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*Plenary sitting*

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**A9-0135/2020**

15.7.2020

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## **REPORT**

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))

Committee on Regional Development

Rapporteur: Manolis Kefalogiannis

Rapporteurs for the opinion (\*):

Siegfried Mureşan, Committee on Budgets

Henrike Hahn, Committee on Economic and Monetary Affairs

Mounir Satouri, Committee on Employment and Social Affairs

Alexandr Vondra, Committee on the Environment, Public Health and Food  
Safety

Jerzy Buzek, Committee on Industry, Research and Energy

(\* ) Associated committees – Rule 57 of the Rules of Procedure

### ***Symbols for procedures***

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

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

### ***Amendments to a draft act***

#### **Amendments by Parliament set out in two columns**

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

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

#### **Amendments by Parliament in the form of a consolidated text**

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

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

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## DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION

**on the proposal for a regulation of the European Parliament and of the Council 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) and the amended proposal (COM(2020)0460),
  - having regard to Article 294(2) and the third paragraph of Article 175 and Article 322(1)(a) 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,
  - after consulting the Court of Auditors,
  - after consulting the European Economic and Social Committee,
  - after consulting the Committee of the Regions,
  - having regard to Rule 59 of its Rules of Procedure,
  - having regard to the opinions of the Committee on Budgets, the Committee on Economic and Monetary Affairs, 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 (A9-0135/2020),
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.

### **Amendment 1**

## Proposal for a regulation

### Recital 1

*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’)<sup>11</sup> and is part of the Sustainable Europe Investment Plan<sup>12</sup> 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.

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<sup>11</sup> COM(2019) 640 final, 11.12.2019.

<sup>12</sup> COM(2020) 21, 14.1.2020.

### 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

*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, ***limiting global temperature increase to below 1,5 °C***, the United Nations Sustainable Development Goals *and the European Pillar of Social Rights* 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’)<sup>11</sup> and is part of the Sustainable Europe Investment Plan<sup>12</sup> providing dedicated financing under the Just Transition Mechanism in the context of cohesion policy to address the economic, social *and environmental* costs of the transition to a climate-neutral and circular economy, where any remaining greenhouse gas emissions are compensated by equivalent absorptions, ***taking into account the impact of the COVID-19 pandemic***.

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<sup>11</sup> COM(2019) 640 final, 11.12.2019.

<sup>12</sup> COM(2020) 21, 14.1.2020.

*Amendment*

(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.

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, economic **and environmental** impact for those regions that rely heavily on fossil fuels - especially coal, lignite, peat **for energy use** 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, **especially for outermost regions, remote, insular and geographically disadvantaged areas, and for areas with depopulation problems**, detrimental to the objectives of social, economic and territorial cohesion.

### 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, **inclusive** and socially acceptable for all. Therefore, the Union, the Member States **and their regions** must take into account its economic, social **and environmental** implications from the outset, and deploy all possible instruments to mitigate adverse consequences. The Union budget has an important role in that regard **to ensure that no one is left behind**.

## Amendment 4

### 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 level.

*Amendment*

(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, economic **and environmental** consequences, **in particular for workers affected in the process** of transitioning towards Union climate neutrality **by 2050** by bringing together the Union budget's spending on climate and social objectives at regional level, **promoting a sustainable economy, green jobs and public health.**

## Amendment 5

### 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

*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 aim of the JTF is to mitigate **and compensate** the adverse effects of the climate transition by supporting the most affected territories and workers concerned **and to promote a balanced socio-economic transition that fights social precarity and an unstable business environment.** 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 **by regenerating natural**



objectives set out in Article [4] of Regulation EU [new CPR].

*assets* and by mitigating the negative repercussions on employment **and on standards of living**. 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 6

### 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 and the increased ambition of the Union as proposed in the European Green Deal, the JTF should provide a key contribution to mainstream climate **and environmental** actions. Resources from the JTF own envelope are additional and come on top of the investments needed to achieve the overall target of **30 %** of the Union budget expenditure contributing to climate objectives. Resources transferred **on a voluntary basis** from the ERDF and ESF+ **could** contribute fully to the achievement of this target.

## Amendment 7

### 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**

*compulsory transfers from, the other cohesion funds.*

## Amendment 8

### 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, ***or which until recently have relied***, 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 ***focus on those territories most affected, and*** reflect the capacity of Member States to finance the necessary investments to cope with the transition towards climate neutrality, ***with particular attention to least developed regions, outermost regions, mountainous, islands, sparsely populated, rural, remote and geographically disadvantaged areas whose small population make the transition in energy towards climate neutrality more difficult to implement, and taking into account the starting position of each Member State.***

## Amendment 9

### 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

*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.

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. ***Member States should ensure that municipalities and cities have direct access to the JTF resources to be made available to them according to their objective needs.***

## Amendment 10

### 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<sup>13</sup> 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

##### *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, environmental ***and social commitments and*** priorities of the Union. The list of investments should include those that support ***people, communities and*** local economies and are sustainable in the long-term, taking into account all the objectives of the ***European*** Green Deal ***and the European Pillar of Social Rights***. The projects financed should contribute to a ***gradual and full*** transition to a ***sustainable, climate-neutral, pollution-free*** 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<sup>13</sup> while maintaining and enhancing ***skilled***

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, connectivity **and smart and sustainable mobility**, provided that such measures help mitigate the negative side effects of a transition towards, and contribute to, a climate-neutral and circular economy, **taking into account the economic, social and energy characteristics of each Member State. The importance of culture, education and community building for the transition process should also be met by supporting activities that address the mining heritage.**

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<sup>13</sup> 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.

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<sup>13</sup> 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 11

### 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) To protect citizens who are most vulnerable to the climate transition, the JTF should also cover the up-skilling, reskilling **and training** of the affected workers **and jobseekers, particularly women**, with the aim of helping them to adapt to new employment opportunities **and gain new qualifications suitable for the green economy**, as well as providing job-search assistance to jobseekers and their active inclusion into the labour market. **The**

***promotion of social cohesion should be a guiding principle for providing support under the JTF.***

## **Amendment 12**

### **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<sup>14</sup> 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***

*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<sup>14</sup> and if they result in the ***creation and maintenance*** of a significant number of jobs. Any such investment should be justified accordingly in the relevant territorial just transition plan, ***be sustainable and, where applicable, be consistent with the polluter pays principle and the energy efficiency first principle.*** 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

*located in areas designated as assisted areas for the purposes of points (a) and (c) of Article 107(3) TFEU.*

Articles 107 and 108 TFEU.

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<sup>14</sup> Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a scheme for greenhouse gas emission allowance trading within the Community and amending Council Directive 96/61/EC (OJ L 275, 25.10.2003, p. 32).

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<sup>14</sup> Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a scheme for greenhouse gas emission allowance trading within the Community and amending Council Directive 96/61/EC (OJ L 275, 25.10.2003, p. 32).

### **Amendment 13**

#### **Proposal for a regulation Recital 12 a (new)**

*Text proposed by the Commission*

*Amendment*

***(12a) Support for productive investment in enterprises, other than SMEs, through the JTF should be limited to less developed and transition regions as set out in Article 102(2) of Regulation No .../... [CPR].***

### **Amendment 14**

#### **Proposal for a regulation Recital 13**

*Text proposed by the Commission*

*Amendment*

(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

(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 ***could*** be

reinforced 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.

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.

## Amendment 15

### 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 on the effective *and measurable* 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 *social dialogue and* cooperation with the relevant stakeholders *in accordance with the partnership principle established by Article 6 of Regulation (EU) .../... [new CPR]*, and supported by the Commission, territorial just transition plans, detailing the transition process, consistently with, *and possibly going further than*, 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 16

### Proposal for a regulation

#### Recital 15

##### *Text proposed by the Commission*

(15) The territorial just transition plans

##### *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. 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.

should identify the territories most negatively affected, where JTF support should be concentrated and describe specific actions to be undertaken to reach ***the Union climate targets for 2030 and a climate-neutral economy by 2050***, 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. Aggravating factors such as unemployment rates and depopulation trends should be taken into consideration.*** 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 ***European*** 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 17

### 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

#### *Amendment*

(19) The objectives of this Regulation, namely to support ***the people, economy and environment of*** territories facing economic and social transformation in their transition to a climate-neutral economy, cannot be sufficiently achieved by the



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,

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 **and ensuring compliance with high social and environmental standards and the promotion of worker participation**. 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 18

### Proposal for a regulation Article 1 – paragraph 1

#### *Text proposed by the Commission*

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.

#### *Amendment*

1. This Regulation establishes the Just Transition Fund ('JTF') to provide support to **the people, economy and environment of territories that face** serious socio-economic challenges deriving from the transition process towards **the achievement of the Union's 2030 targets for energy and climate, and** a climate-neutral economy of the Union by 2050.

## Amendment 19

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

*Text proposed by the Commission*

In accordance with the second subparagraph of Article [4(1)] of Regulation (EU) [new CPR], the JTF shall contribute to the single specific objective ‘enabling regions **and** people to address the social, economic and environmental impacts of the transition towards a climate-neutral economy’.

*Amendment*

In accordance with the second subparagraph of Article[4(1)] of Regulation (EU) [new CPR], the JTF shall contribute to the single specific objective ‘enabling regions, people, **enterprises and other stakeholders** to address the social, **employment,** economic and environmental impacts of the transition towards a climate-neutral economy **by 2050 and the intermediate goals for 2030, in line with the goals of the Paris Agreement.**

**Amendment 20**

**Proposal for a regulation  
Article 3 – paragraph 2 – subparagraph 1**

*Text proposed by the Commission*

2. 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 **11 270 459 000** in **current** 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*

2. 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 **25 358 532 750** in **2018** prices, **(‘principal amount’), and shall not result from the transfer of resources from other 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.

**Amendment 21**

**Proposal for a regulation  
Article 3a – paragraph 3**

*Text proposed by the Commission*

3. **The** annual **breakdown** of the amount referred to in paragraph 1 by Member States shall be included in the

*Amendment*

3. **At the request of a Member State, the amount referred to in the first subparagraph of paragraph 1 of this**

Commission decision referred to in Article 3(3) in accordance with the methodology set out in Annex I.

*Article shall also be made available for the years 2025-2027. For each period, the respective annual breakdowns of the amount referred to in paragraph 1 of this Article by Member States shall be included in the Commission decision referred to in Article 3(3) in accordance with the methodology set out in Annex I.*

## **Amendment 22**

### **Proposal for a regulation Article 3 b (new)**

*Text proposed by the Commission*

*Amendment*

#### **Article 3b**

##### **Green Rewarding Mechanism**

*18 % of the total of the amounts referred to in the first subparagraph of Article 3(2) and the first subparagraph of Article 3a(1) shall be allocated in accordance with the speed with which the Member States reduce their greenhouse gas emissions, divided by their latest average GNI.*

## **Amendment 23**

### **Proposal for a regulation Article 3 c (new)**

*Text proposed by the Commission*

*Amendment*

#### **Article 3c**

##### **Specific allocations for outermost regions and islands**

*1 % of the total of the amounts referred to in the first subparagraph of Article 3(2) and the first subparagraph of Article 3a(1) shall be a specific allocation for islands, and 1 % shall be a specific allocation for the outermost regions, as referred to in Article 349 TFEU, given to*

*the Member States concerned.*

#### **Amendment 24**

##### **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 ***microenterprises and*** SMEs, including start-ups ***and sustainable tourism***, leading to ***job creation, modernisation***, economic diversification and reconversion;

#### **Amendment 25**

##### **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 development of those existing***, including through business incubators and consulting services, ***leading to job creation***;

#### **Amendment 26**

##### **Proposal for a regulation**

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

*Text proposed by the Commission*

*Amendment*

***(ba) investments in social infrastructures, leading to job creation and economic diversification;***

#### **Amendment 27**

##### **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 in universities and public research institutions***, and fostering the transfer of advanced ***and market-ready*** technologies;

**Amendment 28**

**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 ***and its systems***, in greenhouse gas emission reduction, energy efficiency, ***energy storage technologies and sustainable*** renewable energy, ***where it leads to job creation and maintenance of sustainable employment at a considerable scale***;

**Amendment 29**

**Proposal for a regulation**

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

*Text proposed by the Commission*

*Amendment*

***(da) investments in smart and sustainable mobility and environmentally-friendly transport infrastructure;***

**Amendment 30**

**Proposal for a regulation**

**Article 4 – paragraph 2 – subparagraph 1 – point d b (new)**

*Text proposed by the Commission*

*Amendment*

***(db) investments in projects fighting***

*energy poverty, particularly in social housing, and promoting energy efficiency, a climate neutral approach and low-emission district heating in most affected regions;*

### Amendment 31

#### 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, **digital innovation** and digital connectivity, **including digital and precision farming**;

### Amendment 32

#### 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 **green infrastructure as well as** regeneration and decontamination of sites, **brown fields** and repurposing projects, **when the ‘polluter pays’ principle cannot be applied**;

### Amendment 33

#### Proposal for a regulation

#### Article 4 – paragraph 2 – subparagraph 1 – point g a (new)

*Text proposed by the Commission*

*Amendment*

**(ga) creation and development of social and public services of general interest;**

### Amendment 34

#### Proposal for a regulation

#### Article 4 – paragraph 2 – subparagraph 1 – point g b (new)

*Text proposed by the Commission*

*Amendment*

**(gb) investments in culture, education and community building, including the valorisation of tangible and intangible mining heritage and community hubs;**

### **Amendment 35**

#### **Proposal for a regulation**

#### **Article 4 – paragraph 2 – subparagraph 1 – point h**

*Text proposed by the Commission*

*Amendment*

(h) upskilling **and** reskilling of workers;

(h) upskilling, reskilling **and training** of workers **and jobseekers**;

### **Amendment 36**

#### **Proposal for a regulation**

#### **Article 4 – paragraph 2 – subparagraph 1 – point i**

*Text proposed by the Commission*

*Amendment*

(i) job-search assistance to jobseekers;

(i) job-search assistance to jobseekers, **active aging support and income support for workers in transition between jobs**;

### **Amendment 37**

#### **Proposal for a regulation**

#### **Article 4 – paragraph 2 – subparagraph 1 – point j**

*Text proposed by the Commission*

*Amendment*

(j) active inclusion of jobseekers;

(j) active inclusion of jobseekers, **particularly women, disabled persons and vulnerable groups**;

### **Amendment 38**

#### **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 ***less developed and transition regions as set out in Article 102(2) of Regulation No .../...[new CPR]***, 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, ***to create new jobs, and where they comply with social targets for job creation, gender equality and equal pay and environmental targets, and where they facilitate transition to a climate-neutral economy without supporting relocation, in compliance with Article 60(1) of Regulation No .../... [new CPR]***.

**Amendment 39**

**Proposal for a regulation  
Article 4 – paragraph 2 – subparagraph 3**

*Text proposed by the Commission*

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*

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) ***of this Regulation and that they comply with the other conditions laid down in the second subparagraph of this paragraph***. Such investments shall only be eligible where they are necessary for the implementation of the territorial just transition plan.



## Amendment 40

### 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<sup>16</sup> ;

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<sup>16</sup> Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty (OJ L 187, 26.6.2014, p. 1).

*Amendment*

(c) undertakings in difficulty, as defined in Article 2(18) of Commission Regulation (EU) No 651/2014<sup>16</sup>, ***except in cases where the difficulties derive from the energy transition process or where the difficulties began after 15 February 2020 and derive from the COVID-19 crisis;***

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<sup>16</sup> Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty (OJ L 187, 26.6.2014, p. 1).

## Amendment 41

### 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 42

### 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***

*Amendment*

(d) investment related to the production, processing, ***transport***, distribution, storage or combustion of fossil fuels, ***unless compatible with paragraph 1a;***

*Amendment*

(e) investment in broadband infrastructure in areas ***where*** equivalent ***solutions are provided by the market in***

equivalent *category*.

*competitive conditions to customers;*

#### **Amendment 43**

##### **Proposal for a regulation**

##### **Article 5 – paragraph 1 – point e a (new)**

*Text proposed by the Commission*

*Amendment*

***(ea) investment in enterprises other than SMEs, involving the transfer of jobs and production processes from one Member State to another or to a third country;***

#### **Amendment 44**

##### **Proposal for a regulation**

##### **Article 5 – paragraph 1 – point e b (new)**

*Text proposed by the Commission*

*Amendment*

***(eb) operations in a NUTS 2 region where an opening of a new coal, lignite or oil shale mine or of a peat extraction field or a reopening of a temporarily decommissioned coal, lignite or oil shale mine or of a peat extraction field is scheduled during the duration of the programme.***

#### **Amendment 45**

##### **Proposal for a regulation**

##### **Article 5 – paragraph 1 a (new)**

*Text proposed by the Commission*

*Amendment*

***By way of derogation from point (d) of Article 5(1) of this Regulation, for regions heavily relying on the extraction and combustion of coal, lignite, oil shale or peat, the Commission may approve territorial just transition plans which include investments in activities related to***

*natural gas, provided that such activities qualify as environmentally sustainable in accordance with Article 3 of Regulation (EU) No.../2020 [Taxonomy] and comply with the following cumulative conditions:*

- (a) are used as a bridging technology replacing coal, lignite, peat, or oil shale;*
- (b) fall within the limits of sustainable availability or are compatible with the use of clean hydrogen, biogas and biomethane;*
- (c) contribute to the Union's environmental objectives on climate change mitigation and adaptation, through accelerating the full phase-out of coal, lignite, peat or oil shale;*
- (d) deliver significant reductions in greenhouse gas emissions and air pollution and increase energy efficiency;*
- (e) contribute to tackling energy poverty;*
- (f) do not hamper the development of renewable energy sources in the territories concerned and are compatible and in synergy with a subsequent use of renewable energy sources.*

*In duly justified cases, the Commission may also approve investments in non-qualifying activities in accordance with Article 3 of Regulation (EU) No .../2020 [Taxonomy], if they comply with all the other conditions set out in the first subparagraph of this paragraph, and the Member State is able to justify, in the territorial just transition plan, the need to support those activities and demonstrates consistency of those activities with Union energy and climate objectives and legislation, as well as its National Energy and Climate Plan.*

#### **Amendment 46**

## Proposal for a regulation

### Article 6 – paragraph 1 – subparagraph 1

#### *Text proposed by the Commission*

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.

#### *Amendment*

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 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.

## Amendment 47

## 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*

***Unless it duly justifies withholding its approval,*** the Commission shall approve a programme where the territories most negatively affected by the transition process, contained within the relevant territorial just transition plan, ***are duly identified*** and the relevant territorial just transition plan is consistent with the National Energy and Climate Plan of the Member State concerned, ***the climate-neutrality objective for 2050, its intermediate steps by 2030 and the European Pillar of Social Rights.***

## Amendment 48

## Proposal for a regulation

### Article 6 – paragraph 2

#### *Text proposed by the Commission*

2. The JTF priority or priorities shall

#### *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 transferred in accordance with Article [21a] of Regulation (EU) [new CPR]. The total of the ERDF and ESF+ resources transferred to the JTF shall **be at least equal to** one and a half times the amount of support from the JTF to that priority **excluding the resources referred to in paragraph 1 of Article 3a but shall not exceed three times that amount.**

comprise the JTF resources consisting of all or part of the JTF allocation for the Member States. **Those resources may be complemented by** the resources transferred **on a voluntary basis** in accordance with Article [21a] of Regulation (EU) [new CPR]. The total of the ERDF and ESF+ resources **to be** transferred to the JTF **priority shall not exceed** one and a half times the amount of support from the JTF to that priority. **The resources transferred from ERDF and ESF+ shall maintain their original objectives and be included in the levels of thematic concentration of ERDF and ESF+.**

#### Amendment 49

##### Proposal for a regulation Article 6 – paragraph 2 a (new)

*Text proposed by the Commission*

*Amendment*

**2a. The JTF is designed for the most vulnerable communities within each region, and therefore eligible projects financed under the JTF contributing to the specific objective in Article 2 shall benefit from co-financing of up to 85 % of relevant costs.**

#### Amendment 50

##### Proposal for a regulation Article 7 – paragraph 1

*Text proposed by the Commission*

*Amendment*

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 to level 3 of the common classification of territorial units for statistics ('NUTS level 3 regions') as established by Regulation

1. Member States shall prepare, together with the relevant **local and regional** authorities of the territories concerned **and in accordance with the partnership principle laid down in Article 6 of Regulation (EU) .../... [new CPR] and, where relevant, the assistance of the EIB and EIF**, one or more territorial just

(EC) No 1059/2003 of the European Parliament and of the Council as amended by Commission Regulation (*EC*) No **868/2014**<sup>17</sup> 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.

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 (*EU*) **2016/2066**<sup>17</sup> 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.

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<sup>17</sup> Regulation (EC) No 1059/2003 of the European Parliament and of the Council of 26 May 2003 on the establishment of a common classification of territorial units for statistics (NUTS) (OJ L 154 21.6.2003, p. 1).

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<sup>17</sup> Regulation (EC) No 1059/2003 of the European Parliament and of the Council of 26 May 2003 on the establishment of a common classification of territorial units for statistics (NUTS) (OJ L 154, 21.6.2003, p. 1).

## Amendment 51

### Proposal for a regulation

#### Article 7 – paragraph 2 – point a

##### *Text proposed by the Commission*

(a) a description of the transition process at national level towards a climate-neutral economy, including a timeline for key transition steps which are consistent with the latest version of the National Energy and Climate Plan ('NECP');

##### *Amendment*

(a) a description of the transition process at national level towards ***the achievement of the Union 2030 climate targets and*** a climate-neutral economy ***by 2050***, including a timeline for key transition steps which are consistent with the latest version of the National Energy and Climate Plan ('NECP');

## Amendment 52

**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 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, **including indicators such as the unemployment rate and the depopulation rate**;

**Amendment 53**

**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 **impact** 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, linked to the transformation or closure of greenhouse gas-intensive activities in those territories, **and the challenges regarding energy poverty**;

**Amendment 54**

**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 addressing the social, **demographic**, economic, **health** and environmental impacts of the transition to a climate-

neutral economy;

## Amendment 55

### 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 56

### Proposal for a regulation

#### Article 7 – paragraph 2 – point h

*Text proposed by the Commission*

(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;

*Amendment*

(h) where support is provided to productive investments to enterprises other than SMEs, an **indicative** 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;

## Amendment 57

### Proposal for a regulation

#### Article 7 – paragraph 3

*Text proposed by the Commission*

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

*Amendment*

3. The preparation and implementation of territorial just transition plans shall involve the relevant partners in accordance with Article [6] of Regulation (EU) [new CPR] **and, where relevant, the EIB and EIF.**



## Amendment 58

### 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, baselines shall be set at zero. The milestones set for 2024 and targets set for 2029 shall be cumulative.

## Amendment 59

### 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 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*

Based on the final performance report of the programme, ***the Commission*** may make financial corrections ***in accordance with*** Regulation (EU) [new CPR].

## Amendment 60

### Proposal for a regulation Article 10 a (new)

*Text proposed by the Commission*

*Amendment*

***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 61**

### **Proposal for a regulation Article 10 b (new)**

*Text proposed by the Commission*

*Amendment*

#### *Article 10b*

##### *Review*

*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 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.*

## 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 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 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 have an even broader scope in order to enable regions, people, enterprises and other stakeholders to face effectively the social, employment, economic and environmental consequences of the transition to a climate-neutral economy.

The rapporteur would like to exclude from JTF funding investments in enterprises other than SMEs when jobs and production processes are transferred from one Member State to another or to a third country. Furthermore, the rapporteur agrees to exclude from funding investments related to fossil fuels, but considers that investments in activities related to natural gas, in particular, should be eligible for financing under certain strict conditions.

