23.3.2020

***I

DRAFT REPORT


Committee on Regional Development

Rapporteur: Manolis Kefalogiannis
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 establishing the Just Transition Fund
(COM(2020)0022 – C9-0007/2020 – 2020/0006(COD))

(Ordinary legislative procedure: first reading)

The European Parliament,

– having regard to the Commission proposal to Parliament and the Council (COM(2020)0022),
– having regard to Article 294(2) and the third paragraph of Article 175 of the Treaty on the Functioning of the European Union, pursuant to which the Commission submitted the proposal to Parliament (C9-0007/2020),
– 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 ... ¹,
– having regard to the opinion of the Committee of the Regions of ... ²,
– having regard to Rule 59 of its Rules of Procedure,
– having regard to the opinions of the Committee on Budgets, the Committee on Employment and Social Affairs, the Committee on the Environment, Public Health and Food Safety, the Committee on Industry, Research and Energy, the Committee on Transport and Tourism and the Committee on Agriculture and Rural Development,
– having regard to the report of the Committee on Regional Development (A9-0000/2020),

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 ... / Not yet published in the Official Journal.
² OJ C ... / Not yet published in the Official Journal.
Amendment 1
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 from the JTF should complement the resources available under cohesion policy. **The establishment of the JTF should not lead to cuts to, or transfers from, the funds covered by Regulation (EU) .../... [new CPR].**

Or. en

Justification

*The European Parliament has made clear many times that the European Union’s ambitious policy objectives must be achieved by means of an ambitious budget. The establishment of this new fund must not lead to cuts to other essential instruments of the Union’s regional policy.*

Amendment 2
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 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. **Particular attention should be paid in that regard to insular or remote areas whose small population make the transition in energy towards climate neutrality more difficult to implement.** 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.

Justification

The purpose of the JTF is to aid the transition in regions which rely on extractive industries or heavy industry for their economic and social wellbeing. However, it is important not to overlook insular or remote regions, which are often not connected to the general energy infrastructure and may rely on autonomous diesel or petrol generators for electricity.

Amendment 3

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\(^{13}\) while maintaining and enhancing employment and avoiding environmental degradation.

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 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 gradual 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 over time. 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\(^{13}\) while maintaining and enhancing skilled
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.

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. **Those investments should also enable the financing of the costs of expertise and analysis to help achieve the goals of a successful transformation in existing, well-established enterprises.**

13 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.

**Justification**

The transition to a green economy is a key objective for Europe. This fund will make an important contribution to that goal. However, it is important to stress that this transition must be gradual so as to minimise the upset to our economic and social balance. In particular, attention must be paid to the re-use and transformation of the skills of workers trained in the sectors in question.

**Amendment 4**

Proposal for a regulation

Recital 11

<table>
<thead>
<tr>
<th>Text proposed by the Commission</th>
<th>Amendment</th>
</tr>
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<tbody>
<tr>
<td>(11) To protect citizens who are most vulnerable to the climate transition, the JTF</td>
<td>(11) To protect citizens who are most vulnerable to the climate transition, the JTF</td>
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</tbody>
</table>
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.

Or. en

Justification

The training of affected workers is particularly important, so that they can continue to be active in the employment market of the future.

Amendment 5

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

Amendment

(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\textsuperscript{14} 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, 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.


Justification

In certain areas of the European Union, the state aid rules allow for support to be paid to undertakings which are not SMEs. This includes particularly poor areas, areas with high unemployment and the outermost regions.

Amendment 6

Proposal for a regulation
Recital 12 a (new)

\textit{Text proposed by the Commission}

\textit{Amendment}

(12a) Union State aid rules should be applied flexibly in eligible regions in
transition so as to facilitate private investments. In doing so, the problems of structural change in eligible regions should be taken into account in order to ensure that those regions are given sufficient flexibility to carry out their projects in a socially and economically viable manner.

Amendment 7
Proposal for a regulation
Recital 12 b (new)

Text proposed by the Commission

Amendment

(12b) Support for productive investment in enterprises other than SMEs through the JTF should not be limited to the areas eligible for State aid under the applicable State aid rules pursuant to points (a) and (c) of Article 107(3) TFEU. All regions should be allowed to receive assistance through the JTF so as to effectively address the threat of job losses at an early stage.

