed by the Commission

3. The Commission shall adopt a decision by means of an implementing act setting out the annual breakdown of resources, including any additional resources referred to in paragraph 2, by Member State in accordance with the methodology set out in Annex I.

Amendment

3. The Commission shall adopt a decision by means of a delegated act setting out the annual breakdown of resources, including any additional resources referred to in paragraph 2, by Member State in accordance with the methodology set out in Annex I.

Amendment 29

Proposal for a regulation
Article 4 – paragraph 1

Text proposed by the Commission

1. The JTF shall only support activities that are directly linked to its specific objective as set out in Article 2 and which contribute to the implementation of the territorial just transition plans established in accordance with Article 7.

Amendment

1. The JTF shall only support activities that are directly linked to its specific objective as set out in Article 2 and which contribute to the implementation of the territorial just transition plans established in accordance with Article 7. Recipients of JTF funds shall comply with
the Union’s Treaty-based fundamental values.

Amendment 30
Proposal for a regulation
Article 4 – paragraph 2 – subparagraph 1 – point a

Text proposed by the Commission

(a) productive investments in SMEs, including start-ups, leading to economic diversification and reconversion;

Amendment

(a) productive and sustainable investments in SMEs, including start-ups, scale-ups, micro-enterprises and entrepreneurs, social enterprises, regional and local publicly-owned enterprises and cooperatives;

Amendment 31
Proposal for a regulation
Article 4 – paragraph 2 – subparagraph 1 – point b

Text proposed by the Commission

(b) investments in the creation of new firms, including through business incubators and consulting services;

Amendment

(b) investments in the creation of new firms and the expansion of existing firms including those focusing on the promotion of energy efficiency and renewable energy sources or through local and regional business incubators, co-location facilities and consulting services relevant to the climate transition;

Amendment 32
Proposal for a regulation
Article 4 – paragraph 2 – subparagraph 1 – point c

Text proposed by the Commission

(c) investments in research and innovation activities and fostering the transfer of advanced technologies;

Amendment

(c) sustainable investments in research and innovation activities, including through universities and research centres, and fostering the transfer and adaption of
advanced *market-ready* technologies;

**Amendment 33**

*Proposal for a regulation*

**Article 4 – paragraph 2 – subparagraph 1 – point d**

*Text proposed by the Commission*

(d) investments in the deployment of technology and infrastructures for affordable *clean* energy, in greenhouse gas emission reduction, energy efficiency and renewable energy;

*Amendment*

(d) investments in the deployment of technology and *social* infrastructures for affordable and sustainable energy, investments to reduce energy poverty and air pollution, investments in greenhouse gas emission reduction (including investments in sustainable mobility and decarbonisation of the transport sector), energy efficiency (including decarbonisation of buildings), electric vehicle charging infrastructure and renewable energy (including investments in district heating systems and storage technologies), energy networks such as smart and super grids and investments in cross-border electricity interconnection;

**Amendment 34**

*Proposal for a regulation*

**Article 4 – paragraph 2 – subparagraph 1 – point e**

*Text proposed by the Commission*

(e) investments in digitalisation and digital connectivity;

*Amendment*

(e) investments in digitalisation and digital connectivity, especially in remote regions and rural areas;

**Amendment 35**

*Proposal for a regulation*

**Article 4 – paragraph 2 – subparagraph 1 – point e a (new)**

*Text proposed by the Commission*

(ea) investments in the deployment of technology and infrastructure for
affordable clean and smart mobility, including investments in rail connectivity, contributing to greenhouse gas emission reduction and to the diversification of mobility solutions;

Amendment 36
Proposal for a regulation
Article 4 – paragraph 2 – subparagraph 1 – point f

Text proposed by the Commission  
(f) investments in regeneration and decontamination of sites, land restoration and repurposing projects;

Amendment
(f) investments in regeneration, repurposing and decontamination of sites and brownfield sites and facilities, restoration of land and ecosystems, including to act as carbon sinks and repurposing projects, with the exception of preventive and remedial actions due under Union and national law on environmental liabilities, in accordance with the application of the ‘polluter-pays’ principle enshrined in Article 191 TFEU;

Amendment 37
Proposal for a regulation
Article 4 – paragraph 2 – subparagraph 1 – point g