### **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 also, welcomes the amended Commission proposal, which proposes a substantially higher budget and additional resources from the European Union Recovery Instrument. However, as the EU's ambitious policy objectives can only be achieved by means of an ambitious budget, even more resources are necessary and these should not jeopardise the financing of the other cohesion funds. In addition, the JTF resources may be complemented by transfers from the ERDF and ESF+ on a voluntary basis.

In addition, the rapporteur believes that the additional efforts made by Member States leading to a reduction in emissions going beyond the target should be rewarded. The rapporteur therefore supports the introduction of incentives such as the Green Rewarding Mechanism, which reward with additional allocations those Member States which reduce their greenhouse gas emissions at a greater speed. In the rapporteur's view, particular attention should also be paid to islands and the outermost regions, ensuring a special allocation in their favour.

### **E. Conclusion**

This report is the result of intense discussion and compromise. In particular, the rapporteur would like to thank the shadow rapporteurs from the other political groups, as well as the

rapporteurs for opinion from the five associated committees and two other committees for opinion. The rapporteur now looks forward to intense interinstitutional negotiations after the summer break.

26.6.2020

## OPINION OF THE COMMITTEE ON BUDGETS

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 (\*) : Siegfried Mureşan

(\*) Associated committee – Rule 57 of the Rules of Procedure

### SHORT JUSTIFICATION

Your rapporteur fully supports the Just Transition Fund, in line with Parliament's resolution of 10 October 2019 on the 2021-2027 multiannual financial framework and own resources.<sup>1</sup>

In that resolution, Parliament 'calls on the Commission to ensure that the next MFF fully complies with the Paris agreement and stresses the urgent need for another quantum leap in political and financial efforts in order to achieve its objectives, as well as a just transition towards a carbon-neutral economy based on the highest social justice criteria so that no one and nowhere is left behind.'

The Rapporteur believes that the Just Transition Fund needs to be strengthened through an increased allocation, in order to enable it to reach its ambitious objectives. JTF financing should be accessed independently from other EU structural and investment funds. Therefore, the Rapporteur believes that, while it is necessary to ensure the highest degree of complementarity between EU funds, accessing the JTF should not be conditional on the 'matching' of other cohesion funds for the following reasons:

1. The JTF is an additional instrument to the others deployed under EU cohesion policy. It will have a core role in overcoming one of the biggest challenges on the road to climate neutrality. Therefore, in line with the political importance of this Fund, its functioning and allocation should be as independent as possible from the other financing instruments, while maintaining complementarity with them.
2. The request to match the allocation of the JTF with corresponding structural funds pre-empts the use of the respective funds. It should be up to the Member States to decide how to allocate their national envelope on the basis of their economic, social

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<sup>1</sup> Parliament's resolution of 10 October 2019 on the 2021-2027 multiannual financial framework and own resources: time to meet citizens' expectations (2019/2833(RSP)).

and territorial characteristics and provided that this allocation complies with the EU legal framework. By requiring the matching of JTF allocations with cohesion funding, we would impose a supplementary condition on Member States, thus creating an additional burden.

## AMENDMENTS

The Committee on Budgets 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 1

###### *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')<sup>11</sup> and is part of the Sustainable Europe Investment Plan<sup>12</sup> 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.

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<sup>11</sup> COM(2019) 640 final, 11.12.2019.

<sup>12</sup> COM(2020) 21, 14.1.2020.

###### *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 global temperature increase to below 1,5°C*** and the United Nations Sustainable Development Goals by concentrating Union funding on green objectives ***as well as the European Pillar of Social Rights***. This Regulation implements one of the priorities set out in the Communication on the European Green Deal ('the European Green Deal')<sup>11</sup> and is part of the Sustainable Europe Investment Plan<sup>12</sup> 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.

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<sup>11</sup> COM(2019) 640 final, 11.12.2019.

<sup>12</sup> COM(2020) 21, 14.1.2020.

## Amendment 2

### 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 **inclusive** and socially acceptable for all, **reduce inequalities and leave no one behind**. Therefore, both the Union and the Member States, **as well as the different regional and local actors, should** take into account its **environmental, social, labour market and economic** implications from the outset, and deploy all possible instruments to mitigate adverse consequences **and enhance the positive ones, such as the creation of new, decent and sustainable jobs or the improvement of air quality**. The Union budget has an important role in that regard.

## Amendment 3

### 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 level.

*Amendment*

(4) As set out in the European Green Deal and the Sustainable Europe Investment Plan, **mobilising at least EUR 1 trillion to support sustainable investments over the next decade through the Union budget and associated instruments**, a Just Transition Mechanism should **notably support workers and citizens of the regions impacted by the transition, while complementing green transition** actions **of relevant programmes** under the **2021-2027 MFF**. It should contribute to addressing the social and economic consequences, **in particular for workers affected in the process**, towards Union climate neutrality by **2050** by bringing together the Union budget's spending on climate and social objectives



at regional level.

#### Amendment 4

##### 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 aim of the JTF is **not only** to mitigate **and compensate** the adverse effects of the climate transition **but also to create and enhance the future positive effects** by supporting the most affected territories **as well as the people living there, and in particular the** workers concerned, **and to help achieve a fair transition towards climate neutrality by 2050** In line with the JTF specific objective, actions supported by the JTF should directly contribute to **facilitating and catalysing** the impact of the transition by financing the diversification, **repositioning** and modernisation of the local economy and by mitigating the negative repercussions on employment **and standards of living**. 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]. **Support should also be provided to territories where important structural changes take place after phasing out mining activities.**

#### Amendment 5

##### Proposal for a regulation

##### Recital 5 a (new)

*Text proposed by the Commission*

*Amendment*

***(5a) The application of Union support and funding through the should ensure that all eligible projects in every Member State are consistent with the Union's responsibility to achieve climate neutrality by 2050;***

## **Amendment 6**

### **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 and the increased ambition of the Union as proposed in the European Green Deal, ***cohesion policy and*** 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 ***on a voluntary basis*** from the ERDF and ESF+ ***may contribute further*** to the achievement of this target, ***and facilitating the green transition while fully contributing to new high-quality jobs, inclusive sustainable growth and regional development.***

## **Amendment 7**

### **Proposal for a regulation**

#### **Recital 6 a (new)**

*Text proposed by the Commission*

*Amendment*

***(6a) In light of COVID 19 pandemic, and in order to demonstrate the Union's commitment to achieve an economic***

*recovery in a sustainable development path, it is necessary that the next MFF and the Recovery Plan for Europe entail an increase in the amount allocated for JTF.*

## Amendment 8

### Proposal for a regulation Recital 6 b (new)

*Text proposed by the Commission*

*Amendment*

***(6b) The resources of the JTF should be commensurate with its ambitious objective. In order to alleviate the effects of the transition to climate neutrality, the JTF should have a distinct financial allocation, independent of the allocation of other EU structural and investment funds. Access to the JTF should not be conditional upon transfers from other EU funds. Such independent access will enable the JTF to function adequately, deliver the expected results and generate predictability for beneficiaries.***

## Amendment 9

### Proposal for a regulation Recital 7

*Text proposed by the Commission*

*Amendment*

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

***(7) The resources of the JTF alone will not be sufficient to address all the challenges relating to the transition to climate neutrality. For that reason the resources from the JTF should complement the resources available under cohesion policy. The voluntary contributions transferred from ERDF and ESF+ to the JTF is without prejudice to other objectives of cohesion policy and financial allocations programmed for other goals under the ERDF and ESF+. The contributions transferred should not***

*exceed 20% of the resources originally allocated to a Member State for the ERDF and ESF+.*

## **Amendment 10**

### **Proposal for a regulation Recital 7 a (new)**

*Text proposed by the Commission*

*Amendment*

*(7a) The financial envelope constitutes the prime reference amount for the European Parliament and the Council during the annual budgetary procedure, in accordance with Article [17] of Interinstitutional Agreement [between the European Parliament, the Council and the Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management]<sup>+</sup> and may be increased by decision of the budgetary authority. In addition, the financial envelope for the JTF is able to be increased by additional contributions from Member States and by other resources in accordance with the applicable basic act and constitute external assigned revenue in addition to the cases set out in point (a) of Article 21(2) of the Financial Regulation.*

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*<sup>+</sup> Reference to be updated as appropriate to the interinstitutional agreement applicable for the period 2021-2027.*

## **Amendment 11**

### **Proposal for a regulation Recital 8**

*Text proposed by the Commission*

*Amendment*

(8) Transitioning to a climate-neutral economy is a challenge for all Member States. It will be particularly demanding for

(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.

those Member States that rely heavily on fossil fuels ***and, to a lesser extent, on*** 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 ***support*** Member States ***in need, based on their financial capacity, to make*** the necessary investments to cope with the transition towards climate neutrality. ***Particular attention should be paid to insular or sparsely populated and remote areas where the transition in energy towards climate neutrality is more challenging to implement.***

## Amendment 12

### Proposal for a regulation Recital 8 a (new)

*Text proposed by the Commission*

*Amendment*

***(8a) Horizontal financial rules adopted by the European Parliament and the Council on the basis of Article 322 of the Treaty on the Functioning of the European Union (TFEU) apply to this Regulation. Those rules are laid down in the Financial Regulation and determine in particular the procedure for establishing and implementing the budget through grants, procurement, prizes, indirect implementation, and provide for checks on the responsibility of financial actors. Rules adopted on the basis of Article 322 TFEU also concern the protection of the Union's budget in case of generalised deficiencies as regards the rule of law in the Member States, as the respect for the rule of law is an essential precondition for sound financial management and effective Union funding.***

## Amendment 13

### Proposal for a regulation Recital 9 a (new)

*Text proposed by the Commission*

*Amendment*

**(9a) In accordance with Regulation (EU).../... [European Recovery Instrument (ERI)] and within the limits of resources allocated therein, recovery and resilience measures under the JTF should be carried out to address the unprecedented impact of the COVID-19 crisis. Such additional resources should be used in such a way as to ensure compliance with the time limits provided for in Regulation (EU) .../...[ERI];**

## Amendment 14

### Proposal for a regulation Recital 10

*Text proposed by the Commission*

*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 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,

(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, **while protecting, preserving and enhancing the Union's natural capital, and improving health and wellbeing with regard to environment-related risks and impacts**. 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 the corresponding reduction in the employment level. As regards transforming

leading to significant emission reduction, in line with the EU 2030 climate objectives and EU climate neutrality by 2050<sup>13</sup> 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.

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<sup>13</sup> 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.

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<sup>13</sup> while maintaining and enhancing employment and avoiding environmental degradation. ***Support should also be available to indirect sectors and jobs that depend on fossil fuel value chains and greenhouse gas intensive industrial processes, for example for re-skilling workers.*** 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.

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<sup>13</sup> 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 15

### Proposal for a regulation Recital 10 a (new)

*Text proposed by the Commission*

*Amendment*

***(10a) The JTF should also be used to support investment in social, education, health and cultural projects, on condition that it creates new jobs, in particular in regions that depend on a carbon intensive economy and that are affected by the***

*structural transition to a resource efficient and low-carbon economy. Such investment would help to ensure that people living in regions subject to transition, have access to high-quality public services and services of general interest, for the purpose of underpinning a socially just transition that leaves no-one behind.*

## Amendment 16

### 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) To protect citizens who are most vulnerable to the climate transition, ***including those affected by energy poverty and those being considered most vulnerable as defined in the Regulation (EU) .../... [ESF+] 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, and achieving gender balance across sectors,*** as well as providing job-search assistance to jobseekers and their active inclusion into the labour market. ***The creation of a net employment effect with new high quality jobs should be an overall goal of the climate transition and the Just Transition Mechanism and the JTF.***

## Amendment 17

### Proposal for a regulation Recital 11 a (new)

*Text proposed by the Commission*

*Amendment*

***(11a) Inclusive policies and strategies are necessary to avoid exacerbating inequalities in a just transition process. The promotion of social cohesion should***



*be a guiding principle for support under the JTF, promoting gender equality, improved conditions for migrants and refugees, young and older workers and low-skilled workers and ensuring no one is left behind.*

## **Amendment 18**

### **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 by the JTF contributes to the respect and the promotion of equality between women and men in accordance with Article 8 TFEU.***

## **Amendment 19**

### **Proposal for a regulation Recital 12**

*Text proposed by the Commission*

*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

(12) In order to enhance the economic diversification ***and repositioning*** 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,

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<sup>14</sup> 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.

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<sup>14</sup> Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a scheme for greenhouse gas emission allowance trading within the Community and amending Council Directive 96/61/EC (OJ L 275, 25.10.2003, p. 32).

## **Amendment 20**

### **Proposal for a regulation Recital 12 a (new)**

*Text proposed by the Commission*

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<sup>14</sup> 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 ***and should be sustainable and consistent with the energy efficiency first principle.*** 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 ***all categories listed under*** Article 107(3) TFEU. ***Productive investment for enterprises should not distort competition between enterprises.***

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<sup>14</sup> Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a scheme for greenhouse gas emission allowance trading within the Community and amending Council Directive 96/61/EC (OJ L 275, 25.10.2003, p. 32).

*Amendment*

***(12a) EU State aid rules need to be flexible in order to ensure that regions in transition can attract private investment.***

*When drafting new guidelines, the Commission should therefore also take into account the problems of structural change in the regions concerned, while ensuring fair competition in the internal market. State aid rules should allow all regions receiving assistance through the JTF to effectively address the threat of job losses at an early stage. Adequate flexibility under the applicable rules, regardless of the status of the assisted regions, should be allowed.*

## Amendment 21

### 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 with the type of operations set out in the territorial just transition plans.*

*Amendment*

(13) In order to provide flexibility *and coherence* for the programming of the JTF resources under the Investment for jobs and growth goal, *Member States, in close cooperation with local and regional authorities and social partners*, should 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+ *where such complementarity is justified and does not prejudice the achievement of the objectives for which ERDF and the ESF+ are allocated. A self-standing JTF programme could be alternatively prepared where objective circumstances justify such a course of action.*

## Amendment 22

**Proposal for a regulation**  
**Recital 13 a (new)**

*Text proposed by the Commission*

*Amendment*

**(13a) The amounts transferred from the ERDF and the ESF+ respectively should be consistent with the type of operations set out in the territorial just transition plans.**

**Amendment 23**

**Proposal for a regulation**  
**Recital 13 b (new)**

*Text proposed by the Commission*

*Amendment*

**(13b) The implementation of JTF resources should minimise the administrative burden and costs for beneficiaries of the fund and for all actors involved in line with the simplification measures introduced by Regulation (EU).../... [new CPR].**

**Amendment 24**

**Proposal for a regulation**  
**Recital 14**

*Text proposed by the Commission*

*Amendment*

(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

(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 **will** prepare, in **close** cooperation with **all** 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

transition to enable bilateral and multilateral exchanges of experience on lessons learnt and best practices across all affected sectors.

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 addition, the territorial just transition plans should be consistent with the relevant territorial strategies referred to in Article [23] of Regulation (EU) .../[new CPR], including Smart Specialisation Strategies (S3), the NECPs and the European Pillar of Social Rights, in order to shape and implement the JTF, comprised of a strategic coordination of local, regional, national and Union efforts for diversification of regional economies, while ensuring a just and fair transition.***

## Amendment 25

### Proposal for a regulation Recital 14 a (new)

*Text proposed by the Commission*

*Amendment*

***(14a) All Member States should endorse the Union's objective of climate neutrality by 2050 in order to make the ecological transition a success. Member States that have not committed to implement that objective should only get a partial access to their national allocation under the JTF. In such a case, regions in the Member States that have committed to implement that objective should be favoured.***

## Amendment 26

### Proposal for a regulation Recital 15

*Text proposed 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

(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.

specific actions to be undertaken to reach a climate-neutral economy, ***enhance employment and prevent environmental degradation***, 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 ***are able to be part of or correspond to larger units such as NUTS level 3 regions***. 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. ***The plans should detail synergies and complementarities with other Union programmes and pillars of the Just Transition Mechanism and, where relevant, the Modernisation Fund to address identified development needs***. 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 ***where appropriate*** or the JTF, as the case may be) which are approved by the Commission. ***The Commission should provide technical assistance if requested by the Member States, in the event that they do not have the necessary administrative capacity or are facing difficulties in elaborating the territorial just transition plans***.

## Amendment 27

### Proposal for a regulation Recital 15 a (new)

*Text proposed by the Commission*

*Amendment*

***(15a) Taking into account the enormous efforts SMEs have to undertake in***

*fighting the consequences of the Covid-19 crisis, local, regional and national authorities, enterprises and other entities applying for funding under the JTF should be supported by a straightforward, comprehensive and easily manageable application and reporting process, which allows for targeted support.*

## **Amendment 28**

### **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 ***ensure achieve the intended results*** 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 29**

### **Proposal for a regulation**

#### **Recital 18**

*Text proposed by the Commission*

(18) In order to set out an appropriate financial framework for the JTF, ***implementing*** powers should be conferred on the Commission to set out the annual breakdown of available allocations per Member State in accordance with Annex I.

*Amendment*

(18) In order to set out an appropriate financial framework for the JTF, ***delegated*** powers should be conferred on the Commission to set out the annual breakdown of available allocations per Member State in accordance with Annex I.

## **Amendment 30**

### **Proposal for a regulation**

#### **Article 1 – paragraph 1**

*Text proposed by the Commission*

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.

*Amendment*

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

### **Amendment 31**

#### **Proposal for a regulation Article 2 – paragraph 1**

*Text proposed by the Commission*

In accordance with the second subparagraph of Article [4(1)] of Regulation (EU) [new CPR], the JTF shall contribute to the single specific objective 'enabling regions and people to address the social, economic and environmental impacts of the transition towards a climate-neutral economy'.

*Amendment*

In accordance with the second subparagraph of Article [4(1)] of Regulation (EU) [new CPR], the JTF shall contribute to the single specific objective 'enabling regions and people to address the social, economic and environmental impacts of the transition towards a climate-neutral economy'. ***The investments should aim at mitigating job losses resulting from the transition, by supporting the reconversion and the creation of new jobs.***

### **Amendment 32**

#### **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 **25 000 000 000** in 2018 prices. ***The financial envelope for the JTF may be additionally increased by voluntary contributions from Member States and by other resources in accordance with the applicable basic act, constituting external assigned revenue in addition to the cases listed in point (a) of Article 21(2) of the Financial Regulation.***



## Amendment 33

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

*Text proposed by the Commission*

**0.35%** of the amount referred to in the first subparagraph shall be allocated to technical assistance at the initiative of the Commission.

*Amendment*

***A minimum share of 0,35%*** of the amount referred to in the first subparagraph shall be allocated to technical assistance at the initiative of the Commission, ***with the possibility of this share to be increased upon the request of a Member State based on the specificity of the territorial just transition plan.***

## Amendment 34

### 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 ***is empowered to*** adopt ***delegated acts in accordance with Article 10 in order to supplement this Regulation by adopting*** a decision ***that sets*** 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 35

### Proposal for a regulation Article 3 – paragraph 3 – subparagraph 2 a (new)

*Text proposed by the Commission*

*Amendment*

***For Member States that have not yet committed to the Union's objective of climate neutrality by 2050, access to the JTF shall be limited to one third of their national allocation (“unfrozen part”), and***

*the remaining two thirds (“frozen part”) shall be made available upon the acceptance of such a commitment. In such a case, regions that commit to implement that objective shall have access in priority to the frozen part of the national allocation.*

#### **Amendment 36**

##### **Proposal for a regulation**

##### **Article 3 – paragraph 4**

*Text proposed by the Commission*

*Amendment*

**4.** *By way of derogation from Article [21a] of Regulation (EU) [new CPR], any additional resources referred to in paragraph 2, allocated to the JTF in the Union budget or provided by other resources shall not require complementary support from the ERDF or the ESF+.*

*deleted*

#### **Amendment 37**

##### **Proposal for a regulation**

##### **Article 3a – Title**

*Text proposed by the Commission*

*Amendment*

***Resources from the European Union Recovery Instrument***

#### **Amendment 38**

##### **Proposal for a regulation**

##### **Article 3a– paragraph 1 – subparagraph 1**

*Text proposed by the Commission*

*Amendment*

***Measures referred to in Article 2 of Regulation (EU).../... [ERI] shall be implemented under the JTF with an amount of EUR 30 000 000 000 in 2018 prices of the amount referred to in point***

*(a)(vi) of Article 3(2) of that Regulation, and subject to Article 4(3), (4) and (8) of that Regulation.*

## **Amendment 39**

### **Proposal for a regulation Article 3a– paragraph 1 – subparagraph 2**

*Text proposed by the Commission*

*Amendment*

*This amount shall be considered to be other resources as referred to in Article 3(2) and shall constitute external assigned revenues in accordance with Article 21(5) of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council <sup>1a</sup>.*

*They shall be made available for budgetary commitment under the Investment for jobs and growth goal for the years 2021 to 2024 in addition to the global resources set out in Article 3 as follows:*

- 2021: EUR 7 495 797 242;*
- 2022: EUR 7 496 636 094;*
- 2023: EUR 7 496 371 621;*
- 2024: EUR 7 495 899 220.*

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*<sup>1a</sup> Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 (OJ L 193, 30.7.2018, p. 1–222).*

## **Amendment 40**

### **Proposal for a regulation**

#### **Article 3a– paragraph 1 – subparagraph 3**

*Text proposed by the Commission*

*Amendment*

***In addition, EUR 15 295 823 in 2018 prices shall be made available for administrative expenditure from the resources referred to in the first subparagraph.***

## **Amendment 41**

### **Proposal for a regulation**

#### **Article 3a– paragraph 2**

*Text proposed by the Commission*

*Amendment*

***2. A minimum share of 0,35% of the amount referred to in the first subparagraph shall be allocated to technical assistance at the initiative of the Commission, with the possibility of this share to be increased upon the request of a Member State based on the specificity of the territorial just transition plan.***

## **Amendment 42**

### **Proposal for a regulation**

#### **Article 3a – paragraph 3**

*Text proposed by the Commission*

*Amendment*

***3. The annual breakdown of the amount referred to in paragraph 1 by Member States shall be included in the Commission decision referred to in Article 3(3) in accordance with the methodology set out in Annex I.***

## Amendment 43

### Proposal for a regulation Article 3a– paragraph 4

*Text proposed by the Commission*

*Amendment*

**4. By way of derogation from Article 14(3) of the Financial Regulation, the de-commitment rules set out in [Chapter IV of Title VII] of Regulation (EU).../... [new CPR] shall apply to the budgetary commitments based on resources referred to in paragraph 1. By way of derogation from point (c) of Article 12(4) of the Financial Regulation, those resources shall not be used for a subsequent programme or action.**

## Amendment 44

### Proposal for a regulation Article 4 – paragraph 1

*Text proposed by the Commission*

*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.