Amendment 8
Proposal for a regulation
Recital 12 c (new)

Text proposed by the Commission

Amendment

(12c) The areas most affected by the transition to a climate-neutral economy should be given the opportunity to actively address the associated structural change as early as possible. Accordingly, the applicable Union State aid rules should ensure that the required aid is
(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

Parliament considers compliance with the partnership principle to be of key importance for a successful territorial just transition plan, at this ensures that economic and social partners, as well as, for example, environmental interest groups, can be consulted on programming and implementation issues.
Amendment 10
Proposal for a regulation
Recital 15

Text proposed by the Commission

(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, notably as regards the conversion or closure of facilities involving fossil fuel production or other greenhouse gas intensive activities, whilst maintaining 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 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.

Or. en

Justification

Your rapporteur feels that it is important to also underline the social aspect of the JTF.
Amendment 11
Proposal for a regulation
Recital 15 a (new)

Text proposed by the Commission

(15a) The territorial just transition plans are to be submitted by the end of 2020. That poses an implementation challenge for managing authorities and for Member States, as the adoption of these plans is necessary to release the funding. Conditional pre-financing for technical assistance should therefore be made available before the adoption of the plans in order to alleviate this challenge.

Amendment 12
Proposal for a regulation
Recital 16

Text proposed by the Commission

(16) In order to enhance the result orientation of the use of JTF resources, the Commission, in line with the principle of proportionality, should be able to apply financial corrections in case of serious underachievement of targets established for the JTF specific objective.

Amendment

(16) In order to enhance the result orientation of the use of JTF resources, the Commission, in line with the principle of proportionality and Regulation (EU) .../[new CPR], should be able to apply financial corrections in case of serious underachievement of targets established for the JTF specific objective.
Amendment 13
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 resources for the JTF under the Investment for jobs and growth goal available for budgetary commitment for the period 2021-2027 shall be **EUR 17.88 billion** in 2018 prices (“*principal amount*”), and shall not be transferred from the allocations of the Funds covered by Regulation (EU) [.../... [new CPR]. The *principal amount* 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.

Or. en

Justification

Taking into account the fact that the JTF as proposed has a much wider scope than the Just Energy Transition Fund previously proposed by Parliament, a much larger budget is required. Nevertheless, the means of the other cohesion funds should not be jeopardised.

Amendment 14
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 *in accordance with Article 10* 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.

Or. en
Amendment 15

Proposal for a regulation
Article 4 – paragraph 2 – subparagraph 1 – introductory part

Text proposed by the Commission
In accordance with paragraph 1, the JTF shall exclusively support the following activities:

Amendment
In accordance with paragraph 1, the JTF shall support the following activities:

Or. en

Amendment 16

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) investments in research and innovation activities, including at universities and public research institutions, and fostering the transfer of advanced technologies;

Justification

Your rapporteur wishes to stress that R&I investment can also go to universities and public research institutions, where justified in the territorial just transition plan.

Amendment 17

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

Text proposed by the Commission

Amendment
(c a) investments in renewable energy, power generation, infrastructure construction and maintenance and
development of related technologies;

Or. en

Amendment 18

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 infrastructures for affordable clean energy, in greenhouse gas emission reduction, including the deployment of environmentally-friendly means of transportation, and energy efficiency;

Or. en

Amendment 19

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, including digital and precision farming;

Or. en

Amendment 20

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

Amendment

(f) investments in repurposing projects;
and repurposing projects;

Amendment 21
Proposal for a regulation
Article 4 – paragraph 2 – subparagraph 1 – point i

<table>
<thead>
<tr>
<th>Text proposed by the Commission</th>
<th>Amendment</th>
</tr>
</thead>
<tbody>
<tr>
<td>(i) job-search assistance to jobseekers;</td>
<td>(i) job-search assistance to jobseekers and income support;</td>
</tr>
</tbody>
</table>

Amendment 22
Proposal for a regulation
Article 4 – paragraph 2 – subparagraph 1 – point j