Text proposed by the Commission  
(g) investments in enhancing the circular economy, including through waste prevention, reduction, resource, efficiency, reuse, repair and recycling;

Amendment
(g) investments in conservation and protecting and restoring biodiversity and natural habitats including through investment in green tourism in the transition region;

Amendment 38
Proposal for a regulation
Article 4 – paragraph 2 – subparagraph 1 – point h

Text proposed by the Commission  
(h) upskilling and reskilling of

Amendment
(h) professional training, upskilling,
new skills development and reskilling of workers and job-seekers, including counselling, with a focus on gender equality, to ensure they benefit from long-term and quality job opportunities in either future-oriented sectors that directly contribute to a sustainable climate neutral economy, or in the care economy and essential public sectors;

Amendment 39

Proposal for a regulation
Article 4 – paragraph 2 – subparagraph 1 – point j

Text proposed by the Commission  
(j) active inclusion of jobseekers;

Amendment
(j) active inclusion of jobseekers with a particular focus on gender equality;

Amendment 40

Proposal for a regulation
Article 4 – paragraph 2 – subparagraph 1 – point j a (new)

Text proposed by the Commission  
(ja) any other specific activity, agreed between the relevant local and regional authorities in the territory concerned, the Member State and the Commission, which is in line with local development strategies and contributes to the transition towards an emission-neutral Union economy by 2050 at the latest;

Amendment 41

Proposal for a regulation
Article 4 – paragraph 2 – subparagraph 1 – point k

Text proposed by the Commission  
(k) technical assistance.

Amendment
(k) technical assistance and advisory services, including for the preparation of support and background documentation
and analysis for investments and for local and national level incubators and project nurseries bringing together financers and project promoters;

Amendment 42

Proposal for a regulation
Article 4 – paragraph 2 – subparagraph 2

*Text proposed by the Commission*

Additionally, the JTF may support, in areas designated as assisted areas in accordance with points (a) and (c) of Article 107(3) of the TFEU, productive investments in enterprises other than SMEs, provided that such investments have been approved as part of the territorial just transition plan based on the information required under point (h) of Article 7(2). Such investments shall only be eligible where they are necessary for the implementation of the territorial just transition plan.

*Amendment*

Additionally, the JTF may support, in areas designated as assisted areas in accordance with points (a) and (c) of Article 107(3) of the TFEU and in compliance with Union State aid rules as set out in Articles 107 and 108 TFEU, productive investments in enterprises other than SMEs, provided that:

(i) such investments are subject to a sustainability screening to determine if they have any detrimental environmental, climate or social impacts. For that purpose, the enterprises shall provide reliable information based on templates to be developed by the Commission;

(ii) such investments have been underlined by transitioning regions as crucial and have been approved as part of the territorial just transition plan based on the information required under point (h) and (i) of Article 7(2) and where they are necessary for the implementation of the territorial just transition plan.

Amendment 43

Proposal for a regulation
Article 4 – paragraph 2 – subparagraph 3
The JTF may also support investments to achieve the reduction of greenhouse gas emissions from activities listed in Annex I to Directive 2003/87/EC of the European Parliament and of the Council provided that such investments have been approved as part of the territorial just transition plan based on the information required under point (i) of Article 7(2). Such investments shall only be eligible where they are necessary for the implementation of the territorial just transition plan.

Amendment 44

Proposal for a regulation
Article 4 – paragraph 2 p a (new)

Text proposed by the Commission

2a. The JTF shall aim to support investments related to the ecological transition that are viable in the mid- to long-term. The viability of investments shall be monitored on an ongoing basis by the Commission and the Member State concerned in accordance with the territorial just transition plans established under Article 7.