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. ***The JTF resources shall be additional and shall not replace activities supported under the ERDF, ESF+, or other Union programmes.***

## Amendment 45

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

*Text proposed by the Commission*

*Amendment*

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

(a) productive ***and sustainable*** investments, ***particularly*** in SMEs ***and*** start-ups, leading to ***decent and***

*sustainable job-creation*, economic diversification and reconversion;

#### **Amendment 46**

##### **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, *the diversification of already established firms or in alternative sustainable economic activities*, including through business incubators and consulting services;

#### **Amendment 47**

##### **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 research institutions and universities*, and fostering the transfer *and adoption* of advanced technologies;

#### **Amendment 48**

##### **Proposal for a regulation**

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

*Text proposed by the Commission*

*Amendment*

*(ca) investments to promote transport systems which improve urban mobility and make it more sustainable, also through the use of smart technological solutions;*

#### **Amendment 49**

## 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, **particularly if demand-side measures are insufficient** in the deployment of technology and infrastructures for affordable clean **and sustainable** energy, **in reducing dependency on carbon-intensive energy and energy poverty**, in greenhouse gas emission reduction, **including investments in sustainable transport and infrastructure, inter alia fostering electrification and the use of biofuels, and investments in targeted energy-efficiency measures** and renewable energy;

## Amendment 50

### Proposal for a regulation

#### Article 4 – paragraph 2 – subparagraph 1 – point d a (new)

*Text proposed by the Commission*

*Amendment*

(da) **investments in energy efficiency and renewables, including investments in district heating;**

## Amendment 51

### 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 high speed networks such as fibre-optic cables to individual households in insular, remote, rural and sparsely populated areas;**

## Amendment 52

### 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 and decontamination of sites, land restoration and repurposing projects ***while ensuring consistency with the polluter pays principle.***

#### **Amendment 53**

##### **Proposal for a regulation**

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

*Text proposed by the Commission*

*Amendment*

***(ga) investments in social infrastructure and development of public services of general interest;***

#### **Amendment 54**

##### **Proposal for a regulation**

#### **Article 4 – paragraph 2 – subparagraph 1 – point h**

*Text proposed by the Commission*

*Amendment*

(h) upskilling and reskilling of workers;

(h) upskilling and reskilling of workers ***and jobseekers, particularly those with under-exploited or low educational levels;***

#### **Amendment 55**

##### **Proposal for a regulation**

#### **Article 4 – paragraph 2 – subparagraph 1 – point i**

*Text proposed by the Commission*

*Amendment*

(i) job-search assistance to jobseekers;

(i) ***active labour market and skills policies targeted towards future-oriented sectors and employment as well as job-search assistance to jobseekers;***

#### **Amendment 56**

##### **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 ***ensuring equal access and gender equality.***

## Amendment 57

### 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 all the categories listed under 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 58

### 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<sup>16</sup>;

*Amendment*

(c) undertakings in difficulty, as defined in Article 2(18) of Commission Regulation (EU) No 651/2014<sup>16</sup>, ***except those undertakings that can get support for green investments, new technology and infrastructure which can contribute to gas emission reduction, energy efficiency or production of energy from renewable sources;***

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<sup>16</sup> Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the

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<sup>16</sup> Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the

internal market in application of Articles 107 and 108 of the Treaty (OJ L 187, 26.6.2014, p. 1).

internal market in application of Articles 107 and 108 of the Treaty (OJ L 187, 26.6.2014, p. 1).

## Amendment 59

### 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) investment in broadband infrastructure in areas in which there are at least two broadband networks of equivalent category. ***This exclusion shall not apply to insular, remote and sparsely populated areas where new individual high-speed infrastructure is required to reach individual households.***

## Amendment 60

### Proposal for a regulation

#### Article 6 – paragraph 1 – subparagraph 1

##### *Text proposed by the Commission*

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.

##### *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 priorities within a programme ***supported by the European Regional Development Fund ('ERDF'), the European Social Fund Plus ('ESF+') or the Cohesion Fund, or one or more specific programmes where objective circumstances justify such a course of action.***

## Amendment 61

**Proposal for a regulation**  
**Article 6 – paragraph 1 – subparagraph 1 a (new)**

*Text proposed by the Commission*

*Amendment*

***The programming of JTF resources shall be in accordance with Article [6] of Regulation (EU) .../[new CPR] and ensure the direct involvement of authorities of targeted territories at NUTS2 or NUTS3 level, namely via the allocation of resources through regional programmes, where such programmes are in place, or be carried out through the use of integrated territorial tools set out under Articles [22 to 28] of Regulation (EU).../[new CPR].***

**Amendment 62**

**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 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.

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 ***as well as existing relevant regional and local strategies.***

**Amendment 63**

**Proposal for a regulation**  
**Article 6 – paragraph 2**

*Text proposed by the Commission*

*Amendment*

2. The JTF priority or priorities shall comprise the JTF resources consisting of all or part of the JTF allocation for the

2. The JTF priority or priorities ***may*** 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.***

Member States and the resources ***voluntarily*** transferred in accordance with Article [21a] of Regulation (EU) [new CPR]. The total of the ERDF and ESF+ resources ***voluntarily*** transferred to the JTF priority shall ***not jeopardise the adequate funding to the priorities under the ERDF and ESF+.*** ***The contributions transferred shall not exceed 20% of the resources originally allocated to a Member State for the ERDF and ESF+ and shall not exceed 60 % of the amount of support from the JTF priority.***

## Amendment 64

### 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 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<sup>17</sup> 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.

#### *Amendment*

1. Member States shall prepare, ***in full compliance with the partnership principle*** together with ***all*** the relevant authorities ***and social partners, notably at local and regional level*** of the territories concerned, ***in accordance with Article [6] of the Regulation (EU).../... [new CPR],*** one or more territorial just transition plans covering one or more affected territories, ***which can be part of or correspond to larger levels such as*** 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<sup>17</sup> 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, ***labour market*** 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. **Objective and transparent criteria shall be used to designate the targeted areas and define the distribution of funding among them. If requested by a Member State, the Commission shall provide technical assistance on the elaboration of the territorial just transition plans.**

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<sup>17</sup> Regulation (EC) No 1059/2003 of the European Parliament and of the Council of 26 May 2003 on the establishment of a common classification of territorial units for statistics (NUTS) (OJ L 154 21.6.2003, p. 1).

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<sup>17</sup> Regulation (EC) No 1059/2003 of the European Parliament and of the Council of 26 May 2003 on the establishment of a common classification of territorial units for statistics (NUTS) (OJ L 154 21.6.2003, p. 1).

## Amendment 65

### 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 **and the co-benefits, in particular in terms of health and well-being**, of the transition to a **fully renewables-based, highly resource and energy-efficient and** climate-neutral economy, identifying the potential number of affected jobs and job losses **as well as potential job creation**, 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 66

### Proposal for a regulation

#### Article 7 – paragraph 2 – point d

*Text proposed by the Commission*

*Amendment*

(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;

(d) a description of the expected contribution of the JTF support to addressing the social, economic and environmental **challenges and opportunities** of the transition to a **fully renewables-based, highly resource- and energy-efficient, circular and** climate-neutral economy **with a detailed list of actions planned**;

## Amendment 67

### Proposal for a regulation

#### Article 7 – paragraph 2 – point j

*Text proposed by the Commission*

(j) synergies and complementarities with other Union programmes and pillars of the Just Transition Mechanism to address identified development needs.

*Amendment*

(j) synergies and complementarities with other Union programmes and pillars of the Just Transition Mechanism **and, where relevant, the Modernisation Fund** to address identified development needs **in the territory of the plan**.

## Amendment 68

### Proposal for a regulation

#### Article 7 – paragraph 3

*Text proposed by the Commission*

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

*Amendment*

3. The preparation and implementation of territorial just transition plans shall involve **all** the relevant partners in accordance with Article [6] of Regulation (EU) [new CPR] **and the relevant stakeholders at the geographical level of the affected territories referred in paragraph 1 of this Article, in a bottom-up approach**.

## Amendment 69

### 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 territorial strategies referred to in Article [23] of Regulation (EU) [new CPR], with relevant smart specialisation strategies, ***preferably defining the framework of priorities and implementation processes,*** the NECPs and the European Pillar of Social Rights ***and existing regional and local strategies.***

## Amendment 70

### 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].

## Amendment 71

### 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

##### *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.

European Union or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.

## **Amendment 72**

### **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.

## **Amendment 73**

### **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 JTF allocations**. The amounts exceeding **the 20 % threshold** are redistributed proportionally to the allocations of all other Member States. The Member States shares are recalculated accordingly;

## **Amendment 74**

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



***(ba) two thirds of the national allocation is conditional on the Member State's endorsement and commitment to the Union's objective of climate neutrality by 2050. That amount shall be put in a reserve until the Member State concerned accepts that commitment. In such a case, the Member State's regions that endorse and commit to implement the Union's objective of climate neutrality by 2050 shall get a prioritized access to the funds.***

## PROCEDURE – COMMITTEE ASKED FOR OPINION

<b>Title</b>	Establishing the Just Transition Fund
<b>References</b>	COM(2020)0022 – C9-0007/2020 – 2020/0006(COD)
<b>Committee responsible</b> Date announced in plenary	REGI 29.1.2020
<b>Opinion by</b> Date announced in plenary	BUDG 29.1.2020
<b>Associated committees - date announced in plenary</b>	27.5.2020
<b>Rapporteur</b> Date appointed	Siegfried Mureşan 5.3.2020
<b>Discussed in committee</b>	4.5.2020
<b>Date adopted</b>	24.6.2020
<b>Result of final vote</b>	+: 33 –: 5 0: 2
<b>Members present for the final vote</b>	Rasmus Andresen, Clotilde Armand, Robert Biedroń, Anna Bonfrisco, Olivier Chastel, Lefteris Christoforou, David Cormand, Paolo De Castro, José Manuel Fernandes, Eider Gardiazabal Rubial, Alexandra Geese, Valentino Grant, Valérie Hayer, Eero Heinäluoma, Niclas Herbst, Monika Hohlmeier, Mislav Kolakušić, Moritz Körner, Joachim Kuhs, Zbigniew Kuźmiuk, Ioannis Lagos, Hélène Laporte, Pierre Larrourou, Janusz Lewandowski, Margarida Marques, Siegfried Mureşan, Victor Negrescu, Andrey Novakov, Jan Olbrycht, Dimitrios Papadimoulis, Karlo Ressler, Bogdan Rzońca, Nicolae Ştefănuţă, Nils Torvalds, Nils Ušakovs, Johan Van Overtveldt, Angelika Winzig
<b>Substitutes present for the final vote</b>	Damian Boeselager, Herbert Dorfmann, Petros Kokkalis

## FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

33	+
ECR	Zbigniew Kuźmiuk, Bogdan Rzońca
GUE/NGL	Petros Kokkalis, Dimitrios Papadimoulis
PPE	Lefteris Christoforou, Herbert Dorfmann, José Manuel Fernandes, Niclas Herbst, Monika Hohlmeier, Janusz Lewandowski, Siegfried Mureşan, Andrey Novakov, Jan Olbrycht, Karlo Ressler, Angelika Winzig
RENEW	Clotilde Armand, Olivier Chastel, Valérie Hayer, Moritz Körner, Nils Torvalds, Nicolae Ştefănuţă
S&D	Robert Biedroń, Paolo De Castro, Eider Gardiazabal Rubial, Eero Heinäluoma, Pierre Larrourou, Margarida Marques, Victor Negrescu, Nils Ušakovs
VERTS/ALE	Rasmus Andresen, Damian Boeselager, David Cormand, Alexandra Geese

5	-
ID	Anna Bonfrisco, Valentino Grant, Joachim Kuhs, Hélène Laporte
NI	Ioannis Lagos

2	0
ECR	Johan Van Overtveldt
NI	Mislav Kolakušić

**Key to symbols:**

+ : in favour

- : against

0 : abstention

24.6.2020

## 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 1

*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')<sup>11</sup> and is part of the Sustainable Europe Investment Plan<sup>12</sup> providing dedicated financing under the Just Transition Mechanism in the context of cohesion policy to address the

*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')<sup>11</sup> and is part of the Sustainable Europe Investment

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*.

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<sup>11</sup> COM(2019) 640 final, 11.12.2019.

<sup>12</sup> COM(2020) 21, 14.1.2020.

## 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*

Plan<sup>12</sup> 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*.

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<sup>11</sup> COM(2019) 640 final, 11.12.2019.

<sup>12</sup> COM(2020) 21, 14.1.2020.

#### *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*

*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.

***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*

*Amendment*

***(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<sup>1a</sup>, 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.***

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<sup>1a</sup> *European Commission, Joint Research Centre, Clean energies technologies in coal regions: opportunities for jobs and growth, 2020, <https://op.europa.eu/en/publication-detail/-/publication/cdd4593e-1d56-11ea->*

**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 level.

*Amendment*

(4) As set out in the European Green Deal and the Sustainable Europe Investment Plan, a Just Transition Mechanism should ***not be considered as a stand alone funding instrument, but to*** complement the other actions under the next multi-annual financial framework for the period from 2021 to 2027, ***in particular taking into account the socio-economic and environmental impacts on workers and communities most affected by the transition from the current dependence on coal and carbon.*** 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

*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***



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].

*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*

*Amendment*

***(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*

*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. 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.

(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

*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) .../... [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

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<sup>13</sup> 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.

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.

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<sup>13</sup> *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)*

## 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*

*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

(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*

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<sup>14</sup> 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.

*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<sup>13a</sup>.* 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 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<sup>14</sup> 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.*

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<sup>14</sup> Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a scheme for greenhouse gas emission allowance trading within the Community and amending Council Directive 96/61/EC (OJ L 275, 25.10.2003, p. 32).

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<sup>13a</sup> **Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (OJ L 317, 9.12.2019, p. 1).**

<sup>14</sup> Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a scheme for greenhouse gas emission allowance trading within the Community and amending Council Directive 96/61/EC (OJ L 275, 25.10.2003, p. 32).

## **Amendment 17**

### **Proposal for a regulation Recital 12 a (new)**

*Text proposed by the Commission*

*Amendment*

**(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 with the type of operations set out in the territorial just transition plans.

*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

*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**

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.

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

#### *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

#### *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*

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.

*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 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 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

##### *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

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,

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 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.

#### *Amendment*

1. This Regulation establishes the Just Transition Fund ('JTF') to provide support to ***citizens, economic activities and energy sustainability, energy security and energy affordability challenges in*** the transition process towards a ***just and sustainable, climate-neutral, climate-resilient, resource-efficient and fully circular*** economy of the Union by 2050<sup>1a</sup> ***at the latest. The JTF shall support the long-term competitiveness and social and regional cohesion of these territories.***

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<sup>1a</sup> ***The words "at the latest" should apply each time the date 2050 is mentioned (throughout the text).***

## Amendment 23

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

#### *Text proposed by the Commission*

2. It lays down the specific objective

#### *Amendment*

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.

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.

## Amendment 24

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

#### *Text proposed by the Commission*

In accordance with the second subparagraph of Article [4(1)] of Regulation (EU) [new CPR], the JTF shall contribute to the single specific objective ‘enabling regions and people to address the social, economic and environmental impacts of the transition towards a climate-neutral economy’.

#### *Amendment*

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, *municipalities, economic operators, employees* and people to address the social, economic, *regional* and environmental impacts of the transition towards a *sustainable* climate-neutral economy *together with the European Pillar of Social Rights, the UN SDGs as well as the objectives of the Paris Agreement.*

## 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*

*Amendment*

***(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 workers;

*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*

*Amendment*

**(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*

*Amendment*

(k) technical assistance.

**(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 financiers and project promoters;***

## Amendment 42

### Proposal for a regulation

#### Article 4 – paragraph 2 – subparagraph 2

*Text proposed by the Commission*

*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, 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

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:

territorial just transition plan.

*(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**

###### *Text proposed by the Commission*

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*

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) ***and that they comply with the other conditions laid down in sub-paragraph 2 of this paragraph***. 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*

*Amendment*

**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 storage of nuclear waste***;

#### **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<sup>16</sup> ;

*Amendment*

(c) undertakings in difficulty, as defined in Article 2(18) of Commission Regulation (EU) No 651/2014<sup>16</sup>, ***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;*

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<sup>16</sup> Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty (OJ L 187, 26.6.2014, p. 1).

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<sup>16</sup> Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty (OJ L 187, 26.6.2014, p. 1).

## 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 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*

*Amendment*

(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 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 **or economic activities** 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.

## Amendment 54

### 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 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

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

Member State concerned.

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*

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 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<sup>17</sup> 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.

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<sup>17</sup> Regulation (EC) No 1059/2003 of the European Parliament and of the Council of 26 May 2003 on the establishment of a common classification of territorial units for statistics (NUTS) (OJ L 154 21.6.2003, p. 1).

*Amendment*

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<sup>17</sup> 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.

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<sup>17</sup> Regulation (EC) No 1059/2003 of the European Parliament and of the Council of 26 May 2003 on the establishment of a common classification of territorial units for statistics (NUTS) (OJ L 154 21.6.2003, p. 1).

## **Amendment 58**

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

*Text proposed by the Commission*

*Amendment*

**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*

*Amendment*

(a) a description of the transition process at national level towards a climate-neutral economy, including a timeline for key transition steps which are consistent with the latest version of the National Energy and Climate Plan (‘NECP’);

(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*

*Amendment*

(b) a justification for identifying the territories **as most negatively affected by**

(b) a justification for identifying the territories **or economic activities or**

the transition process referred to in point (a) and to be supported by the JTF, in accordance with paragraph 1;

***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*

(g) a description of the type of operations envisaged and their expected contribution to alleviate the impact of the transition;

*Amendment*

(g) a description of the type of operations envisaged and their expected contribution to alleviate the impact of ***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**

*Text proposed by the Commission*

*Amendment*

(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**

*Text proposed by the Commission*

(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;

*Amendment*

(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**

*Text proposed by the Commission*

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

*Amendment*

3. The preparation, ***development, implementation and evaluation*** of 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*

*Amendment*

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

## Amendment 72

### Proposal for a regulation

#### Article 7 – paragraph 4 – subparagraph 1

*Text proposed by the Commission*

*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*

*Amendment*

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.

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*

*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*

*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 **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.

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 **shall** 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*

*Amendment*

2. The power to adopt delegated acts

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].

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*

*Amendment*

#### *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*

*Amendment*

(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;

(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,

*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;
- economic diversification potential and development opportunities.

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*

*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**

## **Amendment 85**

### **Proposal for a regulation**

#### **Annex II – point 2 – point 2.4 – Reference Article 7(2)(g)**

*Text proposed by the Commission*

*Amendment*

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

- 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 number of jobs

### *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 number of jobs

## PROCEDURE – COMMITTEE ASKED FOR OPINION

<b>Title</b>	Establishing the Just Transition Fund
<b>References</b>	COM(2020)0022 – C9-0007/2020 – 2020/0006(COD)
<b>Committee responsible</b> Date announced in plenary	REGI 29.1.2020
<b>Opinion by</b> Date announced in plenary	ECON 15.5.2020
<b>Associated committees - date announced in plenary</b>	27.5.2020
<b>Rapporteur</b> Date appointed	Henrike Hahn 23.4.2020
<b>Date adopted</b>	25.6.2020
<b>Result of final vote</b>	+: 45 –: 7 0: 5
<b>Members present for the final vote</b>	Gunnar Beck, Marek Belka, Isabel Benjumea Benjumea, Stefan Berger, Gilles Boyer, Francesca Donato, Derk Jan Eppink, Markus Ferber, Jonás Fernández, Raffaele Fitto, Frances Fitzgerald, José Manuel García-Margallo y Marfil, Luis Garicano, Valentino Grant, José Gusmão, Enikő Győri, Eero Heinäluoma, Danuta Maria Hübner, Stasys Jakeliūnas, Herve Juvin, Othmar Karas, Billy Kelleher, Ondřej Kovařík, Georgios Kyrtos, Aurore Lalucq, Aušra Maldeikienė, Pedro Marques, Costas Mavrides, Jörg Meuthen, Csaba Molnár, Siegfried Mureşan, Caroline Nagtegaal, Luděk Niedermayer, Lefteris Nikolaou-Alavanos, Dimitrios Papadimoulis, Piernicola Pedicini, Lídia Pereira, Kira Marie Peter-Hansen, Sirpa Pietikäinen, Dragoş Pîslaru, Evelyn Regner, Antonio Maria Rinaldi, Alfred Sant, Joachim Schuster, Ralf Seekatz, Pedro Silva Pereira, Paul Tang, Ernest Urtasun, Inese Vaidere, Johan Van Overtveldt, Stéphanie Yon-Courtin, Marco Zanni, Roberts Zīle
<b>Substitutes present for the final vote</b>	Henrike Hahn, Margarida Marques, Mikuláš Peksa, Mick Wallace



## FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

45	+
ECR	Roberts Zīle
GUE/NGL	José Gusmão, Dimitrios Papadimoulis, Mick Wallace
PPE	Isabel Benjumea Benjumea, Stefan Berger, Markus Ferber, Frances Fitzgerald, José Manuel García-Margallo y Marfil, Enikő Győri, Danuta Maria Hübner, Othmar Karas, Georgios Kyrtzos, Aušra Maldeikienė, Siegfried Mureşan, Luděk Niedermayer, Lídia Pereira, Sirpa Pietikäinen, Ralf Seekatz, Inese Vaidere
Renew	Gilles Boyer, Luis Garicano, Billy Kelleher, Ondřej Kovařík, Caroline Nagtegaal, Dragoş Pislaru, Stéphanie Yon-Courtin
S&D	Marek Belka, Jonás Fernández, Eero Heinäluoma, Aurore Lalucq, Margarida Marques, Pedro Marques, Costas Mavrides, Csaba Molnár, Evelyn Regner, Alfred Sant, Joachim Schuster, Pedro Silva Pereira, Paul Tang
Verts/ALE	Henrike Hahn, Stasys Jakeliūnas, Mikuláš Peksa, Kira Marie Peter-Hansen, Ernest Urtasun

7	-
ID	Gunnar Beck, Francesca Donato, Valentino Grant, Jörg Meuthen, Antonio Maria Rinaldi, Marco Zanni
NI	Lefteris Nikolaou-Alavanos

5	0
ECR	Derk Jan Eppink, Raffaele Fitto, Johan Van Overtveldt
ID	Herve Juvin
NI	Piernicola Pedicini

**Key to symbols:**

+ : in favour

- : against

0 : abstention

29.6.2020

## **OPINION OF THE COMMITTEE ON EMPLOYMENT AND SOCIAL 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 (\*): Mounir Satouri

(\* ) Associated committee – Rule 57 of the Rules of Procedure

### **SHORT JUSTIFICATION**

The environmental crisis facing the world is becoming inexorably more serious. By establishing the Just Transition Fund (JTF), and by making a commitment to achieve a climate-neutral Europe in 2050, the European Union is demonstrating its determination to provide financial backing from its budget for the much-needed green transition of its economy. It has undertaken to help its people cope with the changes involved, and help its territories seize the shared opportunity to build a sustainable and just future.

As the COVID-19 pandemic highlights the fragility of our development models, the need for European safeguards is emerging ever more clearly. The crises posing a threat to our societies in no way cancel one another out; rather they are mutually reinforcing, because they are widening inequalities and encouraging states to turn inward. The onus is therefore on us to use Europe's legislative arsenal to enhance the Union's ability to respond.

Our fellow citizens have grasped the imperative need for a collective, collaborative response to the challenges of our time: as many as 82% of EU citizens are in favour of financial support for the energy transition<sup>1</sup>. The consequences of climate change and the fact that our

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<sup>1</sup> Second EIB climate survey carried out in partnership with the BVA Group and published on 13 March 2020.

survival depends on our collective ability to change the way we live are now beyond dispute.

Our energy, economic, social and environmental policies must go with the flow of history. By adopting the *European Green Deal*<sup>2</sup>, the EU is signalling its refusal to simply to accept the changes taking place in the world and its resolve to help regions become agents of transformation. The *Sustainable Europe Investment Plan*<sup>3</sup> builds on the Just Transition Mechanism (JTM) which will help mobilise at least EUR 100 billion over the period 2021-2027 for the regions most affected by the transition to a green economy.

The *proposal for a regulation of the European Parliament and of the Council establishing the Just Transition Fund*<sup>4</sup> is the first of the three pillars of the JTM. This increased EU support cannot simply take the form of unconditional handouts to the Member States. The latter meeting their climate commitments is the prerequisite for a coherent, credible and effective European policy.

At a time of economic and social crisis, the territories which most need to make a transition must not become Europe's poor relations in the 21st century. They are vital to the European project, which must now mobilise their traditions and strengths in support of approaches designed to bring about inclusive system change. The JTF reflects that ambition, complementing the two other pillars of the JTM, which must also address these territories' concerns. Its aim is to support local communities on the ground, so that they can build resilience, and ensure that no territory is left behind.

If territories and their populations are to use the transition as an opportunity to create a better future, your rapporteur takes the view that there must be three key aspects to JTF support.