<table>
<thead>
<tr>
<th>Text proposed by the Commission</th>
<th>Amendment</th>
</tr>
</thead>
<tbody>
<tr>
<td>(j) active inclusion of jobseekers;</td>
<td>(j) active inclusion of jobseekers, with a particular emphasis on women;</td>
</tr>
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</table>

Amendment 23
Proposal for a regulation
Article 4 – paragraph 2 – subparagraph 2

<table>
<thead>
<tr>
<th>Text proposed by the Commission</th>
<th>Amendment</th>
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<tbody>
<tr>
<td>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</td>
<td>Additionally, the JTF may support, in the respective territories, 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</td>
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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 24
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; deleted


Amendment 25
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; deleted
Amendment 26
Proposal for a regulation
Article 5 – paragraph 1 – point e

Text proposed by the Commission

Amendment

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

Or. en

Amendment 27
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 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. 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 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 covered by Regulation (EU) .../... [new CPR].

Or. en

Amendment 28
Proposal for a regulation
Article 6 – paragraph 1 – subparagraph 2

Text proposed by the Commission

Amendment

The Commission shall only approve a programme where the identification of the territories most
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.

negatively affected by the transition process are identified within the relevant territorial just transition plan, and the relevant territorial just transition plan is consistent with the National Energy and Climate Plan of the Member State concerned, unless it can duly justify withholding its approval.

Amendment 29

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.

Amendment 30

Proposal for a regulation
Article 7 – paragraph 1

Text proposed by the Commission

1. Member States shall prepare, together with the relevant authorities of the territories concerned, one or more territorial just transition plans covering one or more affected territories corresponding

Amendment

1. Member States shall prepare, together with the relevant local and regional authorities of the territories concerned, one or more territorial just transition plans covering one or more
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 most negatively affected based on the economic and social impacts resulting from the 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.

\[\text{____________________}\]


Amendment 31

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 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 potential impact on government revenues*, 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 32
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 national, regional or territorial strategies and plans, *where relevant*;

Amendment 33
Proposal for a regulation
Article 7 – paragraph 4 – subparagraph 1

**Text proposed by the Commission**
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.

**Amendment**
Territorial just transition plans shall be consistent with the relevant 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.

Amendment 34
Proposal for a regulation
Article 8 – paragraph 4 a (new)

**Text proposed by the Commission**
4a. This Article shall be applied in full compliance with Union and national laws on data protection and without prejudice to the provisions of Regulation (EU).../...

**Amendment**
4a. This Article shall be applied in full compliance with Union and national laws on data protection and without prejudice to the provisions of Regulation (EU).../... [new CPR].
Amendment 35
Proposal for a regulation
Article 9

*Text proposed by the Commission*

Article 9
Financial corrections

*Amendment*

Article 9
Financial corrections

*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 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.*

Or. en

Amendment 36
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 *Articles* 3(3) and 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].

Or. en
Amendment 37

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 Articles 3(3) and 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.

Or. en

Amendment 38

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 Articles 3(3) and 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.

Or. en
Amendment 39

Proposal for a regulation
Article 10 a (new)

Text proposed by the Commission

Article 10a

Transitional provisions

Member States shall benefit from a transition period until... [one year from the date of entry into force of this Regulation] for the preparation and adoption of the territorial just transition plans. All Member States shall be fully eligible for funding under this Regulation during that transition period, which shall not be taken into account by the Commission when considering a decision on decommitment or loss of funding.

Amendment 40

Proposal for a regulation
Annex I – paragraph 1 – point a – point i

Text proposed by the Commission

(i) greenhouse-gas emissions of industrial facilities in NUTS level 2 regions where the carbon intensity, as defined by the ratio of greenhouse gas emissions of industrial facilities as reported by Member States in accordance with Article 7 of Regulation (EC) No 166/2006 of the European Parliament and of the Council1 compared to the gross value added of the industry, exceeds by a factor of two the EU-27 average. Where that level is not exceeded in any NUTS level 2 regions in a given Member State, greenhouse-gas emissions of industrial facilities in the NUTS level 2 region with the highest carbon intensity is taken into