Amendment 45

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

Text proposed by the Commission

(a) the decommissioning or the construction of nuclear power stations;

Amendment

(a) the decommissioning, maintenance or the construction of nuclear power stations, as well as the management or
Amendment 46

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

Text proposed by the Commission

(c) undertakings in difficulty, as defined in Article 2(18) of Commission Regulation (EU) No 651/2014;  

Amendment

(c) undertakings in difficulty, as defined in Article 2(18) of Commission Regulation (EU) No 651/2014, and provided that these undertakings are unviable in the mid to long-term perspective, without prejudice to undertakings which may benefit from the possible application of the Guidelines on State Aid for Rescuing and Restructuring non-financial undertakings in difficulty and the Commission’s Temporary Framework for State aid measures to support the economy in the COVID-19 outbreak, in event that this framework is prolonged beyond 2020;


Amendment 47

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

Text proposed by the Commission

(d) investment related to the production, processing, distribution, storage or combustion of fossil fuels;

Amendment

(d) investment directly or indirectly related to the production, processing, distribution, storage, transport, transmission or combustion of fossil fuels, with the exception of clean hydrogen-, biogas- and biomethane-compatible investments, in the limits of sustainable storage of nuclear waste;
availability, in regions heavily relying on the mining and combustion of coal and lignite provided that these investments:

(i) contribute to the Union’s 2050 climate neutrality target through accelerating the replacement of coal, lignite, peat or oil shale while not limiting the expansion of renewable energy sources;

(ii) are duly justified by the competent authority of the Member State in its Territorial Just Transition plan; and

(iii) are consistent with Union law, the national energy and climate plans, the energy efficiency principle and are of a transitional nature;

Amendment 48

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

Text proposed by the Commission

(e) investment in broadband infrastructure in areas in which there are at least two broadband networks of equivalent category.

Amendment

(e) the costs related to preventive and remedial actions for environmental damages that fall within the environmental liability of the undertaking causing the damage, including the clean-up, decontamination and restoration of sites, in accordance with the ‘polluter-pays’ principle enshrined in Article 191 TFEU;

Amendment 49

Proposal for a regulation
Article 5 – paragraph 1 – point e a (new)

Text proposed by the Commission

(ea) consumptive expenditure of any kind;
Amendment 50

Proposal for a regulation
Article 5 – paragraph 1 – point e b (new)

Text proposed by the Commission

Amendment

(eb) investment by companies registered in the EU list of non-cooperative jurisdictions for tax purposes;

Amendment 51

Proposal for a regulation
Article 5 – paragraph 1 – point e c (new)

Text proposed by the Commission

Amendment

(ec) activities or investments which are at increased risk of unviability and dependency on subsidies to operate after initial scaling up;

Amendment 52

Proposal for a regulation
Article 5 – paragraph 1 – point e d (new)

Text proposed by the Commission

Amendment

(ed) any other investments incompatible with the objective of climate neutrality or which lead to lock-in effects.

Amendment 53

Proposal for a regulation
Article 6 – paragraph 1 – subparagraph 1

Text proposed by the Commission

Amendment

The JTF resources shall be programmed for the categories of regions where the territories concerned are located, on the basis of the territorial just transition plans established in accordance with Article 7.

The JTF resources shall be programmed for the categories of regions where the territories or economic activities concerned are located, on the basis of the territorial just transition plans established in...
and approved by the Commission as part of a programme or a programme amendment. The resources programmed shall take the form of one or more specific programmes or of one or more priorities within a programme.

Amendment 54

Proposal for a regulation
Article 6 – paragraph 1 – subparagraph 2

Text proposed by the Commission

The Commission shall only approve a programme where the identification of the territories most negatively affected by the transition process, contained within the relevant territorial just transition plan, is duly justified and the relevant territorial just transition plan is consistent with the National Energy and Climate Plan of the Member State concerned.

Amendment

The Commission shall only approve a programme where the identification of the territories or economic activities, which require additional support to achieve the transition process, contained within the relevant territorial just transition plan, is duly justified and the relevant territorial just transition plan is consistent with the National Energy and Climate Plan of the Member State concerned and with the steps to achieving the Union’s climate objectives by 2030.

Amendment 55

Proposal for a regulation
Article 6 – paragraph 2

Text proposed by the Commission

2. The JTF priority or priorities shall comprise the JTF resources consisting of all or part of the JTF allocation for the Member States and the resources transferred in accordance with Article [21a] of Regulation (EU) [new CPR]. The total of the ERDF and ESF+ resources transferred to the JTF priority shall be at least equal to one and a half times the amount of support from the JTF to that priority but shall not exceed three times that amount.