Firstly, if it is to be genuinely just, the JTF must focus on the needs of individuals and social well-being. The impact of the fund must be tangible for local people and visible on the ground. That could be achieved by means of measures to revitalise the labour market (education, training, support for start-ups and mobility, etc.) and passive support measures (pension gap funding).

Secondly, the fund must create conditions conducive to the emergence of a sustainable economy in these territories. All fund investments must be consistent with the need for social and environmental protection.

Lastly, the fund must support 'social infrastructure' measures which help territories in transition to remain dynamic and retain a focus on community and solidarity (healthcare, housing, etc.). In addition to physical infrastructure, enhancing the ability of local stakeholders to contribute to the transition is essential if the fund is to be accessible.

Your rapporteur sees the JTF as a *European transition factory*<sup>5</sup>. The success of processes of change and of the transformation of territories hinges on involving their inhabitants in the definition of strategies and mobilising associations and groups to support local projects. Seeing through the green transition of a territory above all means implementing public

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<sup>2</sup> European Green Deal of 11 December 2019.

<sup>3</sup> COM(2020) 21 of 14 January 2020.

<sup>4</sup> COM(2020) 22 of 14 January 2020.

<sup>5</sup> On the basis of the transition model developed in Loos-en-Gohelle, France, <http://www.territoires-energie-positive.fr/convaincre/developper-la-fabrique-des-transitions-territoriales>

policies which foster a change in perceptions and the emergence of local solutions.

The Just Transition Fund will give regions, local communities and firms the chance to make the transition a success.

## AMENDMENTS

The Committee on Employment and Social 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 1

###### *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')<sup>11</sup> and is part of the Sustainable Europe Investment Plan<sup>12</sup> 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 global temperature increase to below 1,5°C*** and the United Nations Sustainable Development Goals by concentrating Union funding on green objectives ***as well as the European Pillar of Social Rights.*** This Regulation implements one of the priorities set out in the Communication on the European Green Deal ('the European Green Deal')<sup>11</sup> and is part of the Sustainable Europe Investment Plan<sup>12</sup> providing dedicated financing under the Just Transition Mechanism in the context of cohesion policy to address the economic and social ***challenges*** of the transition to a climate-neutral ***renewables-based, highly resource- and energy-efficient*** and circular economy ***as early as possible and by 2050 at the very latest, and to support and accompany European regions and people with social, labour market and economic support so as not to leave anyone behind.***

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<sup>11</sup> COM(2019) 640 final, 11.12.2019.

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<sup>11</sup> COM(2019) 640 final, 11.12.2019.

## 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 climate-neutral, **renewables-based, highly resource- and energy-efficient** and circular economy constitutes one of the most important policy objectives for the Union **and 82 % of Europeans call for specific financial support**. On 12 December 2019, the European Council endorsed the objective of achieving a climate-neutral Union by 2050 **the very latest**, in line with the objectives of the Paris Agreement. Fighting climate change and environmental degradation **are challenges that could be turned into** opportunities for all in the medium **and long** term, **if we shape them in a socially just manner and if no one is left behind**. Not all regions and Member States start their **necessary and utmost urgent** transition from the same point or have the same capacity to respond **considering their historical, economic and cultural specificities**. Some are more **ahead of the green transition**, whereas the transition entails a wider social, **cultural, labour market** and economic impact for those regions **and its inhabitants** that rely heavily on fossil fuels – **gas**, coal, lignite, peat and oil shale - **and/or** greenhouse gas intensive industries **and other energy intensive sectors such as steel, cement, chemicals, glass and transport, as well as their suppliers and service providers**. Such a situation not only creates the risk of a variable speed transition in the Union as regards climate action, but also **contributes towards social inequality and** growing disparities between regions **and the overseas territories and Member States** detrimental to the **fundamental values of**

*the Union. Therefore, it is of utmost importance to urgently support the regions and actors whose contribution is key to ensure a speedy just transition in line with the Unions climate objectives, so as not to widen the gap. Special consideration should be given to NUTS 3 areas with a population below 12,5 hab/km<sup>2</sup> or with an average annual population decrease of more than -1 % between 2007 – 2017.*

### 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 ***inclusive, socially sustainable and*** acceptable for all, ***paying special attention to the respect of principles set out in the European Pillar of Social Rights.*** Therefore, both the Union and the Member States ***as well as the different regional and local actors should*** take into account its ***social, labour market and*** economic implications from the outset, ***as well as the impact of coronavirus crisis,*** and deploy all possible instruments to mitigate adverse consequences ***and enhance the positive ones, such as the creation of new, decent and sustainable jobs or the improvement of air quality.*** The Union budget ***should be commensurate with this transition and the next MFF should make it possible to realise the ambitions of the Union and allow an allocation of the Just Transition Fund (JTF) without revising downward the allocations for existing Union policies.***

### Amendment 4

**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** level.

*Amendment*

(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. **The Union should accompany and support regions, sub-regional levels local actors and inhabitants in** transitioning towards Union climate neutrality **and sustainable jobs** by bringing together the Union budget's spending on climate, **on cohesion, economic** and social objectives at **all relevant levels, considering social impact investment and targeting the territories and the group of people who are the most in need of support to achieve the transition.**

**Amendment 5**

**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

*Amendment*

(5) This Regulation establishes the JTF, which is one of the pillars of the Just Transition Mechanism implemented under cohesion policy. The aim of the JTF is **not only** to mitigate the adverse effects of the climate transition **and to support the actions targeted at a fair and efficient energy transition towards a climate-neutral economy but also to create and enhance the future, positive effects** by supporting the most affected territories, **which includes Overseas Countries and Territories, as well as the population and in particular the** workers concerned **for ensuring social, territorial and economic cohesion.** In line with the JTF specific

the same level and listed together with the policy objectives set out in Article [4] of Regulation EU [new CPR].

objective, actions supported by the JTF should directly contribute to ***facilitating and catalysing*** the transition by ***creating new sustainable employment opportunities, mitigating adverse social consequences and*** financing the diversification, ***sustainability, reconversion*** and modernisation of the local economy, ***preventing social precariousness and fostering unstable business environments***. 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 6

### 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 and the increased ambition of the European Green Deal ***to create opportunities for a more prosperous and inclusive as well as a healthier and greener continent***, the JTF should provide a key contribution to mainstream climate actions ***and accelerate the transition to a climate-neutral, renewables-based, highly resource- and energy-efficient and circular economy as early as possible and by 2050 at the very latest. JTF funding should be conditional on the acceptance of the Union objective of climate neutrality by 2050 at the very latest as well as the intermediate targets.*** 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 *on a voluntary basis* from the ERDF and ESF+ will contribute fully to the achievement of this target *in line with the principles of the European Pillar of Social Rights*.

## Amendment 7

### 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 *as well as national and regional investments and private capital and should by no means replace such investments. As such, the next MFF should be ambitious and enable reaching the objectives set. Funding by the JTF must in no case be at the expense of other existing funds. The JTF should support the transitioning to a green economy especially in the regions most heavily dependent on coal or other such unsustainable fuels, and contribute to a new sustainable cohesion policy aimed at future-oriented and green employment models.*

## Amendment 8

### 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*

*Amendment*

(8) Transitioning to a climate-neutral economy is *not only* a challenge *but also a huge opportunity* for all Member States, *regional and local public and private actors. Additional support will be needed for the regions, including in remote areas,* that *still* rely heavily on fossil fuels or

*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.

greenhouse gas intensive industrial activities which need to be phased out *and/or modernised in order to* transition towards climate neutrality, *together with a workforce that needs upskilling and assistance to reach employment in green sectors*, and that lack the financial means to do so. The JTF should therefore cover all *of the Union*, but the distribution of its financial means should reflect the *initial reliance on unsustainable activities of regions and their* capacity to finance the necessary investments to *make* the transition towards climate neutrality *as soon as possible and by 2050 at the very latest, including their promotion of alternatives to the fossil-fuel based economy through a circular economy, which offers opportunities for new jobs, regional economic development, improved territorial cohesion and boosting local rural economies.*

## Amendment 9

### 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*

*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, *social* and environmental priorities of the Union *including the principles of the European Pillar of Social Rights as well as the United Nations Sustainable Development Goals.* The list of investments should *prioritise* those that support *people, social innovation, local economies and labour market with decent job creation*, and are sustainable in the *medium and* long-term, taking into account all the objectives of the *European Green Deal, while protecting, preserving and enhancing the Union's natural capital, and improving health and*

**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<sup>13</sup> 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.

**well-being with regard to environment-related risks and impacts.** The projects financed should contribute to a transition to a climate-neutral, **renewables-based, highly resource- and energy-efficient** and circular economy **as early as possible and by 2050 at the very latest.** For declining sectors, such as energy production based on coal, lignite, peat, **gas, oil** and oil shale or extraction activities for these fossil fuels, **as well as indirect industries such as suppliers and service providers who might also be affected by those declining productions,** support should be linked **with strong conditionality** to the **gradual strategy of the** phasing out of the activity. **Such support should be clearly outlined in the territorial just transition plan and should be conditional on the creation of quality jobs and social progress and on safeguarding the resilience of the local economy to overcome potential job losses.** 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 very latest**<sup>13</sup> while maintaining and enhancing **the skills and rights of employees** and avoiding environmental degradation. **Those investments should also enable financing expertise and analysis in support for fully transformed SMEs to retain the up-skilled and re-skilled employees.** Particular attention should be given to **the implementation of the energy-efficiency first principle in investment decisions, as well as to green sectors such as those involving renewable energy sources, smart mobility, fight against energy poverty, social impact investment or other sectors which support, promote and drive forward resource-efficiency and the circular economy. Those investments should also support the creation of knowledge innovation communities with**

***emphasis in digitalisation and research and European Institute of Innovation and technology, bringing together research centres, entrepreneurship, universities and local and regional governments, to contribute to the objective of a smart and sustainable transition. Such measures should enhance the creation of green sustainable and decent jobs, mitigate negative social consequences and fasten the transition towards a climate-neutral and circular economy by 2050 at the very latest.***

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<sup>13</sup> 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.

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<sup>13</sup> 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 10**

### **Proposal for a regulation Recital 10 a (new)**

*Text proposed by the Commission*

*Amendment*

***(10a) The JTF should also be used to support investment in social, education, health and cultural projects, with the particular attention to regions depending on a carbon intensive economy and affected by the structural transition to a resource efficient and low-carbon circular economy. Inequality of opportunities present in the eligible regions affects in particular access to education, culture, community, health and social services. Development of a strong local community bringing together different generations, as well as in the integration of vulnerable populations without any discrimination in***

*the society can enhance economic opportunities and ensure just transitions for all. To that end, social innovation must be supported in particular in the areas of early childhood education and care, educational facilities, student housing and digital equipment but also of health services and new care model including clinics, hospitals or community based care. This would help to ensure that those living in transition regions have access to high-quality public services and services of general interest, including those active in the social economy which are so crucial to local economic development and the social market economy to underpin a socially just transition that leaves no-one behind*

## Amendment 11

### 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) To protect *people* who are *the most likely to require support to achieve* the climate transition, the JTF should cover the up-skilling and reskilling of the affected workers, *with a particular attention to the most vulnerable people as defined under the [ESF+ regulation] and of the persons furthest from the labour market (such as long term unemployed, in work poverty or young people who are NEETs)*, with the aim of helping them to adapt to new employment opportunities *and achieving a gender balance across sectors*, as well as providing *active labour market and skills policies targeted towards future-oriented sectors and employment ensuring lifelong learning opportunities and respecting the principle of equal pay for equal work, assistance to those concerned by the transition, counselling, training, support services and personalised* job-search assistance to *all categories of* jobseekers

*ensuring equal access to all groups of people without any discrimination paying a specific attention to young people and their active inclusion into the labour market. In this regard, upskilling and reskilling opportunities for workers should be provided within an appropriate timeframe before they reach unemployment. Efforts must be concentrated on economic revitalisation of affected regions, in particular through retraining formulae and through strong cooperation between national, regional and local authorities of neighbouring Member States in order to reach the full potential of the cross-border labour market in full coherence with the Globalisation Adjustment Fund.*

## Amendment 12

### Proposal for a regulation Recital 11 a (new)

*Text proposed by the Commission*

*Amendment*

*(11a) The Member States and the Commission should ensure that the implementation of the priorities financed by the JTF contributes to the respect and the promotion of equality between women and men in accordance with Article 8 of the Treaty on the Functioning of the European Union (TFEU). Evaluations have shown the importance of taking the gender equality objectives aspect into account in all dimensions and in all stages of the preparation, monitoring, implementation and evaluation of operational programmes, in a timely and consistent manner while ensuring that specific actions are taken to promote gender equality and the principle of equal pay for equal work of equal value, the economic independence of women, education and skills upgrading and the reintegration of female victims of violence*

*into the labour market and into society.*

## Amendment 13

### Proposal for a regulation

#### Recital 11 b (new)

*Text proposed by the Commission*

*Amendment*

***(11b) The JTF has an important role to play in mitigating social consequences beyond the economy and should not be a mere business investment instrument. The transition demands a lot of the affected regions and its inhabitants. Risks include not only loss of jobs, but also loss of local tax income, as well as migration of the workforce, leaving the young and the elderly and potentially the halting of some services (in particular for coal miners), and therefore investment in social infrastructure to ensure high level of services for the inhabitants and to counterbalance loss of services is a key component to ensure a socially just transition that leaves no-one behind. The JTF should in particular take preventive measures against a recession to ensure that the local population endorses change and that local community actors, health and social as well as and democratic infrastructure is improved.***

## Amendment 14

### Proposal for a regulation

#### Recital 12

*Text proposed by the Commission*

*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

(12) In order to enhance the diversification ***and reconversion*** of territories ***which require additional support to achieve*** the transition, the JTF should provide support to productive investment ***with job creation potential in***

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<sup>14</sup> 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.

**green and sustainable SMEs, and in particular young enterprises and those active in the sector of social innovation.** 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 **green, decent and sustainable** employment. **The aim must be to create decent sustainable jobs in future-oriented sectors and to enable social inclusion while recognising, valuing and upgrading the skills and education of local human resources.** For enterprises other than SMEs, productive investments should only be supported if they are necessary for mitigating job losses resulting from the transition **and if they support the overarching goal of the fund which is to fasten the transition to a climate-neutral, renewables-based, highly resource- and energy-efficient and circular economy**, by creating or **supporting the adaptation of** a significant number of jobs and they do not lead to or result from relocation, **in full coherence with the Globalisation Adjustment Fund.** Investments in existing industrial facilities, including those covered by the Union Emissions Trading System, should be allowed **under condition that** they contribute to the transition to a climate-neutral economy by 2050 **at the very latest** and go substantially below the relevant benchmarks established for free allocation under Directive 2003/87/EC of the European Parliament and of the Council<sup>14</sup> and **on condition that** they result in the protection of a significant number of **decent and sustainable** jobs. Any such investment should be justified accordingly in the relevant territorial just transition plan, **should be sustainable and should be consistent with the energy efficiency first principle.** 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. ***The transition initiated by the European Green Deal must benefit everyone and not widen inequalities, having a specific attention to rural areas and their significant economic difficulties, especially for young people.***

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<sup>14</sup> Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a scheme for greenhouse gas emission allowance trading within the Community and amending Council Directive 96/61/EC (OJ L 275, 25.10.2003, p. 32).

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<sup>14</sup> Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a scheme for greenhouse gas emission allowance trading within the Community and amending Council Directive 96/61/EC (OJ L 275, 25.10.2003, p. 32).

## Amendment 15

### 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 with the type of operations set out in the territorial just transition plans.

#### *Amendment*

(13) In order to provide flexibility for the programming of the JTF resources under the Investment for jobs and growth goal, it should be ***required*** to prepare a self-standing JTF programme. In accordance with Article 21a of Regulation (EU) [new CPR], JTF resources ***could*** be ***voluntarily*** reinforced with complementary funding from the ERDF and the ESF+, ***which should be given additional resources for that purpose.*** 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 ***and the objective of those funds. In accordance with the objective of simplification, the application of the JTF must not generate excessive***

*administrative burdens.*

## Amendment 16

### 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 on the effective *and measurable launching and* implementation of a transition process in a specific territory *that needs to be supported in order to phase out its dependence to unsustainable activities* in order to achieve a climate-neutral economy *by 2050 at the very latest*. In that regard, *recipient regions in* Member States should prepare, supported by the Commission, territorial just transition plans. *In preparing the just transition plans, the recipient regions should consult the relevant stakeholders, including local and regional authorities in accordance with partnership principles, local and regional actors such as existing local business and especially SMEs and subcontractors of large energy facilities, civil society, the social partners and the local communities concerned. The just transition plans must detail the transition process, including socio-economic impact job creation measures, upskilling and reskilling and investments in local social infrastructure, in line with at least the ambition of* their National Energy and Climate Plans, *the European Pillar of Social Rights and the United Nations Sustainable Development Goals*. 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 *actors and* sectors *concerned. The existing platform should be fully used for the planning phase to disseminate best*

*practices. In developing fair territorial transition plans, a comprehensive approach that takes into account the impacts on neighbouring living areas, including across borders must be required.*

## Amendment 17

### Proposal for a regulation Recital 14 a (new)

*Text proposed by the Commission*

*Amendment*

*(14a) In order to ensure the long-term effectiveness and positive impacts of the transition and the JTF, data gathering will be required to better forecast skills needed across sectors and industry to adapt to the change required by a new green economy and in particular modelling of the employment effects of decarbonising scenarios, as well as monitoring through adequate social sustainability indicators.*

## Amendment 18

### Proposal for a regulation Recital 15

*Text proposed 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. 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

(15) The territorial just transition plans should identify the **actors and localities** most negatively affected, where JTF support **must** be concentrated and describe specific actions, to be undertaken to reach a climate-neutral economy **by 2050 at the very latest. In particular, the just transition plans should identify** the closure of facilities involving fossil fuel production, other greenhouse gas intensive activities, **or activities whose final industrial products are directly impacted by the transition to carbon neutrality, 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.

*the need for assistance for the upskilling and reskilling of workers as well as for suppliers and service providers heavily depending on those industries, as well as a detailed plan on the social infrastructure investments. The social partners shall be involved at all stages of the process to input the specific needs to be targeted.* Those territories should be precisely defined and correspond to NUTS level 3 regions or should be parts thereof. The plans should detail the challenges *(economic, social, territorial and environmental), the needs, the opportunities and the resources* of those territories *to achieve the transition including in terms of social infrastructure, job creation potential and existing education and engineering potential.* *The plans should* identify the type of operations needed in a manner that ensures the coherent development of climate-resilient economic activities that *create sustainable and decent jobs, that prioritise the alleviation of any socio-economic shocks from the transition, and that* are also consistent with the transition to climate-neutrality *by 2050 at the very latest* and the objectives of the *European Green Deal, the principles of the European Pillar of Social Rights and the United Nations Sustainable Development Goals while ensuring that no-one is left behind.* 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 *national JTF programme* which *is to be* approved by the Commission.

## Amendment 19

### 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 **optimise** 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. ***The Commission should monitor the regions in which the use of JTF resources yield lower results and ensure that those regions are further supported in order to leave no region behind.***

**Amendment 20**

**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

*Amendment*

(19) The objectives of this Regulation, namely to support territories **in their** economic, **labour market** 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 **specific challenges** 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

objectives,

achieve those objectives,

## Amendment 21

### Proposal for a regulation Article 1 – paragraph 1

*Text proposed by the Commission*

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.

*Amendment*

1. This Regulation establishes the Just Transition Fund ('JTF') to provide support to ***the groups of people and the territories which require additional support for the transition to a renewables-based, highly resource- and energy-efficient, circular and*** climate-neutral economy of the Union by 2050, ***to transform the challenges of the transition into opportunities, and simultaneously to contribute to advancing Europe's social model for present and future generations and the fight against inequalities.***

## Amendment 22

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

*Text proposed by the Commission*

In accordance with the second subparagraph of Article [4(1)] of Regulation (EU) [new CPR], the JTF shall contribute to the ***single*** specific objective 'enabling regions and people to address the social, economic and environmental ***impacts*** of the transition towards a climate-neutral economy'.

*Amendment*

In accordance with the second subparagraph of Article [4(1)] of Regulation (EU) [new CPR], the JTF shall contribute to the ***following*** specific objective:

- enabling regions, ***local levels*** and people to address the social, ***labour market,*** economic and environmental ***challenges and opportunities*** of the transition towards a climate-neutral economy ***and society consistent with the goal of limiting a global temperature increase to well below 2°C, while pursuing efforts to limit the***

*increase to 1,5°C, while ensuring the territorial just transition plans increase transparency and security for communities, workers, industries and investors.*

## Amendment 23

### 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 the Investment for jobs and growth goal in all Member States, ***with the particular attention to the Member States relying on fossil fuels, respecting and supporting the overarching objectives of the European Green Deal and the European Pillar of Social Rights in order to tackle climate and environmental challenges while ensuring a just transition that leaves no one behind. The JTF shall support the activities set out in Article 4(2) to (2c) and access shall be conditional on the Member State having a commitment to a target of climate neutrality by 2050.***

## Amendment 24

### 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 ***10*** 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. ***The funding of the JTF shall not be to the detriment of resources***

*allocated to the other MFF funds.*

## **Amendment 25**

### **Proposal for a regulation**

#### **Article 3 – paragraph 2 – subparagraph 3**

*Text proposed by the Commission*

0.35% of the amount referred to in the first subparagraph shall be allocated to technical assistance at the initiative of the Commission.

*Amendment*

***A minimum share of*** 0.35% of the amount referred to in the first subparagraph shall be allocated to technical assistance at the initiative of the Commission.

## **Amendment 26**

### **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.

## **Amendment 27**

### **Proposal for a regulation**

#### **Article 3 a**

*Text proposed by the Commission*

*Amendment*

#### ***Article 3a***

#### ***Resources from the European Union Recovery Instrument***

***1. Measures referred to in Article 2 of [Regulation ERI] shall be implemented under the JTF with an amount of EUR 30 billion in current prices of the amount***



*referred to in [point (vi) of Article 3(2)(a)] of that Regulation, subject to [Article 4(3), (4) and (8)] thereof.*

*That amount shall be considered to comprise other resources as referred to in Article 3(2) of this Regulation and shall constitute external assigned revenues in accordance with Article 21(5) of Regulation (EU, Euratom) 2018/1046.*

*They shall be made available for budgetary commitment under the Investment for jobs and growth goal for 2021 to 2024 in addition to the global resources set out in Article 3 as follows:*

- 2021: EUR 7 954 600 000;*
- 2022: EUR 8 114 600 000;*
- 2023: EUR 8 276 600 000;*
- 2024: EUR 8 441 600 000.*

*In addition, EUR 15 600 000 in current prices shall be made available for administrative expenditure from the resources referred to in the first subparagraph of this paragraph.*

*2. 0,35% of the amount referred to in the first subparagraph of paragraph 1 shall be allocated to technical assistance at the initiative of the Commission.*

*3. The annual breakdown of the amount referred to in paragraph 1 by Member States shall be included in the Commission decision referred to in Article 3(3) in accordance with the methodology set out in Annex I.*

*4. By way of derogation from Article 14(3) of the Financial Regulation, the de-commitment rules set out in Chapter IV of Title VII of ...[Regulation (EU) new CPR] shall apply to the budgetary commitments based on resources referred to in paragraph 1 of this Article. By derogation from point (c) of Article 12(4) of the Financial Regulation, those resources shall not be used for a succeeding programme or action.*

## Amendment 28

### Proposal for a regulation

#### Article 4 – paragraph 2 – subparagraph 1 – introductory part

*Text proposed by the Commission*

2. In accordance with paragraph 1, the JTF shall exclusively support the following activities:

*Amendment*

2. In accordance with paragraph 1, the JTF shall support the following activities ***for the transition provided that they are eligible under Regulation ... [sustainable taxonomy Regulation]***:

## Amendment 29

### 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) ***sustainable*** investments in SMEs, including start-ups, ***energy communities and cooperatives, and those active in social innovation*** leading to ***the creation of decent and sustainable job creation***, economic diversification and reconversion;

## Amendment 30

### 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 ***in social enterprises and future-oriented sustainable sectors, renewable energy, greening and green infrastructure construction***, including through business incubators and consulting services;

## Amendment 31

## Proposal for a regulation

### Article 4 – paragraph 2 – subparagraph 1 – point b a (new)

*Text proposed by the Commission*

*Amendment*

***(ba) social impact investments, namely investments which foster the development of businesses generating positive, local and measurable social and environmental impact;***

## Amendment 32

### Proposal for a regulation

#### Article 4 – paragraph 2 – subparagraph 1 – point c

*Text proposed by the Commission*

*Amendment*

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

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

## Amendment 33

### Proposal for a regulation

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

*Text proposed by the Commission*

*Amendment*

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

(d) investments in the deployment of technology and infrastructures for affordable ***renewable*** energy, in greenhouse gas emission reduction, energy efficiency, ***including targeted retrofit measures to address energy poverty and poor housing conditions***, and renewable energy ***as well as in the deployment of smart, energy efficient, local and multimodal environmentally friendly urban means of transportation to reduce emissions in all modes of transport***;

## 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, ***in particular those targeting microenterprises and small enterprises***;

### Amendment 35

#### 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 and decontamination of sites, land restoration and repurposing projects, ***while ensuring appropriate respect for the polluter pays principle***;

### Amendment 36

#### 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 ***fostering a non-toxic*** circular economy, ***including in bio-economy***, including through waste prevention, reduction, resource efficiency, reuse, repair and recycling.