Or. en
account (weighting 49%),

____________________


account (weighting 33 %),

____________________


Amendment 41

Proposal for a regulation
Annex I – paragraph 1 – point a – point ii

<table>
<thead>
<tr>
<th>Text proposed by the Commission</th>
<th>Amendment</th>
</tr>
</thead>
<tbody>
<tr>
<td>(ii) employment in mining of coal and lignite (weighting 25%),</td>
<td>(ii) employment in mining of coal and lignite as a proportion of the total industrial workforce of each region (weighting 33 %),</td>
</tr>
</tbody>
</table>

Or. en

Amendment 42

Proposal for a regulation
Annex I – paragraph 1 – point a – point v a (new)

<table>
<thead>
<tr>
<th>Text proposed by the Commission</th>
<th>Amendment</th>
</tr>
</thead>
<tbody>
<tr>
<td>(v a) population resident in insular or remote areas reliant on autonomous electricity production by diesel or petrol generators (weighting 2 %);</td>
<td></td>
</tr>
</tbody>
</table>

Or. en

Justification

This amendment adds a criterion to the allocation method for the JTF. It proposes that a small increase be given to Member States responsible for island or remote areas which rely
on diesel or petrol generators for their electricity, as these areas are not connected to the general continental electricity network, and the move toward green energy is therefore particularly arduous and costly. The weighting for the remaining points must be reduced accordingly.

Amendment 43

Proposal for a regulation
Annex I – paragraph 1 – point a – point v b (new)

<table>
<thead>
<tr>
<th>Text proposed by the Commission</th>
<th>Amendment</th>
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</thead>
<tbody>
<tr>
<td>(v b) the speed with which Member States commit to reducing their greenhouse gas emissions from coal or lignite, as reflected in the respective 2030 National Energy and Climate Plans (weighting 6 %);</td>
<td></td>
</tr>
</tbody>
</table>

Or. en

Justification

This amendment adds a criterion to the allocation method for the JTF, proposing an increase to Member States which pledged more ambitious contributions in their draft NECP than the minimum ambition level requirement.

Amendment 44

Proposal for a regulation
Annex I – paragraph 1 – point b

<table>
<thead>
<tr>
<th>Text proposed by the Commission</th>
<th>Amendment</th>
</tr>
</thead>
<tbody>
<tr>
<td>(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;</td>
<td></td>
</tr>
</tbody>
</table>

(b) the allocations resulting from the application of point (a) are adjusted to ensure that no Member State receives an amount exceeding 27 % of the principal amount indicated in Article 3(2). The amounts exceeding the 27 % per Member State are redistributed proportionally to the allocations of all other Member States. The Member States shares are recalculated accordingly;

Or. en
EXPLANATORY STATEMENT

A. Introduction

In the legislative proposals governing the use of cohesion policy funding for the period 2021-2027, one of the main objectives which will drive EU investments will be a “Greener, low-carbon Europe, by promoting clean and fair energy transition, green and blue investment, the circular economy, climate adaptation and risk prevention and management”. This serves to implement the Paris Agreement. In addition, 25% of the total MFF expenditure is to be spent on climate-related activities.

The European Green Deal reinforces even further the EU’s commitment to a greener future, setting out a new growth policy for Europe, with the ambitious goal of achieving climate neutrality by 2050, a goal that was endorsed by the European Council on 12 December 2019.

However, on the road towards a green economy and climate neutrality, there are particular difficulties we should urgently address. There is, for instance, a great number of regions which are still dependent on fossil fuel or greenhouse gas-intensive industrial processes. The transition of these regions to a climate-neutral economy is therefore an enormous challenge. Economic activities with high greenhouse gas emission intensity levels, or based on the production and use of fossil fuels, such as coal and lignite, will inevitably have to decrease both in terms of economic output and employment levels. Other sectors with high greenhouse gas emission levels will need to abandon carbon-intensive processes: they will need to transform. Furthermore, a number of jobs, which indirectly depend on the aforementioned activities, will now need to transform as well, or could cease to exist. All these changes will have a direct impact on people’s lives and will inevitably create a wide range of social challenges.

The rapporteur therefore very much welcomes the fact that, by submitting a separate, new draft regulation for the establishment of a Just Transition Fund in the post-2020 funding period, the Commission has given its attention to these social, economic and environmental challenges, and signalled the importance of a common EU response to the need for a just transition.