Amendment

2. The JTF priority or priorities shall comprise the JTF resources consisting of all or part of the JTF allocation for the Member States and the resources that may be transferred on a voluntary basis in accordance with Article [21a] of Regulation (EU) [new CPR].
Amendment 56
Proposal for a regulation
Article 6 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

2a. Eligible projects financed under the Just Transition Fund contributing to the specific objective as set out in Article 2 may benefit from up to 75% of relevant costs, or more in case of severe economic downturns.

Amendment 57
Proposal for a regulation
Article 7 – paragraph 1

Text proposed by the Commission

Amendment

1. In each of the Member States, the competent authorities shall prepare, together with the relevant regional and local authorities and in full cooperation with all the relevant stakeholders referred to in paragraph 3 of this Article of the territories concerned, with the assistance of the EIB, where relevant, to ensure complementarity with the other pillars of the Just Transition Mechanism, one or more territorial just transition plans covering one or more affected territories corresponding to level 3 of the common classification of territorial units for statistics (‘NUTS level 3 regions’) as established by Regulation (EC) No 1059/2003 of the European Parliament and of the Council as amended by Commission Regulation (EC) No 868/2014 or parts thereof, in accordance with the template set out in Annex II. Those territories shall be those which require additional support to achieve the economic, social, energy and environmental transition, in particular with regard to expected job losses in fossil fuel production and use and the transformation needs of the production processes of industrial facilities with the highest greenhouse gas intensity.
Amendment 58

Proposal for a regulation
Article 7 – paragraph 1 a (new)

Text proposed by the Commission

1a. On an ad-hoc basis, JTF support should be given to regions undergoing an unforeseen business crisis resulting from actions to address climate change, to allow for an adequate response to crisis situations that may arise in the context of the transition, in particular through labour market policy measures in the area of retraining and the mitigation of redundancies. This is to ensure, that regions may receive support, even if they are not pre-labeled as impacted regions.

Amendment 59

Proposal for a regulation
Article 7 – paragraph 2 – point a

Text proposed by the Commission

(a) a description of the transition process at national, regional and local level towards a sustainable, climate-neutral and climate resilient, resource-efficient and fully circular economy by 2050 at the latest, including a clear timeline for the phasing out of fossil fuels;
or greenhouse gas intensive industries in the territories concerned and key transition steps which are consistent with the latest version of the National Energy and Climate Plan (‘NECP’) and Regulation (EU) .../[new European Climate Law];

Amendment 60

Proposal for a regulation
Article 7 – paragraph 2 – point b

Text proposed by the Commission

(b) a justification for identifying the territories as most negatively affected by the transition process referred to in point (a) and to be supported by the JTF, in accordance with paragraph 1;

Amendment

(b) a justification for identifying the territories or economic activities or citizens which require additional support to achieve the transition process referred to in point (a) and to be supported by the JTF, in accordance with paragraph 1;

Amendment 61

Proposal for a regulation
Article 7 – paragraph 2 – point c

Text proposed by the Commission

(c) an assessment of the transition challenges faced by the most negatively affected territories, including the social, economic, and environmental impact of the transition to a climate-neutral economy, identifying the potential number of affected jobs and job losses, the development needs and objectives, to be reached by 2030 linked to the transformation or closure of greenhouse gas-intensive activities in those territories;

Amendment

(c) an assessment of the transition challenges faced by territories which require additional support for the transition, including the social, economic, environmental and gender-related impacts of the transition to a sustainable and climate-neutral economy, while taking into account the objectives of the European Pillar of Social Rights and the UN 2030 Agenda; this assessment shall also identify the potential number of affected jobs and job losses, the development needs and objectives, to be reached by 2030 linked to the transformation or closure of greenhouse gas-intensive activities or other activities impacted by the transition to Union climate neutrality in those territories or any other structural socio-
economic transformation necessary to pursue the objectives of the transition;

Amendment 62
Proposal for a regulation
Article 7 – paragraph 2 – point d

Text proposed by the Commission

(d) a description of the expected contribution of the JTF support to addressing the social, economic and environmental impacts of the transition to a climate-neutral economy;

Amendment

(d) a description of the expected contribution of the JTF support to tackle the social, economic, demographic, environmental, energy independence and gender-related impacts of the transition to a sustainable, climate-neutral and competitive economy by 2050;