### Amendment 37

#### Proposal for a regulation

#### Article 4 – paragraph 2 – subparagraph 1 – point h

*Text proposed by the Commission*

(h) ***upskilling and reskilling of workers***;

*Amendment*

***deleted***

## Amendment 38

### Proposal for a regulation

#### Article 4 – paragraph 2 – subparagraph 1 – point i

*Text proposed by the Commission*

*Amendment*

**(i) job-search assistance to jobseekers;** **deleted**

## Amendment 39

### Proposal for a regulation

#### Article 4 – paragraph 2 – subparagraph 1 – point j

*Text proposed by the Commission*

*Amendment*

**(j) active inclusion of jobseekers;** **deleted**

## Amendment 40

### Proposal for a regulation

#### Article 4 – paragraph 2 – subparagraph 1 – point k

*Text proposed by the Commission*

*Amendment*

**(k) technical assistance.** **deleted**

## Amendment 41

### Proposal for a regulation

#### Article 4 – paragraph 2 a (new)

*Text proposed by the Commission*

*Amendment*

**2a. In accordance with paragraph 1, the JTF shall support social investments, including those supporting the implementation of the European Pillar of Social Rights, ensuring the participation and accessibility of persons with disabilities and the most deprived persons, in particular through:**

**(a) microfinance, social enterprise**

- finance and the social economy;*
- (b) social innovation, social infrastructure as well as infrastructure for local communities such as community and volunteer centres;*
- (c) facilities for education and training;*
- (d) energy-efficient social housing contributing to tackling energy poverty and housing first solutions for people at risk of or experiencing homelessness;*
- (e) quality, sustainable and affordable social and health care infrastructures and health care services and innovative health solutions;*
- (f) cultural and heritage activities with a social goal.*

## **Amendment 42**

### **Proposal for a regulation Article 4 – paragraph 2 b (new)**

*Text proposed by the Commission*

*Amendment*

- 2b. In accordance with paragraph 1, the JTF shall support investments in the following, geared towards workers and job seekers:**
- (a) upskilling and reskilling not only of current or former workers who are working in the fossil fuel industries but of all persons outside the labour market, including long-term unemployed, persons seeking their first job, and the young people who are neither in employment nor in education or training (NEETs);*
- (b) active labour market and skills policies targeted towards future-oriented sectors and employment as well a personalised and people-centred job-search assistance and counselling and support services to jobseekers;*
- (c) temporary income support*

*measures and social protection measures for workers most directly affected by the transition, when appropriate, with a particular focus on in-work poverty. These measures would only be a complement to national safety nets where necessary;*

*(d) active inclusion of jobseekers and socioeconomic integration of people and communities.*

*(Points (a) to (d) of Article 2b correspond to points (h) to (j) in the COM proposal, with the following changes, shown in bold underlining:*

*(h) upskilling and reskilling **not only of current or former workers who are working in the fossil fuel industries but of all persons outside the labour market, including long-term unemployed, persons seeking their first job, and the young people who are neither in employment nor in education or training (NEETs);***

*(i) **active labour market and skills policies targeted towards future-oriented sectors and employment as well as** job-search assistance to job-seekers;*

*(ia) **temporary income support measures and social protection measures for workers most directly affected by the transition, when appropriate, with a particular focus on in-work poverty. These measures would only be a complement to national safety nets where necessary;***

*(j) active inclusion of jobseekers **and socioeconomic integration of people and communities.**)*

## Amendment 43

### Proposal for a regulation

#### Article 4 – paragraph 2 c (new)

*Text proposed by the Commission*

*Amendment*

*2c. **In accordance with paragraph 1, the JTF shall support technical assistance with regard to the investment strands referred to in paragraphs 2, 2a and 2b.***

## Amendment 44

### 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*

**2d.** Additionally, the JTF may support, in areas designated as assisted areas in accordance with points (a) and (c) of Article 107(3) ***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 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) ***and have undergone an additional check for compliance with the European Social Pillar of Rights, and that they lead to the creation of sustainable quality employment and better social inclusion.*** Such investments shall only be eligible where they are necessary for the implementation of the territorial just transition plan, ***and do not perpetuate dependence on fossil fuels.***

**Amendment 45**

**Proposal for a regulation**

**Article 4 – paragraph 2 – subparagraph 3**

*Text proposed by the Commission*

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*

**2e.** 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 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, ***do not perpetuate dependence on fossil fuels, and should be socially and environmentally sustainable.***



## Amendment 46

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

*Text proposed by the Commission*

*Amendment*

**2f. In budgeting and programming for actions, the JTF aims to ensure support in equal shares for each of the three investment strands referred to in paragraphs 2, 2a and 2b. The equal share principle can be adjusted at regions discretion with the obligation to respect a balanced approach between the different investment strands.**

## Amendment 47

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

*Text proposed by the Commission*

*Amendment*

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

(d) investment related to the production, processing, distribution, storage or combustion of fossil fuels, **with the exception of natural gas as a transitional, intermediate fuel between coal and green energies;**

## Amendment 48

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

*Text proposed by the Commission*

*Amendment*

**For the activities set out in Article 4(2a) and (2b), the specific exclusions of the [ESF+] shall also apply.**

## Amendment 49

**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 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 ***and where the planned activities comply with the planning requirement laid down in Article 4(2f) and the objectives of the European Green Deal.***

**Amendment 50**

**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, ***if appropriate***, the resources transferred in accordance with Article [21a] of Regulation (EU) [new CPR]. The ***share of ESF+ within the total resources transferred shall not exceed 20 %.***

**Amendment 51**

**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 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<sup>17</sup> 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.

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<sup>17</sup> Regulation (EC) No 1059/2003 of the European Parliament and of the Council of 26 May 2003 on the establishment of a common classification of territorial units for statistics (NUTS) (OJ L 154 21.6.2003, p. 1).

*Amendment*

1. Member States shall prepare, ***in full compliance with the partnership principle and*** together with the relevant ***local and regional*** authorities of the territories concerned ***as well as the social partners, civil society organisations and local actors***, 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<sup>17</sup> 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, ***labour market*** and social impacts resulting from the transition ***as well as indirect industries affected such as suppliers and service providers***, in particular with regard to ***the adaptation of workers, the requalification needs of the employment profiles expected with the change of the job market in those territories or the*** 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, ***and those territories with sectors whose final industrial products are directly impacted by the transition to carbon neutrality.***

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<sup>17</sup> Regulation (EC) No 1059/2003 of the European Parliament and of the Council of 26 May 2003 on the establishment of a common classification of territorial units for statistics (NUTS) (OJ L 154 21.6.2003, p. 1).

**Amendment 52**

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

*Text proposed by the Commission*

(a) a description of the transition process at national level towards a climate-neutral economy, including **a timeline** for key transition steps which are consistent with the latest version of the National Energy and Climate Plan (‘NECP’);

*Amendment*

(a) a description of the transition process at national level towards a climate-neutral economy **by 2050 at the latest**, including **legally binding dates** for key transition steps which are consistent with the latest version of the National Energy and Climate Plan (‘NECP’), **aiming to phase out coal, other fossil fuels, and fossil fuel subsidies, within the concerned territory in a timeframe consistent with the objective of limiting the temperature increase to 1,5°C above pre-industrial levels**;

**Amendment 53**

**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 the sectors** as most negatively affected by the transition process referred to in point (a) in accordance with paragraph 1;

**Amendment 54**

**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

*Amendment*

(c) an assessment of the transition challenges faced by the most negatively affected territories, including the social, **labour market**, economic, and environmental impact **and the co-benefits, in particular in terms of health and well-being**, of the transition to a **renewables-**

and objectives, to be reached by 2030 linked to the **transformation or** closure of greenhouse gas-intensive activities in those territories;

**based, highly resource and energy-efficient, circular and** climate-neutral economy, identifying the potential number of affected jobs and job losses **as well as potential job creation, needs of new skills and other social consequences resulting from the green economy**, the development needs and objectives, to be reached by 2030 linked to the **transition to net zero emissions, the transition from fossil fuel use or to** the closure of greenhouse gas-intensive activities in those territories **and challenges in terms of energy poverty**;

## Amendment 55

### 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 addressing the social, **labour market, economic and environmental challenges and opportunities** of the transition to a **renewables-based, highly resource- and energy-efficient, circular and** climate-neutral economy **with a detailed list of actions planned respecting the balanced shared principle between the three investment strands referred to in Article 4(2), (2a) and (2b)**;

## Amendment 56

### 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, territorial, **interregional or cross-border** strategies and plans, **the other Union funds such as the [ESF+], the ERDF and the EGF, the**

*NECPs, the related Union strategies (the European Green Deal and the European Pillar of Social Rights) as well as the United Nations Sustainable Development Goals;*

#### **Amendment 57**

##### **Proposal for a regulation Article 7 – paragraph 2 – point e a (new)**

*Text proposed by the Commission*

*Amendment*

*(ea) a detailed list of the different partners and stakeholders consulted representing people living in the territory concerned;*

#### **Amendment 58**

##### **Proposal for a regulation Article 7 – paragraph 2 – point f**

*Text proposed by the Commission*

*Amendment*

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

(f) a description of the governance *tools and* mechanisms, consisting of the partnership *agreement and how the local and regional authorities concerned and local stakeholders were involved in the organisation and implementation of the partnership*, the monitoring and evaluation measures planned and the responsible bodies, *in conformity with the European code of conduct on partnership in the framework of the European Structural and Investment Funds (CDR 240/2014)*;

#### **Amendment 59**

##### **Proposal for a regulation Article 7 – paragraph 2 – point f a (new)**

*Text proposed by the Commission*

*Amendment*

***(fa) a description of how the public consultation preceding the preparation of the territorial just transition plans was carried out and how the outcome of that consultation was taken into account;***

## **Amendment 60**

### **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;

***(g) an assessment of the transition opportunities for the territories concerned and the people living there, with a description of the type of operations envisaged, including the labour market and skills policies required to play an active role in fostering and supporting employment and job creation, and their expected contribution to alleviating the social, economic, energy security and environmental impacts of the transition and turn the challenges of the transition into opportunities for the region and the people living there;***

## **Amendment 61**

### **Proposal for a regulation**

#### **Article 7 – paragraph 2 – point h**

*Text proposed by the Commission*

*Amendment*

(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

(h) where support is provided to 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

created in the absence of the investment;

the investment; ***or where there is a compelling need to retrain the workers and jobseekers and other funding is not available;***

## Amendment 62

### Proposal for a regulation

#### Article 7 – paragraph 2 – point i

*Text proposed by the Commission*

(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;

*Amendment*

(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 ***renewables-based, highly resource- and energy-efficient, circular and*** 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 ***and are committed to social sustainability;***

## Amendment 63

### Proposal for a regulation

#### Article 7 – paragraph 2 – point j

*Text proposed by the Commission*

(j) synergies and complementarities with other Union programmes and pillars of the Just Transition Mechanism to address identified development needs.

*Amendment*

(j) synergies and complementarities with other Union programmes and pillars of the Just Transition Mechanism to address identified development needs ***in the territory of the plan;***

## Amendment 64



**Proposal for a regulation**  
**Article 7 – paragraph 2 – point j a (new)**

*Text proposed by the Commission*

*Amendment*

**(ja) a clear description of the role expected from public administrations and public agencies to support the implementation of the plans.**

**Amendment 65**

**Proposal for a regulation**  
**Article 7 – paragraph 4 – subparagraph 1**

*Text proposed by the Commission*

*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 , **the European Green Deal**, the European Pillar of Social Rights, **the Union’s commitments under the Paris Agreement and the United Nations Sustainable Development Goals**.

**Amendment 66**

**Proposal for a regulation**  
**Article 7 – paragraph 4 – subparagraph 2**

*Text proposed by the Commission*

*Amendment*

**Where the revision of a National Energy and Climate Plan pursuant to Article 14 of Regulation (EU) 2018/1999 necessitates a revision of a territorial just transition plan, this revision shall be carried out as part of the mid-term review exercise in accordance with Article 14 of Regulation (EU) [new CPR].**

**deleted**

## Amendment 67

### Proposal for a regulation Article 7 – paragraph 4 a (new)

*Text proposed by the Commission*

*Amendment*

**4a. Territorial just transition plans shall exclude any public investment in fossil fuel infrastructure and shall offer an opportunity to further strengthen local economies and short economic routes.**

## Amendment 68

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

*Text proposed by the Commission*

*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 69

### Proposal for a regulation Article 10 – paragraph 3

*Text proposed by the Commission*

*Amendment*

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.

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 70

### Proposal for a regulation Article 10 – paragraph 4

*Text proposed by the Commission*

4. Before adopting a delegated act, the Commission shall consult experts designated by each Member State in accordance with the principles laid down in the Interinstitutional Agreement of 13 April 2016 on Better Law-Making.

*Amendment*

4. Before adopting a delegated act, the Commission shall consult experts designated by each Member State **and conduct stakeholder's consultation** in accordance with the principles laid down in the Interinstitutional Agreement of 13 April 2016 on Better Law-Making.

## Amendment 71

### 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 72

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

*Text proposed by the Commission*

(ii) employment in mining of coal and lignite (weighting 25%),

*Amendment*

(ii) employment in mining **and energy use** of coal and lignite, **oil shale and peat**

(weighting 25%),

### Amendment 73

#### 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 EUR 8 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 74

#### Proposal for a regulation Annex II – point 1 – title

*Text proposed by the Commission*

1. Outline of the transition process and identification of the most negatively affected territories within the Member State

*Amendment*

1. Outline of the transition process and identification of the territories within the Member State ***that need support to reach the transition to net zero***

### Amendment 75

#### 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***

*Amendment*

1.1. Outline of the expected transition process towards a ***renewables-based, highly resource- and energy-efficient, circular and*** climate-neutral economy, in line with the objectives of the National Energy and Climate Plans and other existing transition plans with a timeline for

*or coal fired electricity production*

ceasing or scaling down *fossil fuels* activities *by 2050, and in a timeframe that is consistent with the objective of limiting the temperature increase to 1,5°C above pre-industrial levels*

## Amendment 76

### Proposal for a regulation

#### Annex II – point 1 – Reference: Article 7(2)(b) – point 1.2

*Text proposed by the Commission*

*Amendment*

1.2. Identifying the territories *expected to be* the most *negatively affected* and justifying this choice with the corresponding estimation of the economic and employment impacts based the outline of Section 1.1

1.2. Identifying the territories, *sectors, communities and the groups of people living there that are* the most *in need of appropriate support to turn the challenge into opportunities for those people* and justifying this choice with the corresponding estimation of the economic and employment impacts based the outline of Section 1.1

## Amendment 77

### Proposal for a regulation

#### Annex II – point 2 – title

*Text proposed by the Commission*

*Amendment*

2. Assessment of transition challenges, for each of the identified territory

2. Assessment of transition challenges *and opportunities*, for each of the identified territory

## Amendment 78

### Proposal for a regulation

#### Annex II – point 2 – point 2.1 – title

*Text proposed by the Commission*

*Amendment*

2.1. Assessment of the economic, social and territorial *impact* of the transition to a climate-neutral economy

2.1. Assessment of the economic, social, *sectoral* and territorial *challenges and opportunities* of the transition to a *renewables-based, highly resource- and energy-efficient, circular and* climate-

## Amendment 79

### Proposal for a regulation

Annex II – point 2 – point 2.1 – Reference: Article 7(2)(c) – table – paragraph 1 – indent 1

*Text proposed by the Commission*

– declining sectors, expected to cease or significantly scale down their activities related to the transition, including a corresponding timeline;

*Amendment*

– declining sectors, **and sectors expected to decline in line with the overarching objectives of the European Green Deal**, expected to cease or significantly scale down their activities related to the transition, including a corresponding timeline;

## Amendment 80

### Proposal for a regulation

Annex II – point 2 – point 2.1 – Reference: Article 7(2)(c) – table – paragraph 2 – indent 1

*Text proposed by the Commission*

– expected job losses and requalification needs, taking into account skills *forecasts*;

*Amendment*

– expected job losses and requalification, **skills and training needs and types of supports and policies planned**, taking into account skills **forecasted as needed across sectors and industries to adapt to the change required**;

## Amendment 81

### Proposal for a regulation

Annex II – point 2 – point 2.1 – Reference: Article 7(2)(c) – table – paragraph 2 – indent 2

*Text proposed by the Commission*

– economic diversification potential and development opportunities.

*Amendment*

– economic diversification potential and development opportunities **for the territories and the people living there in other possible existing or new sustainable**

*sectors and enterprises;*

## Amendment 82

### Proposal for a regulation

**Annex II – point 2 – point 2.1 – Reference: Article 7(2)(c) – table – paragraph 2 – indent 2 a (new)**

*Text proposed by the Commission*

*Amendment*

– *expected effects on different categories of local population regarding age, sex and residence.*

## Amendment 83

### Proposal for a regulation

**Annex II – point 2 – point 2.2 – title**

*Text proposed by the Commission*

*Amendment*

2.2. Development needs and objectives by 2030 in view of reaching climate *neutrality*

2.2. Development needs and objectives by 2030 in view of reaching *a renewables-based, highly resource- and energy-efficient, circular and climate neutral economy*

## Amendment 84

### Proposal for a regulation

**Annex II – point 2 – point 2.2 – Reference: Article 7(2)(d) – table – indent 1**

*Text proposed by the Commission*

*Amendment*

– Development needs to address the transition challenges;

– Development needs to address the transition challenges *and opportunities*;

## Amendment 85

### Proposal for a regulation

**Annex II – point 2 – point 2.2 – Reference: Article 7(2)(d) – table – indent 2**

*Text proposed by the Commission*

*Amendment*

– Objectives and results expected

– Objectives and results expected

through implementing the JTF priority.

through implementing the JTF priority,  
***including for all the people living in the regions concerned;***

#### **Amendment 86**

##### **Proposal for a regulation**

**Annex II – point 2 – point 2.2 – Reference: Article 7(2)(d) – table – indent 2 a (new)**

*Text proposed by the Commission*

*Amendment*

- ***Objectives and results expected for the local economy.***

#### **Amendment 87**

##### **Proposal for a regulation**

**Annex II – point 2 – point 2.3 – Reference: Article 7(2)(e) – table – indent 3**

*Text proposed by the Commission*

*Amendment*

- Other regional or national development plans.

- Other regional, national, ***territorial, interregional or cross border strategies and plans, other Union funds such as the [ESF+], the ERDF and the EGF, the NECPs and related Union strategies (the European Green Deal and the European Pillar of Social Rights) as well as the United Nations Sustainable Development Goals;***

#### **Amendment 88**

##### **Proposal for a regulation**

**Annex II – point 2 – point 2.3 – Reference: Article 7(2)(e) – table – indent 3a (new)**

*Text proposed by the Commission*

*Amendment*

- ***Detailed list of the different partners and stakeholders consulted representing people living in the territory concerned.***



## Amendment 89

### Proposal for a regulation

Annex II – point 2 – point 2.4 – Reference: Article 7(2)(g) – table – indent 1

*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 and their expected contribution to ***accompany and actively support the just transition to net zero emissions.***

## Amendment 90

### Proposal for a regulation

Annex II – point 2 – point 2.4 – Reference: Article 7(2)(h) – table – paragraph 1 – indent 1

*Text proposed by the Commission*

– 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*

– 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 ***sustainable and decent*** jobs created in the absence of this investment ***or where there is a compelling need to retrain workers including jobseekers and other funding is not available.***

## Amendment 91

### Proposal for a regulation

Annex II – point 2 – point 2.4 – Reference: Article 7(2)(i) – table – paragraph 1 – indent 1

*Text proposed by the Commission*

– 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

*Amendment*

– an exhaustive list of operations to be supported and a justification that they contribute to the transition to a ***renewables-based, highly resource- and energy-efficient, circular and*** climate-neutral economy and lead to substantial reductions in greenhouse gas emissions

2003/87/EC and provided that they are necessary for the *protection of a significant number of jobs*

going below the relevant benchmarks used for free allocation under Directive 2003/87/EC and provided that they are necessary for the *adaptation, transformation or loss of the jobs concerned and that they are committed to social sustainability.*

## Amendment 92

### Proposal for a regulation

Annex II – point 2 – point 2.4 – Reference: Article 7(2)(j) – table – indent 1

*Text proposed by the Commission*

*Amendment*

– synergies and complementarities of the envisaged operations with other programmes under the Investments for jobs and growth goal (supporting the transition process), other financing instruments (the Union Emissions Trading Modernisation Fund) and the other pillars of the Just Transition Mechanism (dedicated scheme under InvestEU and public sector loan facility with the European Investment Bank ) to address identified investment needs

– synergies and complementarities of the envisaged operations with other programmes under the Investments for jobs and growth goal (supporting the transition process), other financing instruments (the Union Emissions Trading Modernisation Fund) and the other pillars of the Just Transition Mechanism (dedicated scheme under InvestEU and public sector loan facility with the European Investment Bank) to address identified investment needs *and support needed for the people living in the regions concerned, in particular workers including jobseekers;*

## Amendment 93

### Proposal for a regulation

Annex II – point 2 – point 2.4 – Reference: Article 7(2)(j) – table – indent 1a (new)

*Text proposed by the Commission*

*Amendment*

– *description of the role expected from public administrations and public agencies to support the implementation of the plans.*

## Amendment 94

### Proposal for a regulation

#### Annex II – point 3 – point 3.1 – table – indent 1

##### *Text proposed by the Commission*

- Arrangements for *involvement* of partners in the preparation, implementation, monitoring and evaluation of the territorial just transition plan;

##### *Amendment*

- Agreements for the active participation of partners, in accordance with the European code of conduct on partnership in the framework of the European Structural and Investment Funds (CDR 240/2014), including NGOs, trade unions and other key representatives and stakeholders representing the people living in the regions concerned, in particular the workers and jobseekers, in the preparation, implementation, monitoring and evaluation of the territorial just transition plan, including which civil society organisations are to be involved and how community representatives are to be consulted and engaged with proactively in the programming process. Consultation and engagement should take place before, during and after the development of programming documents;

## Amendment 95

### Proposal for a regulation

#### Annex II – point 3 – point 3.1 – table – indent 2

##### *Text proposed by the Commission*

- Outcome of public consultation.