In the rapporteur’s view, however, this proposal, which constitutes the first legislative proposal implementing the priorities set out in the European Green Deal and is part of the Sustainable Europe Investment Plan, still needs some modifications, additions and adjustments. The rapporteur is particularly concerned about the socio-economic impact of the transition process towards a climate-neutral economy, and firmly believes that the EU needs to achieve transition without letting disparities between regions grow any further, and without leaving any citizen behind.

B. Structure of the Just Transition Mechanism

The rapporteur welcomes the three-pillar structure of the Just Transition Mechanism, consisting of the Just Transition Fund, the dedicated scheme under InvestEU and the public sector loan facility with the EIB Group. The Just Transition Fund will be used primarily to provide grants, and its focus will be on the economic diversification and the reskilling and
active inclusion of workers and jobseekers; whereas the other two pillars will pull in private investments and leverage public financing respectively.

The rapporteur also points to the fact that the Just Transition Fund is implemented under shared management, in close cooperation with national, regional and local authorities and stakeholders, as this ensures ownership of the transition strategy. Compliance with the partnership principle is also of key importance, as this ensures that economic and social partners are consulted on programming and implementation issues.

C. Scope of support

The rapporteur welcomes the fact that the proposed JTF will support activities in the fields of economic diversification, reskilling of workers and environmental rehabilitation. This is a broad scope of activities, including more specifically investments in: SMEs, R&I, energy-related technology and infrastructures, digitalisation, regeneration, the circular economy, the upskilling and reskilling of workers, and the assistance and inclusion of job seekers. However, the list of activities should not be exclusive and its scope should be even broader, including universities and public research institutions, investments in renewable energy, power generation and infrastructure construction, as well as environment-friendly means of transportation.

Furthermore, in view of the drawbacks of nuclear energy, it is believed to be appropriate that nuclear plants be excluded from funding.

D. Budget

The rapporteur welcomes the fact that the proposed JTF will promote energy transition and will support a much wider range of activities under three broad categories: social support, economic revitalisation and land restoration. The rapporteur therefore asks for a significantly higher budget than the EUR 7.5 billion proposed by the Commission, highlighting, however, that this should not jeopardise the financing of the other cohesion funds. The EU’s ambitious policy objectives can only be achieved by means of an ambitious budget. The resources from the JTF should complement the resources available under the existing instruments of the Union’s regional policy and should not be the result of transfers from other Funds.

The rapporteur also expresses the hope that the total amount of investments through the three pillars of the Just Transition Mechanism will exceed the foreseen EUR 100 billion, as additional resources will be necessary to help the territories most affected by the transition challenges fulfil the target of climate neutrality, whilst maintaining high employment rates during - and after - the transition process.

In the rapporteur’s view, particular attention should also be paid to populations residing in insular or remote areas, relying on diesel or petrol generators for their electricity, as the energy transition may be more difficult and costlier to implement. The rapporteur therefore modifies the weighting foreseen in the allocation method and adds a new criterion related to islands and remote areas, so that the allocation method reflects factually the real needs of populations in transition.

In addition, the rapporteur thinks that the additional efforts made by Member States leading to
a reduction in emissions going beyond the target should be rewarded. The rapporteur therefore proposes a substantial adjustment of allocations in consequence.

E. State aid rules

In order to effectively address the threat of job losses, a flexible application of State aid rules and an inclusive approach towards all regions is necessary. This means that support should not be limited to areas eligible for State aid under the applicable State aid legislation. Other areas, including poor areas, areas with high unemployment and the outermost regions should also be included.

F. Pre-financing

The rapporteur welcomes the fact that it is up to Member States to prepare the territorial just transition plans and identify the impacted NUTS level 3 regions, or parts thereof, which should be supported. However, taking into account that their submission by the end of 2020 poses an implementation challenge for managing authorities and Member States, conditional pre-financing for technical assistance should be made available to alleviate this challenge. In addition, the Member States should benefit from a transition period for the preparation and adoption of the territorial just transition plans, without jeopardising their eligibility for funding.