Amendment 63
Proposal for a regulation
Article 7 – paragraph 2 – point e

Text proposed by the Commission

(e) an assessment of its consistency with other national, regional or territorial strategies and plans;

Amendment

(e) an assessment of its consistency with other relevant Union, national, regional or territorial commitments, strategies and plans;

Amendment 64
Proposal for a regulation
Article 7 – paragraph 2 – point f

Text proposed by the Commission

(f) a description of the governance mechanisms consisting of the partnership arrangements, the monitoring and evaluation measures planned and the responsible bodies;

Amendment

(f) a description of the governance mechanisms consisting of the partnership arrangements, how effective monitoring and evaluation measures will be conducted and the responsible governing bodies supervising the plan;
Amendment 65
Proposal for a regulation
Article 7 – paragraph 2 – point f a (new)

Text proposed by the Commission

Amendment

(fa) a list of the relevant stakeholders referred to in paragraph 3 as well as a description of how these stakeholders are to be consulted in the territory concerned;

Amendment 66
Proposal for a regulation
Article 7 – paragraph 2 – point g

Text proposed by the Commission

Amendment

(g) a description of the type of operations envisaged and their expected contribution to alleviate the impact of the transition; and facilitate the transition, as well as clear milestones for the long-term competitiveness and sustainable growth of the affected regions;

Amendment 67
Proposal for a regulation
Article 7 – paragraph 2 – point g a (new)

Text proposed by the Commission

Amendment

(ga) a description of how the mid- and long-term viability of investments to finance the climate transition is to be monitored on an ongoing basis;

Amendment 68
Proposal for a regulation
Article 7 – paragraph 2 – point h
(h) where support is provided to productive investments to enterprises other than SMEs, an exhaustive list of such operations and enterprises and a justification of the necessity of such support through a gap analysis demonstrating that the expected job losses would exceed the expected number of jobs created in the absence of the investment;

(h) where support is provided to productive investments to enterprises other than those referred to in point (a) of Article 4(2), a list that is as exhaustive as possible of such operations and enterprises and a justification of the necessity of such support through a gap analysis demonstrating that the expected job losses would exceed the expected number of jobs created in the absence of the investment;

Amendment 69
Proposal for a regulation
Article 7 – paragraph 2 – point i

(i) where support is provided to investments to achieve the reduction of greenhouse gas emissions from activities listed in Annex I to Directive 2003/87/EC, an exhaustive list of operations to be supported and a justification that they contribute to a transition to a climate neutral economy and lead to a substantial reduction in greenhouse-gas emissions going substantially below the relevant benchmarks established for free allocation under Directive 2003/87/EC and provided that they are necessary for the protection of a significant number of jobs;

(i) where support is provided to investments to achieve the reduction of greenhouse gas emissions from activities listed in Annex I to Directive 2003/87/EC, a list that is as exhaustive as possible of operations to be supported and a justification that they contribute to a transition to a sustainable, climate-neutral and climate-resilient, resource-efficient and fully circular economy and lead to a substantial reduction in greenhouse-gas emissions going substantially below the relevant benchmarks established for free allocation under Directive 2003/87/EC and provided that they are necessary for the protection of a significant number of jobs;

Amendment 70
Proposal for a regulation
Article 7 – paragraph 3

3. The preparation and implementation of territorial just transition

3. The preparation, development, implementation and evaluation of
plans shall involve the relevant partners in accordance with Article 6 of Regulation (EU) [new CPR].

Territorial just transition plans shall involve all the relevant stakeholders, economic and social partners, representatives of the civil society, experts, training and research institutions, employers, including in industry sectors affected, groups of workers and community-based organisations, and other relevant stakeholders, via meaningful public consultation and participation, in accordance with Article 6 of Regulation (EU) [new CPR]. The territorial just transition plans, and relevant documents related to the selection of operations shall be made publicly accessible.

Amendment 71
Proposal for a regulation
Article 7 – paragraph 3 a (new)

Text proposed by the Commission

3a. The plans shall offer opportunities to further strengthen resilient local economies, local supply chains and relocalisation efforts.

Amendment

Territorial just transition plans shall be consistent with the territorial strategies referred to in Article 23 of Regulation (EU) [new CPR], with relevant smart specialisation strategies, the NECPs and the European Pillar of Social Rights.