##### *Amendment*

- Outcome of public consultation, *in accordance with the European code of conduct on partnership in the framework of the European Structural and Investment Funds (CDR 240/2014), and a description of how that consultation was carried out and how the outcome of such consultation has been taken into account in the plan.*

## Amendment 96

### Proposal for a regulation

#### Annex II – point 3 – point 3.2 – table – indent 1

*Text proposed by the Commission*

– Monitoring and evaluation measures planned, including indicators to measure the ability of the plan to achieve its objectives

*Amendment*

– Monitoring and evaluation measures planned, including indicators to measure the ability of the plan to achieve its objectives, ***the phasing out of fossil fuels related activities in the regions concerned, the number of new sustainable and decent jobs and employment opportunities that can be created, the social attended results such as reduction of extreme poverty***

## Amendment 97

### Proposal for a regulation

#### Annex II – point 3 – point 3.3 – table

*Text proposed by the Commission*

Body or bodies responsible for coordinating and monitoring the implementation of the plan and their role

*Amendment*

Body or bodies responsible for coordinating and monitoring the implementation of the plan and their role, ***in accordance with the European code of conduct on partnership in the framework of the European Structural and Investment Funds (CDR 240/2014)***

## Amendment 98

### Proposal for a regulation

#### Annex III – table – column 1 – after “RCO 209” (new)

*Text proposed by the Commission*

*Amendment*

***For the NUTS 3 region implementing the just transition plans, the regional social development;***  
***RCO 301 - investment in microfinance, social enterprise finance and social economy;***

***RCO 302 - facilities for education and training;***

***RCO 303 - investment in energy efficient social housing contributing to tackling energy poverty and housing first solutions for people at risk of or experiencing homelessness;***

***RCO 304 - quality, sustainable and affordable social and health care infrastructures and health care services and innovative health solutions, including health services and new care models;***

***RCO 305 - social innovation, including innovative social solutions and schemes aiming to promote social impacts and outcomes in the areas;***

***RCO 306 - cultural and heritage activities with a social goal;***

***RCO 307 - infrastructure for local communities such as community and volunteer centres;***

***RCO 308 - inclusion of and accessibility for persons with disabilities***

## PROCEDURE – COMMITTEE ASKED FOR OPINION

<b>Title</b>	Establishing the Just Transition Fund
<b>References</b>	COM(2020)0022 – C9-0007/2020 – 2020/0006(COD)
<b>Committee responsible</b> Date announced in plenary	REGI 29.1.2020
<b>Opinion by</b> Date announced in plenary	EMPL 29.1.2020
<b>Associated committees - date announced in plenary</b>	27.5.2020
<b>Rapporteur</b> Date appointed	Mounir Satouri 30.1.2020
<b>Date adopted</b>	23.6.2020
<b>Result of final vote</b>	+: 42 –: 3 0: 9
<b>Members present for the final vote</b>	Atidzhe Alieva-Veli, Marc Angel, Dominique Bilde, Gabriele Bischoff, Vilija Blinkevičiūtė, Andrea Bocskor, Milan Brglez, Sylvie Brunet, David Casa, Leila Chaibi, Margarita de la Pisa Carrión, Klára Dobrev, Anna Júlia Donáth, Jarosław Duda, Lucia Ďuriš Nicholsonová, Rosa Estaràs Ferragut, Nicolaus Fest, Loucas Foulas, Cindy Franssen, Heléne Fritzon, Helmut Geuking, José Gusmão, Alicia Homs Ginel, France Jamet, Agnes Jongerius, Radan Kanev, Ádám Kósa, Stelios Kypourouopoulos, Katrin Langensiepen, Miriam Lexmann, Elena Lizzi, Radka Maxová, Sandra Pereira, Dragoş Pîslaru, Manuel Pizarro, Dennis Radtke, Elżbieta Rafalska, Guido Reil, Daniela Rondinelli, Mounir Satouri, Monica Semedo, Beata Szydło, Eugen Tomac, Romana Tomc, Yana Toom, Kim Van Sparrentak, Marie-Pierre Vedrenne, Nikolaj Villumsen, Marianne Vind, Maria Walsh, Stefania Zambelli, Tatjana Ždanoka, Tomáš Zdechovský
<b>Substitutes under Rule 209(7) present for the final vote</b>	Estrella Durá Ferrandis, Pierfrancesco Majorino

## FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

42	+
PPE	Andrea Bocskor, David Casa, Jarosław Duda, Rosa Estaràs Ferragut, Loucas Fourlas, Cindy Franssen, Radan Kanev, Stelios Kypouropoulos, Ádám Kósa, Miriam Lexmann, Dennis Radtke, Eugen Tomac, Romana Tomc, Maria Walsh, Tomáš Zdechovský
Renew	Atidzhe Alieva-Veli, Sylvie Brunet, Anna Júlia Donath, Dragoş Pîslaru, Monica Semedo, Yana Toom, Marie-Pierre Vedrenne
S&D	Marc Angel, Gabriele Bischoff, Vilija Blinkevičiūtė, Milan Brglez, Klára Dobrev, Estrella Durá Ferrandis, Helène Fritzon, Alicia Homs Ginel, Agnes Jongerius, Pierfrancesco Majorino, Manuel Pizarro, Marianne Vind
Verts/ALE	Katrin Langensiepen, Mounir Satouri, Kim Van Sparrentak, Tatjana Ždanoka
GUE/NGL	Leila Chaïbi, José Gusmão, Sandra Pereira, Nikolaj Villumsen

3	-
Renew	Radka Maxová
ID	Nicolaus Fest, Guido Reil

9	0
NI	France Jamet, Elena Lizzi, Stefania Zambelli
ECR	Lucia Ďuriš Nicholsonová Helmut Geuking, Elżbieta Rafalska, Beata Szydło, Margarita de la Pisa Carrión
NI	Daniela Rondinelli

**Key to symbols:**

+ : in favour

- : against

0 : abstention

2.7.2020

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

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: Alexandr Vondra

### **SHORT JUSTIFICATION**

The Just Transition Fund (JTF) is the first pillar of the Just Transition Mechanism and is considered a pre-condition of a successful transition toward a climate-neutral economy. The Commission intends to ensure that ‘no-one will be left behind,’ but the JTF proposal falls short of this promise.

First, at 7.5 billion EUR, the size of the JTF falls far too short of meeting projected needs, which are estimated in the hundreds of billions by 2050 in some Member States. Therefore, I believe additional money is needed to increase the size of the JTF, which must be debated during ongoing negotiations of the next Multiannual Financial Framework.

Second, the Commission addresses this lack of resources by an obligatory transfer of ERDF and ESF+. In my opinion, this takes away money from other important goals and should only be done on a voluntary basis and at the discretion of Member States, which are best-placed to assess their own investment needs.

Third, the JTF’s spending priorities should be changed to maximize its impact. The EU’s coal- and lignite-dependent regions will be hit first and hit hardest by the EU’s low-carbon transition. Significant JTF resources should therefore be invested in the Member States and regions that remain heavily, if not entirely, dependent on coal and lignite—and where the economic and social impacts of sustainability transitions will be most pronounced.

To facilitate the climate transition in Member States:

- investments in gas should be permitted if they deliver significant emissions reductions, as gas should be considered a transitional source of energy;
- big companies should not be discriminated against, as they can deliver investments at



a larger scale, although SMEs and emerging businesses should be naturally supported as well; and

- new technologies should be supported if they are mature enough to be deployed so JTF can bring about real changes in short term.

Given the current, broader political context—including the likelihood that there will be lower investment capacity in the wake of the COVID-19 crisis—I believe that the EU may not be ready to pursue climate neutrality by 2050.

## AMENDMENTS

The Committee on the Environment, Public Health and Food Safety calls on the Committee on Regional Development, as the committee responsible, to take into account the following amendments:

### Amendment 1

#### Proposal for a regulation

##### Citation 1

*Text proposed by the Commission*

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

*Amendment*

Having regard to the Treaty on the Functioning of the European Union, and in particular the third paragraph of Article 175 **and Article 322(1)(a)** thereof,

### Amendment 2

#### Proposal for a regulation

##### Recital 1

*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')<sup>11</sup> and is

*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, **and in particular its goal set out in Article 2 thereof**, and the United Nations Sustainable Development Goals by concentrating Union funding on **environmentally and socially sustainable** objectives. This Regulation implements one of the priorities set out in the

part of the Sustainable Europe Investment Plan<sup>12</sup> 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.

Communication on the European Green Deal ('the European Green Deal')<sup>11</sup> and is part of the Sustainable Europe Investment Plan<sup>12</sup> providing dedicated financing under the Just Transition Mechanism in the context of cohesion policy to **support the Union territories and their inhabitants, in particular the most vulnerable, in addressing** the economic social **challenges** of the transition to a climate-neutral, **environmentally sustainable, energy- and resource efficient** and circular economy **by 2050 at the latest**, where any remaining greenhouse gas emissions are compensated by equivalent absorptions, **and where the Union's natural capital and the health and wellbeing of people are protected and enhanced**.

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<sup>11</sup> COM(2019) 640 final, 11.12.2019.

<sup>12</sup> COM(2020) 21, 14.1.2020.

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<sup>11</sup> COM(2019) 640 final, 11.12.2019.

<sup>12</sup> COM(2020) 21, 14.1.2020.

### Amendment 3

#### 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

###### *Amendment*

(2) The transition to a climate-neutral, **environmentally sustainable, energy- and resource efficient** and circular economy constitutes one of the most important policy objectives for the Union **and will require substantial additional investments**. On 12 December 2019, the European Council endorsed the objective of achieving a climate-neutral Union by 2050, **as a way to contribute to attaining the objectives** of the Paris Agreement. While **measures to fight** climate change and environmental degradation will **bring overall benefits** in the long term, **they** provide opportunities and challenges for all in the medium, **since** not all **people, territories** and Member States start their

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.

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 4

##### 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 ***people-centred***, fair, ***inclusive*** and socially acceptable for all, ***reduce inequalities and leave no one behind***. Therefore, both the Union and the Member States must take into account its economic, ***environmental*** and social implications from the outset, and deploy all possible instruments to ***avoid, and where unavoidable***, mitigate adverse consequences, ***and create new opportunities for people and territories most affected by the transition***. The Union budget has an important role in that regard.

#### Amendment 5

##### Proposal for a regulation Recital 3 a (new)

*Text proposed by the Commission*

*Amendment*

***(3a) The transition to a carbon-neutral economy is also an opportunity to create more jobs. According to the Commission's***

*2019 edition of its annual Employment and Social Developments in Europe (ESDE) review, the transition to a carbon-neutral economy will increase the number of jobs available. By 2030, the transition is expected to create an additional 1,2 million jobs in the Union, on top of the 12 million new jobs already expected. According to the Commission, the transition could mitigate the ongoing job polarisation resulting from automation and digitalisation by creating jobs also in the middle of the wage and skill distributions, particularly in construction and manufacturing.*

## **Amendment 6**

### **Proposal for a regulation Recital 3 b (new)**

*Text proposed by the Commission*

*Amendment*

*(3b) Enhanced cohesion policy instruments and Union budgetary easing are essential in view of the current economic and social fallout of the COVID-19 pandemic in the Member States. Member States should be free to redirect appropriations between funds, items of expenditure and priorities in accordance with their economic and social needs, irrespective of thematic concentration objectives and Union macroeconomic and/or political conditionality.*

## **Amendment 7**

### **Proposal for a regulation Recital 4**

*Text proposed by the Commission*

*Amendment*

(4) As set out in the European Green Deal and the Sustainable Europe Investment Plan, a Just Transition

(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 level.

Mechanism should complement the other actions under the next multi-annual financial framework for the period from 2021 to 2027. It should **support people and territories in** addressing the social, **environmental** and economic **impacts** of transitioning towards Union climate neutrality by bringing together the Union budget's spending on climate, **environmental, economic** and social objectives at regional level, **also in light of the impacts of the Covid-19 crisis**.

## Amendment 8

### 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 aim of the JTF is to **support actions targeted at a fair and successful transition towards a climate-neutral economy and avoid, and where unavoidable** mitigate, the adverse effects of the climate **and environmental** transition by supporting **and providing new opportunities to** the most affected **people and** territories, **in particular the** workers **directly** concerned. In line with the JTF specific objective, actions supported by the JTF should directly contribute to **facilitate and** alleviate the impact of the transition **by creating new sustainable employment opportunities, by mitigating the negative repercussions on employment and adverse social consequences which could result in depopulation of affected regions and** by financing the diversification and modernisation of the local economy, **through direct support to environmentally and socially sustainable activities**. 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 9

### Proposal for a regulation Recital 5 a (new)

*Text proposed by the Commission*

*Amendment*

***(5a) The size of the JTF should be commensurate to the needs of a just climate and environmental transition. Funding should be provided to all Member States to support their transition with a particular focus on coal mining territories, where coal is still harvested and also on territories where important structural changes take place as a consequence of phasing out mining activities.***

## Amendment 10

### Proposal for a regulation Recital 6

*Text proposed by the Commission*

*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 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

(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 **and accelerate the transition to a climate-neutral economy by 2050 at the latest**. Resources from the JTF own envelope are additional and come on top of the investments needed to achieve the overall target of **40%** of the Union budget expenditure contributing to climate objectives. Resources transferred from the

the achievement of this target.

***European Regional Development Fund ('ERDF') and the European Social Fund Plus ('ESF+') if so decided by Member States, will contribute to the achievement of this target.***

## **Amendment 11**

### **Proposal for a regulation Recital 6 a (new)**

*Text proposed by the Commission*

*Amendment*

***(6a) The resources from the JTF on their own are not able to deliver the transition to climate neutrality. The other two pillars of the Just Transition Mechanism will offer an additional set of measures and financing opportunities, next to the JTF, with the objective of facilitating and accelerating the transition of the most affected regions. A dedicated just transition scheme under InvestEU will attract private investments that benefit the regions in transition and help their economies find new sources of growth such as projects for decarbonisation, economic diversification of the regions, energy, transport and social infrastructure. A public sector loan facility with the European Investment Bank backed by the Union budget will be used for concessional loans to the public sector, for example for investments in energy and transport infrastructure, district heating networks, and renovation or insulation of buildings.***

## **Amendment 12**

### **Proposal for a regulation Recital 6 b (new)**

*Text proposed by the Commission*

*Amendment*

***(6b) A just transition entails as well supporting those most affected by climate***

*change. The impacts of a changing climate will strike disproportionately some regions and communities that, in the spirit of European solidarity, have to be sustained.*

## Amendment 13

### 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 ***be complementary to*** the resources available under cohesion policy, ***without prejudice to other objectives of cohesion policy and financial allocations programmed for other goals under the ERDF and ESF+***.

## Amendment 14

### 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) ***The climate and environmental transition is a challenge*** for all Member States, ***but will also introduce new opportunities in the long term***. It will be particularly demanding for those Member States that rely heavily on ***solid*** fossil fuels, ***but also*** greenhouse gas intensive industrial activities. ***Those activities will*** need to be phased out or ***adjusted*** due to the transition towards climate neutrality ***while ensuring the security of supply of affordable, safe and sustainable energy***. 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 15

### 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 **and clear conditionalities**.

## Amendment 16

### 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,

*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 **communities, workers**, local economies and are sustainable in the **medium to** long-term, taking into account all the objectives of the Green Deal **and the European Pillar of Social Rights**. The projects financed should contribute to a transition to a climate-neutral, **environmentally sustainable, energy- and resource efficient** and circular economy. **Investments in transitional energy sources, such as natural gas, should be eligible for support if such investments lead to a substantial reduction of greenhouse gas emissions, and allow for the use of renewable gas as a sustainable alternative. Moreover, they should be consistent with the Regulation (EU)**

in line with the EU 2030 climate objectives and EU climate neutrality by 2050<sup>13</sup> 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.**

**2020/852 of the European Parliament and of the Council <sup>12a</sup>, unless a Member State justifies in the territorial just transition plan the need to support them and their consistency with the objective of EU climate neutrality.** 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 **in a timeframe consistent with the Union's obligations under the Paris Agreement** 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 **and energy targets and the** objectives and EU climate neutrality by 2050<sup>13</sup> while maintaining and enhancing employment and avoiding environmental degradation. Particular attention should also be given to **fighting energy poverty**, activities enhancing **deployment of** advanced and sustainable technologies, **including those based on Artificial Intelligence**, as well as in the fields of digitalisation and connectivity, provided that such measures help mitigate the negative side effects of a **climate and environmental** transition and contribute to **significantly reduce greenhouse gas emissions and use of natural resources. Investments in a sustainably sourced and circular bio-based economy and in the restoration of degraded ecosystems are essential in order to reach the 2050 climate neutrality target. Such investments are expensive, and all Member States should be eligible for support regardless of their financial capacity.**

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<sup>12a</sup> Regulation (EU) 2020/852 of the European Parliament and of the Council

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

<sup>13</sup> 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.

<sup>13</sup> 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 17**

### **Proposal for a regulation Recital 10 a (new)**

*Text proposed by the Commission*

*Amendment*

***(10a) The JTF should support activities and deployment of technologies, which are viable in a long term and will not depend on subsidies to operate after initial scaling up. Supported activities should not hamper the development and deployment of low-carbon alternatives or lead to a lock-in in assets harmful to the climate neutrality and environmental objectives, taking into consideration their lifetime.***

*Justification*

*Alignment with the EU Taxonomy for Sustainable Finances agreed between the three EU institutions facilitates coherence of policies, including climate and environment, and EU budget expenditure. EU Taxonomy provides a basic reference framework for assessing whether investments are sustainable. JTF shall not support activities, which would contradict climate or environmental objectives of the GD.*

## **Amendment 18**

### **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) To protect **people** who are most **affected by** the climate **and environmental** transition, the JTF should also cover the up-skilling and reskilling of the affected workers **as well as the self-employed and unemployed**, with the aim of helping them to adapt to new opportunities, as well as providing **active and personalised** job-search assistance to **all categories of** jobseekers and their active inclusion **in the society, while respecting gender equality and pursuing gender balance**.

## Amendment 19

### Proposal for a regulation Recital 11 a (new)

*Text proposed by the Commission*

*Amendment*

**(11a) The JTF has an important role to play in mitigating social consequences beyond the economy and should not be a mere business investment instrument. The transition towards climate neutrality can place demands on the affected regions and the people living there. Risks include not only a loss of jobs, but also a loss of local income tax, as well as the migration of the workers, leaving behind young and elderly people and possibly entailing the cessation of some services, in particular for coal miners. Investment in social infrastructure to ensure a high level of services for the people living in the affected areas and to counterbalance the loss of services is therefore a key component to ensuring a socially just transition that leaves no-one behind. The JTF should in particular take measures to prevent recession and to ensure that the local population endorses change and that the services provided in the local community and the infrastructure with**

*regard to health services, social services and local democracy is improved.*

## Amendment 20

### 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<sup>14</sup> 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

#### *Amendment*

(12) In order to enhance the economic diversification of territories impacted by the transition, the JTF should provide support to productive investment, **with a particular focus on 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 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<sup>14</sup> and if they result in the protection of a significant number of jobs, **and do not supplement financing received under Directive 2003/87/EC**. 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

areas for the purposes of points (a) and (c) of Article 107(3) TFEU.

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.

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<sup>14</sup> Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a scheme for greenhouse gas emission allowance trading within the Community and amending Council Directive 96/61/EC (OJ L 275, 25.10.2003, p. 32).

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<sup>14</sup> Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a scheme for greenhouse gas emission allowance trading within the Community and amending Council Directive 96/61/EC (OJ L 275, 25.10.2003, p. 32).

## **Amendment 21**

### **Proposal for a regulation Recital 12 a (new)**

*Text proposed by the Commission*

*Amendment*

***(12a) Union State aid rules need to be flexible if eligible regions in transition are to attract private investment. When drafting the new guidelines, the Commission should therefore also take into account the problems of structural change in the regions concerned, in order to ensure that these regions are given sufficient flexibility to carry out their projects in a socially and economically viable manner.***

## **Amendment 22**

### **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. On the***

*contrary, State aid rules should allow all regions receiving assistance through the JTF to effectively address the threat of job losses at an early stage. This should also be ensured by adapting Commission Regulation (EU) No 651/2014<sup>1a</sup> accordingly;*

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*<sup>1a</sup> Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty (OJ L 187, 26.6.2014, p. 1).*

## Amendment 23

### 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. This requires adjustments to State aid law, e.g. through a new guideline of the Commission on the basis of point (b) or (c) of Article 107 (3) TFEU, so that it is ensured that aid is permissible under the applicable rules regardless of the status of the assisted regions;*

## Amendment 24

### Proposal for a regulation Recital 13

*Text proposed by the Commission*

*Amendment*

(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-

(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 with the type of operations set out in the territorial just transition plans.

## Amendment 25

### 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 26

### Proposal for a regulation

standing JTF programme or to programme JTF resources in one or more dedicated priorities within a programme supported by the *ERDF*, the *ESF+* or the Cohesion Fund. In accordance with Article 21a of Regulation (EU) [new CPR], JTF resources *are able to* be reinforced 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.

#### *Amendment*

(14) The JTF support should be conditional on the effective *and measurable* implementation of a *just* 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 *and communities*.



## Recital 14 a (new)

*Text proposed by the Commission*

*Amendment*

***(14a) Financial allocations from the JTF should be conditional on Member States having endorsed and demonstrated their commitment to the EU climate neutrality target by 2050 and adopting a Long-Term Strategy consistent with the Paris Agreement and its temperature goal. In the event that those conditions are not met by a Member State, 50% of the yearly allocations for the Member State concerned should be suspended until that Member State has endorsed and demonstrated that commitment.***

## Amendment 27

### Proposal for a regulation

#### Recital 15

*Text proposed 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. 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

(15) The territorial just transition plans should identify the ***people and*** 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 ***in a timeframe consistent with the Union's obligations under the Paris Agreement.*** Those territories should be precisely defined and correspond to NUTS level 3 regions or should be parts thereof. The plans should detail the challenges, ***opportunities*** and ***investment*** needs of those territories and identify the type of operations needed in a manner that ensures the coherent development of climate-resilient ***and environmentally sustainable*** economic activities that are also consistent with the transition to climate-neutrality and the

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.

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. ***The investment areas and priorities identified by the Commission in Annex D of the European Semester Country Reports for 2020 can be used in the evaluation of Member State investments.***

## Amendment 28

### 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 ***people and*** territories facing economic and social transformation in their transition to a climate-neutral ***environmentally sustainable, fully renewables-based, highly resource and energy efficient, and circular*** 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 ***specific challenges*** of the least favoured ***people and*** 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 29

### Proposal for a regulation Article 1 – paragraph 1

*Text proposed by the Commission*

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.

*Amendment*

1. This Regulation establishes the Just Transition Fund ('JTF') to provide support to ***people in*** territories facing ***diverse*** serious socio-economic challenges deriving from ***the specificities of Member States in*** the transition process towards a climate-neutral, ***environmentally sustainable, energy- and resource efficient and circular*** economy of the Union by 2050 ***at the latest and the Union's 2030 target for greenhouse gas emission reduction.***

## Amendment 30

### Proposal for a regulation Article 2

*Text proposed by the Commission*

Article 2

Specific objective

In accordance with the second subparagraph of Article [4(1)] of Regulation (EU) [new CPR], the JTF shall contribute to the single specific objective 'enabling regions and people to address the social, economic and environmental impacts of the transition towards a climate-neutral economy'.

*Amendment*

Article 2

Specific objective

In accordance with the second subparagraph of Article [4(1)] of Regulation (EU) [new CPR], the JTF shall contribute to the single] specific objective 'enabling regions and people to address the social, economic, and environmental impacts of the transition towards a climate-neutral economy' ***as referred to in Article 1 (1).***

## Amendment 31

### 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 the ***social, socio-economic and environmental impact of the transition in affected regions*** in all Member States.