Territorial just transition plans shall be consistent with the territorial strategies referred to in Article 23 of Regulation (EU) [new CPR], with relevant smart specialisation strategies, the NECPs and the European Pillar of Social Rights, the Union’s commitment under the Paris Agreement to limit the global temperature increase to 1.5°C above pre-industrial levels, and the United Nations Sustainable Development Goals.
Amendment 73

Proposal for a regulation
Article 8 – paragraph 2

Text proposed by the Commission

2. For output indicators, baselines shall be set at zero. The milestones set for 2024 and targets set for 2029 shall be cumulative. Targets shall not be revised after the request for programme amendment submitted pursuant to Article 14(2) of Regulation (EU) [new CPR] has been approved by the Commission.

Amendment

2. For output indicators, which should include the sustainability indicators set out in Regulation (EU) 2019/2088, baselines shall be set at zero. The milestones set for 2024 and targets set for 2029 shall be cumulative. Targets shall not be revised after the request for programme amendment submitted pursuant to Article 14(2) of Regulation (EU) [new CPR] has been approved by the Commission.

Amendment 74

Proposal for a regulation
Article 8 – paragraph 2 a (new)

Text proposed by the Commission

2a. The Commission shall set up a Just Transition Platform to enable exchanges of best practices across all affected regions and sectors. The details of the functioning of that platform, including its membership, budget and governance mechanisms shall be adopted by means of an implementing act.

Amendment

2a. The Commission shall set up a Just Transition Platform to enable exchanges of best practices across all affected regions and sectors. The details of the functioning of that platform, including its membership, budget and governance mechanisms shall be adopted by means of an implementing act.

Amendment 75

Proposal for a regulation
Article 9 – paragraph 1

Text proposed by the Commission

Where the Commission concludes, based on the examination of the final performance report of the programme, that there is a failure to achieve at least 65% of

Amendment

Where the Commission concludes, based on the examination of the final performance report of the programme, that there is a failure to achieve at least 75% of
the target established for one or more output or result indicators for the JTF resources, it may make financial corrections pursuant to Article [98] of Regulation (EU) [new CPR] by reducing the support from the JTF to the priority concerned in proportion to the achievements.

Amendment 76

Proposal for a regulation
Article 10 – paragraph 2

Text proposed by the Commission

2. The power to adopt delegated acts referred to in Article 8(4) shall be conferred on the Commission for an indeterminate period of time from [the date of the entry into force of this Regulation].

Amendment

2. The power to adopt delegated acts referred to in Article 3(3) and Article 8(4) shall be conferred on the Commission for an indeterminate period of time from [the date of the entry into force of this Regulation].

Amendment 77

Proposal for a regulation
Article 10 – paragraph 3

Text proposed by the Commission

3. The delegation of power referred to in Article 8(4) 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 the 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

3. The delegation of power referred to in Article 3(3) and Article 8(4) 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 the 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 78
Proposal for a regulation
Article 10 – paragraph 6

Text proposed by the Commission

6. A delegated act adopted pursuant to Article 8(4) shall enter into force only if no objection has been expressed either by the European Parliament or by the Council within a period of two months of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by two months at the initiative of the European Parliament or of the Council.

Amendment

6. A delegated act adopted pursuant to Article 3(3) and Article 8(4) shall enter into force only if no objection has been expressed either by the European Parliament or by the Council within a period of two months of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by two months at the initiative of the European Parliament or of the Council.

Amendment 79

Proposal for a regulation
Article 10 a (new)

Text proposed by the Commission

Article 10a

Review clause

At the latest by the end of mid-term review of the next multi-annual financial framework, the Commission shall review the implementation of the JTF and assess whether it is appropriate to amend its scope in line with possible changes in the Regulation 2020/... [Taxonomy Regulation], the Union’s climate objectives set out in Regulation (EU) 2020/... [European Climate Law] and the evolution in the implementation of the Sustainable Finance Action Plan. On that basis, the Commission shall submit a report to the European Parliament and to the Council, which may be accompanied by legislative proposals.
Amendment 80
Proposal for a regulation
Annex I – paragraph 1 – point b