## Amendment 32

### 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 [X] 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. ***The funding of the JTF shall not be to the detriment of resources allocated to the other MFF funds.***

## Amendment 33

### Proposal for a regulation

#### Article 3 – paragraph 3 a (new)

*Text proposed by the Commission*

*Amendment*

***3a. Access to the funds made available under the JTF shall be conditional on the endorsement and demonstration of Member States' commitment to the Union objective of climate neutrality by 2050 at the latest in their just transition plans, as well as on the adoption of a long-term strategy as referred to in Article 15 the Regulation (EU) 2018/1999 of the European Parliament and of the Council<sup>1a</sup> in line with the Paris Agreement.***

*If a Member State fails to meet the conditions laid down in the first subparagraph, yearly allocations for that Member State shall be reduced by 50 % until those conditions are met.*

*The mid-term review exercise referred to in Article 7 (4) shall evaluate whether the conditions set out in this paragraph are sufficient to enable a smooth energy transition towards the climate-neutral economy as referred to in Article 1(1). Where appropriate, the Commission shall adopt a legislative proposal to amend this paragraph.*

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

## Amendment 34

### Proposal for a regulation Article 3 – paragraph 4

*Text proposed by the Commission*

4. By way of derogation from Article [21a] of Regulation (EU) [new CPR], any additional resources referred to in paragraph 2, allocated to the JTF in the Union budget or provided by other resources **shall not require** complementary support from the ERDF or the ESF+.

*Amendment*

4. By way of derogation from Article [21a] of Regulation (EU) [new CPR], any additional resources referred to in paragraph 2, allocated to the JTF in the Union budget or provided by other resources **may receive** complementary support from the ERDF or the ESF+ **within**

*the limits specified in Article 6(2).*

## Amendment 35

### Proposal for a regulation

#### Article 4 – paragraph 2

##### *Text proposed by the Commission*

2. In accordance with paragraph 1, the JTF shall ***exclusively*** support the following activities:

- (a) productive investments in ***SMEs***, including start-ups, ***leading to economic diversification and reconversion***;
- (b) investments in the creation of ***new*** firms, including through business incubators ***and consulting services***;
- (c) investments in research and innovation activities and fostering the transfer of advanced technologies;
- (d) investments in the deployment of technology and infrastructures for affordable clean energy, in greenhouse gas emission reduction, energy efficiency and renewable energy;

##### *Amendment*

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

- (a) productive ***and sustainable*** investments in ***enterprises, particularly microenterprises, SMEs and start-ups, in particular in sectors necessary for the just transition towards a climate-neutral economy as referred to in Article 1(1)***;
- (b) investments in the creation of firms, ***with a particular emphasis on SMEs and start-ups in order to contribute to economic diversification and reconversion***, including through business incubators;
- (c) investments in research and innovation activities and fostering the transfer of advanced technologies ***leading to a significant reduction of greenhouse gas emissions, resource or energy use***;
- (d) investments in the deployment of technology and infrastructures for affordable clean, ***safe and sustainable*** energy, in greenhouse gas emission reduction, ***resource and*** energy efficiency ***(including district heating)*** and renewable energy, ***energy storage technologies and energy networks such as smart and super grids***;
- (da) ***investments related to the production, processing, distribution, storage or combustion of gas, provided that it is used as a bridging technology replacing coal, lignite, peat, oil shale and demonstrates it delivers significant reductions in greenhouse gas emissions***

*and should allow the use of renewable gas at a later stage. These investments should be aligned with the criteria set by the Regulation (EU) 2020/852 unless the Member State duly justifies in the territorial just transition plan the necessity to support the non-aligned operation and demonstrates the consistency of that investment with climate neutrality by 2050;*

*(db) targeted energy efficiency retrofit measures to address energy poverty and poor housing conditions;*

*(dc) investments aimed at promoting a modal shift towards more sustainable mobility modes;*

(e) investments in digitalisation and digital connectivity;

(e) investments in digitalisation and digital connectivity, *and communications technology, that allows the development of demand side response, taking into account the need to significantly reduce the use of resources and energy;*

(f) investments in regeneration and decontamination of sites, land restoration and repurposing projects;

(f) investments in regeneration and decontamination of sites, land restoration and repurposing projects *and restoration of degraded ecosystems, ensuring respect for the polluter pays principle;*

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

(g) investments in *establishing and* enhancing the *sustainably sourced circular* economy, *also bio-economy*, including through waste prevention, reduction, resource efficiency, reuse, repair and recycling;

(h) upskilling and reskilling of workers;

(h) upskilling and reskilling of workers *and job-seekers, including self-employed, with the aim of bridging the skills gap necessary for the just transition towards a climate-neutral economy, as referred to in Article 1(1);*

(i) job-search assistance to jobseekers;

(i) job-search assistance to jobseekers, *while respecting gender equality and pursuing gender balance, where possible;*

(j) active inclusion of jobseekers;

(j) active inclusion of jobseekers, *while respecting gender equality and pursuing gender balance, where possible;*

(k) technical assistance.

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.

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.

(k) technical assistance, ***including local and national level incubators and project nurseries bringing together financiers and project promoters.***

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 ***and do not lead to the transfer of jobs, capital or production processes from one Member State to another.***

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 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, ***lead to substantial reductions in greenhouse gas emissions going below the relevant benchmarks used for free allocation under Directive 2003/87/EC, do not increase dependency on fossil fuels, and are necessary for the protection of a significant number of jobs in the territory concerned. Beneficiaries of JTF support shall not receive, for a given project, any additional funding from other funds under Directive 2003/87/EC.***

## Amendment 36

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



*Text proposed by the Commission*

*Amendment*

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

(a) the decommissioning or the construction of nuclear power stations ***or any activities related to the nuclear energy sector***;

### **Amendment 37**

#### **Proposal for a regulation**

#### **Article 5 – paragraph 1 – point d**

*Text proposed by the Commission*

*Amendment*

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

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

#### *Justification*

*For those economies that are heavily reliant on coal, natural gas is an important bridge fuel enabling the transition to clean and sustainable sources of energy. Nevertheless, these investments must prove that they lead to significant greenhouse gas emission reductions.*

### **Amendment 38**

#### **Proposal for a regulation**

#### **Article 5 – paragraph 1 – point d a (new)**

*Text proposed by the Commission*

*Amendment*

***(da) investment in residual waste treatment facilities;***

### **Amendment 39**

#### **Proposal for a regulation**

#### **Article 5 – paragraph 1 – point e a (new)**

*Text proposed by the Commission*

*Amendment*

***(ea) productive investments in enterprises other than SMEs, that imply the transfer of jobs, capital and production processes from one Member***

*State to another.*

*Justification*

*JTF should not lead to re-location of economic activities.*

#### **Amendment 40**

**Proposal for a regulation**

**Article 5 – paragraph 1 – point e b (new)**

*Text proposed by the Commission*

*Amendment*

***(eb) investments which would lead to unsustainable use of biomass or any use of food crops for energy generation purposes;***

#### **Amendment 41**

**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 an increased risk of long-term unviability and dependency on subsidies to operate after initial scaling up;***

#### **Amendment 42**

**Proposal for a regulation**

**Article 5 – paragraph 1 – point e d (new)**

*Text proposed by the Commission*

*Amendment*

***(ed) activities or investments, which would hamper the development and deployment of low-carbon alternatives and lead to a lock-in in assets incompatible with the objective of climate neutrality, taking into consideration their lifecycle;***

## Amendment 43

### Proposal for a regulation

#### Article 5 – paragraph 1 – point e e (new)

*Text proposed by the Commission*

*Amendment*

***(ee) activities or investments which would hamper the development and deployment of low-carbon alternatives and lead to a lock-in in assets harmful to the climate and environmental objectives, taking into consideration their lifecycle.***

*Justification*

*A matter of legislative and policy coherence. Alignment and referral to EU Taxonomy for Sustainable Finance.*

## Amendment 44

### Proposal for a regulation

#### Article 6 – paragraph 1

*Text proposed by the Commission*

*Amendment*

1. 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 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

1. The JTF resources shall be programmed for the categories of regions where the ***people and*** 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. ***Resources shall be allocated for territories most affected by the transition to climate neutrality.***

The Commission shall only approve a programme where the identification of the ***people and*** 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

National Energy and Climate Plan of the Member State concerned.

consistent with the National Energy and Climate Plan of the Member State concerned **and the temperature goal of the Paris Agreement.**

#### Amendment 45

##### 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. ***If a Member State decides to transfer to the JTF resources in accordance with Article [21a] of Regulation (EU) [new CPR], the total of the ERDF and ESF+ resources transferred to the JTF priority shall not exceed three times the amount of the JTF priority or priorities.***

#### Amendment 46

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

*Text proposed by the Commission*

(a) a description of the transition process at national level towards a climate-neutral economy, ***including a timeline for key transition steps which are*** consistent with the latest version of the National Energy and Climate Plan ('NECP');

*Amendment*

(a) a description of the transition process at national ***and regional*** level towards a climate-neutral economy ***as referred to in Article 1(1)*** consistent with the latest version of the National Energy and Climate Plan ('NECP'), ***including a timeline for phasing out fossil fuels in a timeframe consistent with the objective of pursuing efforts to limit the temperature increase to 1,5 C above pre-industrial levels;***

#### Amendment 47

**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 ***people and*** 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 48**

**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 ***and opportunities*** faced by the most affected ***people and*** territories, including the social, economic, environmental ***impacts*** of the transition to a climate neutral economy ***as referred to in Article 1(1), and*** 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 49**

**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 addressing the social, economic and environmental impacts of the transition to a climate-neutral economy ***as referred to in Article 1(1)***;

## Amendment 50

### 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 ***and how the local and regional authorities concerned and local stakeholders were involved in the organisation and implementation of the partnership***, the monitoring and evaluation measures planned and the responsible bodies, ***and a list of relevant partners involved as referred to in paragraph 3;***

## Amendment 51

### Proposal for a regulation

#### Article 7 – paragraph 2 – point g a (new)

*Text proposed by the Commission*

*Amendment*

***(ga) if applicable, a justification for the investment in gas operations which are not aligned with the criteria set out under Regulation (EU) 2020/852 including a demonstration of the consistency of those investments with climate neutrality by 2050;***

## Amendment 52

### Proposal for a regulation

#### Article 7 – paragraph 2 – point h

*Text proposed by the Commission*

(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***

*Amendment*

(h) where support is provided to productive investments to enterprises other than ***microenterprises and*** SMEs, an exhaustive list of such operations and enterprises and a justification of the necessity of such support ***for the success of the transition process referred to in point***

*would exceed the expected number of jobs created in the absence of the investment;*

*(a) and for overcoming the challenges referred to in point (c), and proof that investments will not lead to transfer of jobs, capital or productive processes from one Member State to another;*

### **Amendment 53**

#### **Proposal for a regulation**

#### **Article 7 – paragraph 2 – point i**

##### *Text proposed by the Commission*

(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;

##### *Amendment*

(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, ***and proof that they do not benefit from other funds available under Directive 2003/87/EC;***

### **Amendment 54**

#### **Proposal for a regulation**

#### **Article 7 – paragraph 3**

##### *Text proposed by the Commission*

3. The preparation and implementation of territorial just transition plans shall involve ***the*** relevant partners in accordance with Article [6] of Regulation (EU) [new CPR].

##### *Amendment*

3. The preparation and implementation of territorial just transition plans shall involve ***all*** relevant partners in accordance with Article [6] of Regulation (EU) [new CPR].

### **Amendment 55**

**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 EUR 8 billion (***in 2018 prices***). The amounts exceeding EUR 8 billion per Member State are redistributed to the allocations of all other Member States. The Member States shares are recalculated accordingly

**Amendment 56**

**Proposal for a regulation**  
**Annex I – paragraph 1 – point d**

*Text proposed by the Commission*

(d) the allocations resulting from the application of point (c) are adjusted to ensure that the final allocation from the JTF results in a per aid intensity (measured on the basis of the population of the Member State) of at least EUR 6 over the entire period.

*Amendment*

(d) the allocations resulting from the application of point (c) are adjusted to ensure that the final allocation from the JTF results in a per aid intensity (measured on the basis of the population of the Member State) of at least EUR 32 (***in 2018 prices***) over the entire period.

**Amendment 57**

**Proposal for a regulation**  
**Annex II – paragraph 1 – 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 ***as referred to in Article 1(1)***, in line with the objectives of the National Energy and Climate Plans and other existing transition plans with a timeline for ceasing activities such as coal and lignite mining or coal fired electricity production



## Amendment 58

### Proposal for a regulation Annex II – paragraph 1 – point 1.2

*Text proposed by the Commission*

1.2. Identifying the territories expected to be the most negatively affected and justifying this choice with the corresponding estimation of the economic and employment impacts based the outline of Section 1.1

*Amendment*

1.2. Identifying the **people and** territories expected to be the most negatively affected and justifying this choice with the corresponding estimation of the economic and employment impacts based the outline of Section 1.1

## Amendment 59

### Proposal for a regulation Annex II – paragraph 2

*Text proposed by the Commission*

2. Assessment of transition challenges for each of the identified territory

*Amendment*

2. Assessment of transition challenges **and opportunities**, for each of the identified territory

## Amendment 60

### Proposal for a regulation Annex II – paragraph 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 **micro enterprises and** 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 61

## Proposal for a regulation

### Annex II – paragraph 2 –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 number of jobs

#### *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 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 number of jobs;
- ***proof that they do not benefit from other funds available under Directive 2003/87/EC***

## PROCEDURE – COMMITTEE ASKED FOR OPINION

<b>Title</b>	Establishing the Just Transition Fund
<b>References</b>	COM(2020)0022 – C9-0007/2020 – 2020/0006(COD)
<b>Committee responsible</b> Date announced in plenary	REGI 29.1.2020
<b>Opinion by</b> Date announced in plenary	ENVI 29.1.2020
<b>Associated committees - date announced in plenary</b>	27.5.2020
<b>Rapporteur</b> Date appointed	Alexandr Vondra 24.3.2020
<b>Discussed in committee</b>	4.5.2020
<b>Date adopted</b>	29.6.2020
<b>Result of final vote</b>	+ :                    36 - :                    19 0 :                    21
<b>Members present for the final vote</b>	Nikos Androulakis, Bartosz Arłukowicz, Margrete Auken, Simona Baldassarre, Marek Paweł Balt, Traian Băsescu, Aurelia Beigneux, Monika Beňová, Sergio Berlato, Simona Bonafè, Delara Burkhardt, Pascal Canfin, Sara Cerdas, Mohammed Chahim, Tudor Ciuhodaru, Nathalie Colin-Oesterlé, Miriam Dalli, Christian Doleschal, Marco Dreosto, Bas Eickhout, Eleonora Evi, Agnès Evren, Fredrick Federley, Pietro Fiocchi, Andreas Glück, Catherine Griset, Jytte Guteland, Teuvo Hakkarainen, Anja Hazekamp, Martin Hojsík, Pär Holmgren, Jan Huitema, Yannick Jadot, Adam Jarubas, Petros Kokkalis, Ewa Kopacz, Joanna Kopcińska, Ryszard Antoni Legutko, Peter Liese, Sylvia Limmer, Javi López, César Luena, Fulvio Martusciello, Liudas Mažylis, Joëlle Mélin, Tilly Metz, Silvia Modig, Dolors Montserrat, Alessandra Moretti, Dan-Ștefan Motreanu, Ville Niinistö, Grace O’Sullivan, Jutta Paulus, Stanislav Polčák, Jessica Polfjård, Luisa Regimenti, Frédérique Ries, María Soraya Rodríguez Ramos, Sándor Rónai, Rob Rooker, Silvia Sardone, Christine Schneider, Günther Sidl, Nicolae Ștefănuță, Nils Torvalds, Edina Tóth, Véronique Trillet-Lenoir, Petar Vitanov, Alexandr Vondra, Mick Wallace, Pernille Weiss, Michal Wiezik, Tiemo Wölken, Anna Zalewska
<b>Substitutes present for the final vote</b>	Hildegard Bentele, Asger Christensen, Cindy Franssen, Kateřina Konečná

## FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

36	+
ECR	Sergio Berlato, Pietro Fiocchi, Joanna Kopcińska, Ryszard Antoni Legutko, Alexandr Vondra, Anna Zalewska
GUE/NGL	Petros Kokkalis, Kateřina Konečná
PPE	Bartosz Arłukowicz, Traian Băsescu, Hildegard Bentele, Nathalie Colin-Oesterlé, Christian Doleschal, Agnès Evren, Cindy Franssen, Adam Jarubas, Ewa Kopacz, Peter Liese, Fulvio Martusciello, Liudas Mažylis, Dolores Montserrat, Dan-Ștefan Motreanu, Stanislav Polčák, Christine Schneider, Edina Tóth, Pernille Weiss
S&D	Marek Paweł Balt, Monika Beňová, Petar Vitanov
RENEW	Asger Christensen, Andreas Glück, Jan Huitema, Frédérique Ries, María Soraya Rodríguez Ramos, Nicolae Ștefănuță, Nils Torvalds

19	-
ECR	Rob Rooker
GUE/NGL	Anja Hazekamp, Silvia Modig, Mick Wallace
ID	Teuvo Hakkarainen, Sylvia Limmer
NI	Eleonora EVI
S&D	Javi López, César Luena
RENEW	Fredrick Federley, Martin Hojsík
VERTS/ALE	Margrete Auken, Bas Eickhout, Pär Holmgren, Yannick Jadot, Tilly Metz, Ville Niinistö, Grace O'sullivan, Jutta Paulus

21	0
ID	Simona Baldassarre, Aurelia Beigneux, Marco Dreosto, Catherine Griset, Joëlle Mélin, Luisa Regimenti, Silvia Sardone
PPE	Michal Wiezik
S&D	Simona Bonafè, Delara Burkhardt, Sara Cerdas, Mohammed Chahim, Tudor Ciuhodaru, Miriam Dalli, Jytte Guteland, Alessandra Moretti, Sándor Rónai, Günther Sidl, Tiemo Wölken
RENEW	Pascal Canfin, Véronique Trillet-Lenoir

### Key to symbols:

+ : in favour

- : against

0 : abstention

30.6.2020

## **OPINION OF THE COMMITTEE ON INDUSTRY, RESEARCH AND ENERGY**

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 (\*): Jerzy Buzek

(\*) Associated committee – Rule 57 of the Rules of Procedure

### **SHORT JUSTIFICATION**

30 years from when Central Eastern Europe embarked on most profound transformation away from communism and centrally planned economy to democracy and free market, the European Union sets on a 30-year transition of a comparable magnitude and ambition to become the first climate neutral economy in the world. As did the post-1989 transformation, so too the European Green Deal (EGD) ushers a systemic transition that will not only change the way we produce, consume and live, but will change Europe as such and inspire others.

Our difficult experiences from post-1989 transformation dictate that clean energy transition will only be successful and irreversible if it truly leaves no one behind: no citizen, no region, no Member State. This is about European solidarity, about prevailing in our ambitions over decades regardless of political or economic cycles, about sustained prosperity of all Europeans. This is ultimately the stake in the Just Transition Fund (JTF).

We set on this most transformative path united in a common ambition but departing from different starting points. This means that the challenges we face, differ in scope and magnitude across EU's regions and Member States. The JTF must be our primary vehicle for ensuring that these disparities are gradually yet effectively eliminated, allowing the EU to succeed as a whole and all Europeans to duly benefit from this transition.

The rapporteur is convinced that at the heart of the European Green Deal lies energy transition, and the greatest challenges await those regions with high levels of solid fossil fuels extraction. This is where a threat of the biggest direct jobs loss is present, and where shutting down coal mines endangers the entire supply chain; it is where investing in new, clean industry – on, often, subsiding terrains – will be particularly difficult; this is where the tradition of hard work is especially cherished which should be appreciated and supported. If left without help, citizens in those regions, especially the young people, will not only lose their sense of empowerment

but also their faith in the European Union as a community which can offer them a stable future.

The JTF will not move into uncharted waters. The ITRE Committee has helped to establish a framework within which the JTF is set. In 2017, together with VP for Energy Union and Commissioner for Energy and Climate, we created the EU Coal Regions in Transition Platform to assist energy transformation and mitigate its social impact, with funding from ITRE-sponsored pilot project proposals running until 2021. This gave non-returnable technical support to local governments in these regions. As follow-up, under ITRE Chair's initiative, the Committee backed the proposal to set up, under the next MFF, a dedicated Fund for coal regions in transition.

These efforts have led to the creation of the JTF. Now as the EU is putting in place all the key elements that should allow us to reach climate neutrality by 2050, the JTF is not only all the more important and urgent. It has in fact become the indispensable element for the success of the EGD.

The rapporteur is of the opinion that:

- 1) In order for the EU to reach climate neutrality, unprecedented investments will be needed. These have to be systemically accompanied by adequate measures to ensure that economic efficiency as well as energy security and affordability are maintained, while this transition is fair and socially acceptable. Those two elements – investments and solidarity measures – together are crucial for allowing EU's transition to climate neutrality to enhance at the same time our global competitiveness, industrial leadership, growth and prosperity of our societies.
- 2) The JTF is the cornerstone of such a transition. Given the magnitude of this transformation, the resources under the JTF must match its scope. To this end, its budget needs to be significantly increased and based on fresh resources that would complement not substitute EU's cohesion or sectoral policies, tools and funds. Moreover, it has to maintain as a separate budget line in the next MFFs, until at least 2050.
- 3) Given the aim set for the JTF, 80% of its budget should go to coal regions as they face the greatest systemic challenges posed by the transition to climate neutrality.
- 4) Close and direct cooperation with regional and local authorities, which are best suited to help focus support where it will be most effective in target regions is fundamental. Given that the JTF targets regions facing most profound challenges due to the transition, including expected significant decrease in self-government revenues, eligible projects should be able to benefit from up to 75% of relevant costs.
- 5) As far as the scope of support under JTF, the list of eligible activities must better reflect the need for:
  - revitalisation of former mine and power station sites;
  - combatting air pollution and energy poverty as well as ensuring swift emission reduction away from coal, for which investments in natural gas and district heating play a key role;

- investments in renewables;
- productive investments in companies, including regional and local publicly-owned companies, SMEs and start-ups;
- investments in clean urban mobility and alternative fuels;
- investments in silver economy and social innovation.

## AMENDMENTS

The Committee on Industry, Research and Energy 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 1

###### *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’)<sup>11</sup> and is part of the Sustainable Europe Investment Plan<sup>12</sup> 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, ***in particular the objective of limiting the global temperature increase to 1,5 °C above pre-industrial levels***, 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’)<sup>11</sup> and is part of the Sustainable Europe Investment Plan<sup>12</sup> providing dedicated financing under the Just Transition Mechanism in the context of cohesion policy to address the economic and social **challenges** of the ***energy*** transition to a climate-neutral and circular economy, where any remaining greenhouse gas emissions are compensated

by equivalent absorptions.

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<sup>11</sup> COM(2019) 640 final, 11.12.2019.

<sup>12</sup> COM(2020) 21, 14.1.2020.

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<sup>11</sup> COM(2019) 640 final, 11.12.2019.

<sup>12</sup> COM(2020) 21, 14.1.2020.