Text proposed by the Commission
(b) the allocations resulting from the application of point (a) are adjusted to ensure that no Member State receives an amount exceeding EUR 2 billion. The amounts exceeding EUR 2 billion per Member State are redistributed proportionally to the allocations of all other Member States. The Member States shares are recalculated accordingly;

Amendment
(b) the allocations resulting from the application of point (a) are adjusted to ensure that no Member State receives an amount exceeding 20% of the total allocation. The amounts exceeding 20% of the total allocation per Member State are redistributed proportionally to the allocations of all other Member States. The Member States shares are recalculated accordingly;

Amendment 81
Proposal for a regulation
Annex II – point 1 – Reference Article 7(2)(a) – point 1.1

Text proposed by the Commission
1.1. Outline of the expected transition process towards a climate-neutral economy, in line with the objectives of the National Energy and Climate Plans and other existing transition plans with a timeline for ceasing or scaling down activities such as coal and lignite mining or coal fired electricity production

Amendment
1.1. Outline of the expected transition process towards a climate-neutral economy, in line with the objectives of the National Energy and Climate Plans and other existing transition plans with a clear timeline for the phasing out of fossil fuels or greenhouse gas intensive industries in the territories concerned by 2050 at the latest

Amendment 82
Proposal for a regulation
Annex II – point 2 – point 2.1 – introductory part

Text proposed by the Commission
2.1. Assessment of the economic, social and territorial impact of the transition to a climate-neutral economy

Amendment
2.1. Assessment of the economic, social, gender-related and territorial impact of the transition to a climate-neutral economy
Amendment 83
Proposal for a regulation
Annex II – point 2 – point 2.1 – Reference Article 7(2)(c) – Text field [12000]

Text proposed by the Commission
Identification of economic activities and industrial sectors impacted, distinguishing:
- declining sectors, expected to cease or significantly scale down their activities related to the transition, including a corresponding timeline;
- transforming sectors, expected to undergo a transformation of their activities, processes and outputs.
For each of the two sectors:
- expected job losses and requalification needs, taking into account skills forecasts;
- economic diversification potential and development opportunities.

Amendment
Identification of economic activities and industrial sectors impacted, distinguishing:
- declining sectors, expected to cease or significantly scale down their activities related to the transition, including a corresponding clear timeline;
- transforming sectors, expected to undergo a transformation of their activities, processes and outputs.
For each of the two sectors:
- expected job losses and requalification needs, taking into account skills forecasts and a gender perspective;
- economic diversification potential and development opportunities, including a gender perspective.

Amendment 84
Proposal for a regulation
Annex II – point 2 – point 2.3 a (new)

Text proposed by the Commission
2.3 a. Consultation with stakeholders
Reference: Article 7(2)(fa)
- List of relevant stakeholders consulted, including economic and social partners, civil society representatives, experts consulted in the region and country concerned

Amendment
2.3 a. Consultation with stakeholders
Reference: Article 7(2)(fa)
- List of relevant stakeholders consulted, including economic and social partners, civil society representatives, experts consulted in the region and country concerned
Annex II – point 2 – point 2.4 – Reference Article 7(2)(g)

**Text proposed by the Commission**

- types of operations envisaged and their expected contribution to alleviate the impact of the climate transition

**Amendment**

- types of operations envisaged, their viability and their expected contribution to alleviate the impact of the climate transition

Amendment 86

Proposal for a regulation
Annex II – point 2 – point 2.4 – Reference Article 7(2)(h)

**Text proposed by the Commission**

To fill in only if support is provided to productive investments other than SMEs:

- an exhaustive list of such operations and enterprises and for each of them a justification of the necessity of such support through a gap analysis demonstrating that the expected job losses would exceed the expected number of jobs created in the absence of this investment

**Amendment**

To fill in only if support is provided to productive investments other than SMEs:

- an indicative list of such operations and enterprises and for each of them a justification of the necessity of such support through a gap analysis demonstrating that the expected job losses would exceed the expected number of jobs created in the absence of this investment

Amendment 87

Proposal for a regulation
Annex II – point 2 – point 2.4 – Reference Article 7(2)(i)

**Text proposed by the Commission**

To fill in only if support is provided to investments to achieve the reduction of greenhouse gas emissions from activities listed in Annex I to Directive 2003/87/EC:

- an exhaustive list of operations to be supported and a justification that they contribute to the transition to a climate-neutral economy and lead to substantial reductions in greenhouse gas emissions going below the relevant benchmarks used for free allocation under Directive 2003/87/EC and provided that they are necessary for the protection of a significant

**Amendment**

To fill in only if support is provided to investments to achieve the reduction of greenhouse gas emissions from activities listed in Annex I to Directive 2003/87/EC:

- an indicative list of operations to be supported and a justification that they contribute to the transition to a climate-neutral economy and lead to substantial reductions in greenhouse gas emissions going below the relevant benchmarks used for free allocation under Directive 2003/87/EC and provided that they are necessary for the protection of a significant
**PROCEDURE – COMMITTEE ASKED FOR OPINION**

<table>
<thead>
<tr>
<th><strong>Title</strong></th>
<th>Establishing the Just Transition Fund</th>
</tr>
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<tbody>
<tr>
<td><strong>References</strong></td>
<td>COM(2020)0022 – C9-0007/2020 – 2020/0006(COD)</td>
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<tr>
<td><strong>Committee responsible</strong></td>
<td>REGI</td>
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<tr>
<td>Date announced in plenary</td>
<td>29.1.2020</td>
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<td><strong>Opinion by</strong></td>
<td>ECON</td>
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<tr>
<td>Date announced in plenary</td>
<td>15.5.2020</td>
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<tr>
<td><strong>Associated committees - date announced in plenary</strong></td>
<td>27.5.2020</td>
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<tr>
<td><strong>Rapporteur</strong></td>
<td>Henrike Hahn</td>
</tr>
<tr>
<td>Date appointed</td>
<td>23.4.2020</td>
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<tr>
<td><strong>Date adopted</strong></td>
<td>25.6.2020</td>
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<tr>
<td><strong>Result of final vote</strong></td>
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<td>–: 7</td>
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<td>0: 5</td>
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<td><strong>Substitutes present for the final vote</strong></td>
<td>Henrike Hahn, Margarida Marques, Mikuláš Peksa, Mick Wallace</td>
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## FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

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<tr>
<td><strong>ECR</strong></td>
<td>Roberts Zile</td>
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<td><strong>GUE/NGL</strong></td>
<td>José Gusmão, Dimitrios Papadimoulis, Mick Wallace</td>
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<td><strong>PPE</strong></td>
<td>Isabel Benjumea Benjumea, Stefan Berger, Markus Ferber, Frances Fitzgerald, José Manuel García-Margallo y Marfil, Enikő Győri, Danuta Maria Hübner, Othmar Karas, Georgios Kyrtis, Austra Maldeikienė, Siegfried Mureșan, Luděk Niedermayer, Lídia Pereira, Sirpa Pietikäinen, Ralf Seekatz, Inese Vaidere</td>
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<td><strong>Renew</strong></td>
<td>Gilles Boyer, Luis Garicano, Billy Kelleher, Ondřej Kovářík, Caroline Nagtegaal, Dragoș Pîslaru, Stéphanie Yon-Courin</td>
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<td><strong>S&amp;D</strong></td>
<td>Marek Belka, Jonás Fernández, Eero Heinäluoma, Aurore Lalucq, Margarida Marques, Pedro Marques, Costas Mavrides, Csaba Molnár, Évelyn Regner, Alfred Sant, Joachim Schuster, Pedro Silva Pereira, Paul Tang</td>
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<td><strong>Verts/ALE</strong></td>
<td>Henrike Hahn, Stasys Jakeliūnas, Mikuláš Peksa, Kira Marie Peter-Hansen, Ernest Urtasun</td>
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<td><strong>ID</strong></td>
<td>Gunnar Beck, Francesca Donato, Valentino Grant, Jörg Meuthen, Antonio Maria Rinaldi, Marco Zanni</td>
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<td><strong>NI</strong></td>
<td>Lefteris Nikolaou-Alavanos</td>
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<td>Derk Jan Eppink, Raffaele Fitto, Johan Van Overtveldt</td>
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<td><strong>ID</strong></td>
<td>Herve Juvin</td>
</tr>
<tr>
<td><strong>NI</strong></td>
<td>Piernicola Pedicini</td>
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**Key to symbols:**
- + : in favour
- - : against
- 0 : abstention