## 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 **competitive and resilient** 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. **In January 2020, the European Parliament called for urgent action to tackle** climate change and environmental **challenges and supported the commitment to transforming the Union into a healthier, sustainable, fair, just and prosperous society with net-zero emissions of greenhouse gases. On 17 April 2020, it further stressed that the objective of climate neutrality should form 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 Union economy. This will require significant investments and therefore requires substantial additional allocation from the Union budget. While fighting climate change, environmental degradation and energy poverty** will benefit all in the long term and provides opportunities and challenges in the medium **to long** 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 **energy** transition entails a wider social and economic impact for those regions that rely heavily on **solid** 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. ***Such an imbalance should be reflected in a fair allocation of the resources of the Fund to those Member States and regions most affected by the transition and that require adequate financial support to ensure a real just transition in order to avoid negative socio-economic impacts on people, industries and workers. The allocation of resources of the Fund should take into consideration those territories that have already undertaken actions for the transition but are still facing important challenges.***

### 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, **inclusive**, socially **responsible, as well as** acceptable for all, **to prevent social resistance to climate policies by the most negatively affected communities**. 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, **including creating the adequate conditions to eradicate energy poverty. This transition will require significant financial resources, therefore** the Union budget has an important role in

that regard *to ensure that no one is left behind*.

#### Amendment 4

#### Proposal for a regulation Recital 3 a (new)

*Text proposed by the Commission*

*Amendment*

***(3 a) The aim of the European Green Deal to make the European Union become the first climate-neutral continent by 2050 requires a fundamental transformation of our energy system. The Energy Union is the main policy instrument to deliver this transformation, which aims at bringing secure, sustainable, competitive and affordable energy to all EU consumers, households and businesses. Achieving that goal will require a fundamental transformation of Union's energy system and efforts to leave no one behind in this transition. The three pillars of the Just Transition Mechanism should address the five dimensions of the Energy Union Strategy: 'Energy security, solidarity and trust', which aims at diversifying Europe's sources of energy and making better, more efficient use of energy produced within the Union; a 'Fully-integrated internal energy market', to promote interconnectors which enable energy to flow freely across the Union to allow energy providers freely compete and provide the best energy prices; "Energy efficiency first", as consuming less energy reduces pollution and preserves domestic energy sources, reducing the Union's need for energy imports; 'Decarbonising the economy', the fourth dimension, encourages private investment in new infrastructure and technologies; and 'Research, innovation and competitiveness', which aims at supporting breakthroughs in low-carbon technologies by coordinating research and helping to finance projects in***

*partnership with the private sector.*

## 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 level.

*Amendment*

(4) As set out in the European Green Deal and the Sustainable Europe Investment Plan, a Just Transition Mechanism ***should help to carry out and adjust to the energy transition and*** 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 ***2050 by*** bringing together the Union budget's spending on climate, ***economic*** and social objectives at regional level.

## 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

*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 ***and relates to the Energy Union policy.*** The aim of the JTF is ***to ensure European solidarity by supporting actions targeted at achieving a fair, efficient and effective energy transition towards a climate-neutral economy and*** to mitigate the adverse effects of ***this*** transition by supporting the most affected territories, ***communities*** and workers concerned, ***while enhancing the Union's global competitiveness and industrial leadership,***

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].

*as well as growth and prosperity.* In line with the JTF specific objective, actions supported by the JTF should directly contribute to ***a fair energy transition and to alleviate the impact of the transition by financing investments in affordable clean energy and environmentally and socially sustainable activities that may lead to the diversification and modernisation of the local economy, and mitigate the negative repercussions on employment by fostering new employment opportunities in these territories***. 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 7

### Proposal for a regulation Recital 5 a (new)

*Text proposed by the Commission*

*Amendment*

***(5 a) In view of the importance of implementing the "Clean Energy for all European package", which plays a key role in the European Union's transition towards a climate neutral economy and in completing the Energy Union, the JTF should play an important role in the reconversion of former mine sites to renewable energy generation. It can reduce decommissioning costs, contribute to energy security and provide economic value and jobs to post-mining communities. The development of such projects benefits from the existence of infrastructure and extensive land availability. Solutions need to be addressed on a case-by-case basis to ensure suitability to the local conditions. Close cooperation between companies, regulators, investors, land-use planners and local communities is essential to identify the most sustainable uses and maximize social-economic development.***

*The JTF should not aggravate existing inequalities among Member States, nor weaken the single market.*

## Amendment 8

### 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 **to limit the temperature increase to 1,5 °C above pre-industrial levels**, 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 **and to ensure that "no one is left behind" by facilitating the energy transition in those regions most negatively affected**. 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 **voluntarily** transferred from the ERDF and ESF+ **should** contribute fully to the achievement of this target.

## Amendment 9

### 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 substantial and consistent with its ambitious objective**. **The establishment of the resources of JTF should** under **no**

*circumstances lead to cuts in or transfers of resources allocated to the budgets of the funds covered by Regulation (EU) ... [new CPR] or from the European Agricultural Fund for Rural Development (EAFRD). Member States should have the possibility to decide to complement their JTF allocation with resources transferred from the ERDF and ESF+ in accordance with Article 21a of Regulation (EU) [new CPR].*

## 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 climate-neutral economy *requires significant investments and is both* a challenge *and opportunity* for all Member States. It will be particularly demanding for those Member States that rely *or have relied until recently* heavily on *solid* 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 distribution of *the JTF* financial means should reflect *the starting point of Member States in the energy transition process and* the capacity of Member States to finance the necessary investments *in the affected regions* to cope with the transition towards *EU* climate neutrality *by 2050*.

## Amendment 11

### Proposal for a regulation Recital 8 a (new)

*Text proposed by the Commission*

*Amendment*

***(8 a) Transitioning to climate neutrality also presents new economic opportunities. In particular, the reconversion of former mine sites to renewable energy generation and construction of renewable energy infrastructure in such sites or neighbouring areas can provide green jobs to post-mining communities. The shift from coal-based regional economies and energy systems to renewable energy can enable local communities to become active participants in and owners of the energy transition and move from single- to a multi-industry model. The reconversion of coal regions to renewable energy hubs benefits from the existence of infrastructure and extensive availability of land as well as trained personnel. Moreover, such reconvention can contribute to energy security and resilience, based on a decentralised energy system model.***

## **Amendment 12**

### **Proposal for a regulation Recital 9 a (new)**

*Text proposed by the Commission*

*Amendment*

***(9 a) In accordance with Regulation [European Recovery Instrument] and within the limits of resources allocated therein, recovery and resilience measures under the Just Transition Fund should be carried out to address the unprecedented impact of the COVID-19 crisis. Any additional resources should be used in such a way so as to ensure compliance with the time limits provided for in Regulation [European Recovery Instrument].***

## Amendment 13

### 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<sup>13</sup> 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 legislation** of the Union, **including the EU 2030 energy and climate targets on reduction of GHG emission, improvement of energy efficiency and consumption of renewable energy, and where appropriate, the criteria established by [Regulation on the establishment of a framework to facilitate sustainable investment] for determining whether an economic activity is environmentally sustainable**. The list of investments should include those that support local economies, **are technologically feasible and** 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 **an innovative, competitive, resilient** climate-neutral and circular economy. For sectors **with high CO<sub>2</sub> emissions levels**, 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 **gradual** phasing out of the activity and the corresponding reduction in the employment level **conducted in cooperation with social partners and within a reasonable timeframe**. **With the aim of** transforming **these** sectors, support should promote **energy efficiency and low carbon** activities through the deployment of new technologies, **the renewable energy sources and investments in the deployment of infrastructure and technology for affordable clean energy as well as** new processes or products. **Furthermore, security of supply needs to**



*be ensured by way of technical innovation, including the roll-out of hydrogen, especially green hydrogen, which has the potential to become one of the major energy carriers of the 21<sup>st</sup> century. Such activities should lead to significant life-cycle emission reduction in the energy system of the territory and be in line with the EU 2030 climate and energy objectives and EU climate neutrality by 2050<sup>13</sup> while maintaining and enhancing skilled and sustainable employment, avoiding environmental degradation, ensuring reliability of the energy system, and enhancing the robustness of an energy system based on the application of energy efficiency first and predominantly on renewable energy sources, including through flexible balancing technologies and storage solutions.* Particular attention should also be given to activities enhancing innovation and research in advanced and sustainable technologies, *by enhancing synergies with Horizon Europe*, as well as in the fields of digitalisation, connectivity, and smart mobility, provided that such measures help mitigate the negative side effects of a transition towards, and contribute to, a *competitive*, climate-neutral and circular economy.

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<sup>13</sup> 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.

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<sup>13</sup> 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 14

### 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) 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, **by providing them with the necessary qualifications**, to adapt to new employment opportunities, as well as providing job-search assistance to jobseekers. **Due consideration should be given to skills and qualifications that are in line with the transition towards climate neutrality. Priority attention should be given to retraining provided in alignment with the needs of the regional** labour market, **particularly to on-the-job retraining or a combination of part-time working and part-time retraining. The transition to a clean energy system based on the use of renewable energy sources and on energy efficiency offers a significant job creation potential in territories dependent on fossil fuels. Actions addressed to workers and jobseekers should take the gender dimension in due account.**

## **Amendment 15**

### **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**

*Amendment*

(12) In order to enhance the economic diversification **and modernisation** of territories impacted by the **energy** 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 **sustainable and quality** employment. For enterprises other than SMEs, productive

**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<sup>14</sup> 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.

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<sup>14</sup> Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a scheme for greenhouse gas emission allowance trading within the Community and amending Council Directive 96/61/EC (OJ L 275, 25.10.2003, p. 32).

investments should be supported if they **contribute to the transition to, or implementation of, clean energy sources, contribute to climate neutrality or facilitate the mitigation of** 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 below the relevant benchmarks established for free allocation under Directive 2003/87/EC of the European Parliament and of the Council<sup>14</sup> 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. **Investments in industrial facilities covered by the Union Emission Trading System should not be targeted in such a way as to contribute to increase the profits already generated through the trading of emission allowances.** 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.

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<sup>14</sup> Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a scheme for greenhouse gas emission allowance trading within the Community and amending Council Directive 96/61/EC (OJ L 275, 25.10.2003, p. 32).

## Amendment 16

**Proposal for a regulation**  
**Recital 12 a (new)**

*Text proposed by the Commission*

*Amendment*

***(12 a) In order to achieve the objectives of the JTF, the Commission should consider changes to the Environmental Protection and Energy Aid Guidelines, “EEAG Guidelines”, which are necessary to facilitate private investments and successful implementation of the JTF. A strong State aid framework is needed to prevent that any aid for decarbonisation leads to undue distortions in the internal market. The revision of the EEAG has to accompany the Green Deal, in particular by taking into account recent and new regulatory developments, technological progress and opportunities as well as market evolutions in the energy sector. The planned revision of the EEAG should allow for national support for structural changes due to coal phase-out following the same conditionality as the JTF. When revising the guidelines, due account should therefore also be taken of the problems of structural change in the regions concerned, in order to ensure that these regions are given sufficient flexibility to carry out their projects in a socially and economically viable manner.***

**Amendment 17**

**Proposal for a regulation**  
**Recital 12 b (new)**

*Text proposed by the Commission*

*Amendment*

***(12 b) 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 Article 107(3)(a) and (c) TFEU. On the contrary, State aid rules should allow all regions***

*receiving assistance through the JTF to effectively address the threat of job losses at an early stage. This should also be ensured by adapting the Commission Regulation (EU) No 651/2014<sup>1a</sup> accordingly.*

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*<sup>1a</sup> Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty (OJ L 187, 26.6.2014, p. 1)*

## **Amendment 18**

### **Proposal for a regulation Recital 12 c (new)**

*Text proposed by the Commission*

*Amendment*

*(12 c) 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. This requires adjustments to State aid law, for example by way of a new guideline of the Commission on the basis of Article 107 (3) (b) or (c) TFEU, so that it is ensured that aid is permissible under the applicable rules regardless of the status of the assisted regions.*

## **Amendment 19**

### **Proposal for a regulation Recital 12 d (new)**

*Text proposed by the Commission*

*Amendment*

*(12 d) All investments should be in line with the principles of energy efficiency first and the polluter pays principle. Therefore, in order to ensure that the JTF*

*is not used to pay for the costs of restoring environmental damages that fall under the environmental liability of an undertaking and not to distort incentives to reduce pollution and other environmental impacts, support to investment related to the regeneration and decontamination of sites, restoration of ecosystems and repurposing projects, should be used only when no enterprise can be held legally liable to finance such actions, in accordance with the polluter-pays principle enshrined in Article 191 TFEU;*

## Amendment 20

### 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 with the type of operations set out in the territorial just transition plans.

*Amendment*

(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 ***with additional resources. Member States should have the possibility to decide to reinforce the*** JTF resources with complementary funding from the ERDF and the ESF+, ***which should be given additional resources for this purpose.*** 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.

## Amendment 21

**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 on the effective implementation of a **just** transition process in a specific territory in order to achieve a climate-neutral economy. In that regard, Member States, **supported by the Commission**, should prepare, in cooperation with the relevant **regional and local authorities of the territories concerned (at least at NUTS levels 2 and 3), representative of the industry and trade unions, civil society organisations and any other relevant** stakeholders, territorial just transition plans, detailing the transition process, consistently with their National Energy and Climate Plans, **and including information about its implementation, monitoring and evaluation**. To this end, the Commission should set up a Just Transition Platform, which would build on **the experience and success of** 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 22**

**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.

*Amendment*

(15) The territorial just transition plans, **after consultation with the actors involved**, should identify the territories most negatively affected, where JTF support should be concentrated and describe specific actions to be undertaken to reach **the Union's 2030 energy and climate targets and** a climate-neutral economy, notably as regards the

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.

conversion or closure of facilities involving **solid** fossil fuel production or other greenhouse gas intensive activities , **while preserving existing and developing new job opportunities to avoid social exclusion in the affected territories**. 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 , **including unemployment rates, depopulation trends, and early reconversion or transition efforts**, 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 **Union 2030 energy and climate targets and the transition to climate-neutrality, the objectives of the Green Deal ,where possible synergetic with other relevant Union and national funding schemes and programmes, as well as, other political priorities of the Union**. 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 23

### 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

##### *Amendment*

(19) The objectives of this Regulation, namely to support territories facing **important economic, energy and social challenges** 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,

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. ***Coherence with other policies should be ensured, in particular with industrial policy and public procurement rules, with a view to ensuring a level playing field to enable Union industry, including SMEs, to produce the sustainable goods and services in line with the Green Deal and to provide jobs.*** 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 24

### Proposal for a regulation Article 1 – paragraph 1

#### *Text proposed by the Commission*

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.

#### *Amendment*

1. This Regulation establishes the Just Transition Fund ('JTF') to provide support to territories facing serious socio-economic, ***energy and environmental*** challenges deriving from the ***specificities of Member States in their energy*** transition process towards ***the achievement of the Union's 2030 targets for energy and climate, and of*** a climate-neutral economy of the Union by 2050, ***namely to those regions which, due to their current or recent high dependence on solid fossil fuels, such as coal, lignite, peat and oil shale, or on greenhouse gas intensive industrial activities, are facing important***

*structural changes.*

## Amendment 25

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

*Text proposed by the Commission*

In accordance with the second subparagraph of Article [4(1)] of Regulation (EU) [new CPR], the JTF shall contribute to the single specific objective ***‘enabling regions and people to address the social, economic and environmental impacts of the transition towards a climate-neutral economy’***.

*Amendment*

In accordance with the second subparagraph of Article [4(1)] of Regulation (EU) [new CPR], the JTF shall contribute to the single specific objective ***achieving a solidary, effective and environmentally sustainable energy transition towards a climate-neutral economy that takes into account the development of territorial just transition plans, in order to ensure reliability for workers, the energy sector, industry, investors and communities, as well as enabling regions, economic operators and people to have fair and equal opportunities to address the social, economic, energy security, energy poverty and environmental impacts of the energy transition.***

## Amendment 26

### Proposal for a regulation Article 2 – paragraph 1 – subparagraph 1 a (new)

*Text proposed by the Commission*

*Amendment*

***Actions supported by the JTF shall be in line with the Paris Agreement, the Union’s goals for energy and climate for 2030 and 2050, and the principles of the circular economy. In particular, the JTF shall support efforts to fully achieve the considerable job creation potential of that transition in the affected regions.***

## Amendment 27

**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 the Investment for jobs and growth goal in all Member States ***that have endorsed the objective of reaching a climate-neutral economy in the Union by 2050 and demonstrate their commitment in their national energy and climate plans, in particular in those regions where, due to the importance of the challenges of the energy transition, Union financial assistance is most needed. In accordance with Annex I of this Regulation, the resources of the JTF shall be predominantly allocated to coal regions, as listed in the Annex of the Terms of Reference for the Platform on Coal and Carbon-Intensive Regions (Coal Regions in Transition Platform), in order to address social, economic, energy security and environmental impacts of their energy transition.***

**Amendment 28**

**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 ***at least EUR 44 073 459 000 in current prices and shall not be transferred from the allocations of the funds covered by the Regulation (EU) [new CPR], particularly from funds such as the European Regional Development Fund (ERDF), the European Social Fund (ESF+) or the European Agricultural Fund for Rural Development (EAFRD).*** ***That 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.

## Amendment 29

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

*Text proposed by the Commission*

*Amendment*

*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.*

*deleted*

## Amendment 30

### Proposal for a regulation Article 3 – paragraph 4

*Text proposed by the Commission*

*Amendment*

*4. By way of derogation from Article [21a] of Regulation (EU) [new CPR], any additional resources referred to in paragraph 2, allocated to the JTF in the Union budget or provided by other resources shall not require complementary support from the ERDF or the ESF+.*

*deleted*

## Amendment 31

### Proposal for a regulation Article 4 – paragraph 1

*Text proposed by the Commission*

*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

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.

of *sustainable* territorial just transition plans established in accordance with Article 7.

## Amendment 32

### Proposal for a regulation

#### Article 4 – paragraph 2 – subparagraph 1 – introductory part

*Text proposed by the Commission*

*Amendment*

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

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

## Amendment 33

### Proposal for a regulation

#### Article 4 – paragraph 2 – subparagraph 1 – point a

*Text proposed by the Commission*

*Amendment*

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

(a) productive *and sustainable* investments in SMEs, including start-ups, *cooperatives, citizen energy communities and third sector organisations as well as in regional and local publicly-owned enterprises*, leading to economic diversification and reconversion *as well as contributing to the creation of quality new jobs*;

## Amendment 34

### Proposal for a regulation

#### Article 4 – paragraph 2 – subparagraph 1 – point b

*Text proposed by the Commission*

*Amendment*

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

(b) investments in the creation of new firms, *particularly SMEs and start-ups leading to economic diversification and contributing to new job creation and including the provision of relevant* business consulting services;

## Amendment 35

### 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 **sustainable** research and innovation activities, **including energy research, including that developed by research centres and universities**, and fostering the transfer of advanced technologies;

## Amendment 36

### 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, infrastructures **and services for an** affordable, **secure, sustainable, safe and flexible** clean energy **system**, in greenhouse gas emission reduction, energy efficiency and **storage solutions**;

## Amendment 37

### Proposal for a regulation

#### Article 4 – paragraph 2 – subparagraph 1 – point d a (new)

*Text proposed by the Commission*

*Amendment*

**(d a) investments in renewable energy assets, infrastructure and technologies, including storage solutions, support for self-generation, as well as the development and conversion to renewable energy of heating and cooling systems;**

## Amendment 38

**Proposal for a regulation**

**Article 4 – paragraph 2 – subparagraph 1 – point d b (new)**

*Text proposed by the Commission*

*Amendment*

*(d b) investments in energy renovation of buildings, in the line with the upcoming Commission Renovation Wave initiative, including upskilling and re-skilling workers in that field;*

**Amendment 39**

**Proposal for a regulation**

**Article 4 – paragraph 2 – subparagraph 1 – point d c (new)**

*Text proposed by the Commission*

*Amendment*

*(d c) investments in cross-border electricity connection, with a view to achieving the 15 % electricity interconnection target by 2030;*

**Amendment 40**

**Proposal for a regulation**

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

*Text proposed by the Commission*

*Amendment*

*(d d) investments in efficient district heating as defined in point (41) of Article 2 of Directive 2012/27/EU;*

**Amendment 41**

**Proposal for a regulation**

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

*Text proposed by the Commission*

*Amendment*

*(d e) investments in the deployment of technology and infrastructure for affordable, clean and smart mobility,*

*including charging infrastructure for electric vehicles and sustainable multimodal urban mobility, facilitating economic development and job creation, contributing to greenhouse gas emission reduction in transport and to the diversification of mobility solutions, including investments in alternative transport fuels that accelerate the transition towards zero-emission mobility;*

#### **Amendment 42**

##### **Proposal for a regulation**

##### **Article 4 – paragraph 2 – subparagraph 1 – point d f (new)**

*Text proposed by the Commission*

*Amendment*

*(d f) investments to fight energy poverty and air pollution, notably through replacing individual heating solutions based on coal as well as enhancing energy efficiency on most affected regions;*

#### **Amendment 43**

##### **Proposal for a regulation**

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

*Text proposed by the Commission*

*Amendment*

(e) investments in digitalisation and digital connectivity;

(e) investments in digitalisation and digital connectivity, *including investments in very high capacity networks and 5G technology, smart energy solutions and related infrastructure and technologies as well as investments facilitating the transition towards a circular economy and climate neutrality, including using digital technologies and data in agriculture, forestry and food industries;*

#### **Amendment 44**



## 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 and **environmental revitalisation, transport accessibility and renovation of former coal mines and power stations, and brownfield sites and facilities**, land restoration and repurposing projects, **including green infrastructure investments in post-mining areas as well as afforestation of former mine sites**;

## Amendment 45

### 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 enhancing the circular economy, including through waste prevention, reduction, resource efficiency, reuse, repair and recycling **and other means of recovery, including energy recovery**;

## Amendment 46

### Proposal for a regulation

#### Article 4 – paragraph 2 – subparagraph 1 – point g a (new)

*Text proposed by the Commission*

*Amendment*

**(g a) investments in the silver economy, social innovations and infrastructure needed to support the access to labour market, social inclusion and active health ageing**;

## Amendment 47

## Proposal for a regulation

### Article 4 – paragraph 2 – subparagraph 1 – point h

*Text proposed by the Commission*

(h) upskilling and reskilling of workers;

*Amendment*

(h) upskilling and reskilling of workers, ***self-employed persons and jobseekers, in particular towards skills and qualifications relevant to the implementation of regional development strategies as well as to the transition to a sustainable, digital and green economy;***

## Amendment 48

### Proposal for a regulation

#### Article 4 – paragraph 2 – subparagraph 1 – point i

*Text proposed by the Commission*

(i) job-search assistance to jobseekers;

*Amendment*

(i) job-search assistance to jobseekers ***and support to workers who lost their job as consequence of the transition;***

## Amendment 49

### 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 emphasis on women and vulnerable groups;***

## Amendment 50

### Proposal for a regulation

#### Article 4 – paragraph 2 – subparagraph 1 – point k a (new)

*Text proposed by the Commission*

*Amendment*

***(k a) without prejudice to Article 5, any other specific activities contributing to the JTF's single specific objective, included***

*in the territorial just transition plans and agreed between a Member State, the relevant authorities of the territories concerned and approved by the Commission.*

## Amendment 51

### Proposal for a regulation

#### Article 4 – paragraph 2 – subparagraph 1 – point k b (new)

*Text proposed by the Commission*

*Amendment*

*(k b) the JTF shall only support productive investments in enterprises other than SMEs that do not involve the transfer of jobs, capital and production processes from one Member State to another.*

## Amendment 52

### Proposal for a regulation

#### Article 4 – paragraph 2 – subparagraph 2

*Text proposed by the Commission*

*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*, 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*.

*Additionally, the JTF may support in the relevant territories* productive investments in enterprises other than SMEs, provided that such investments have been *included in* the territorial just transition plan. Such investments shall only be eligible where they *contribute to the transition to a climate-neutral economy and do not lead to relocation as referred to under Article 60 of Regulation No. .../... [CPR], and for industrial activities covered by the EU emissions trading system (ETS) provided that they do not contribute to increasing the profits derived from the trading of emission allowances.*

## Amendment 53

**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<sup>16</sup> ;

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<sup>16</sup> Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty (OJ L 187, 26.6.2014, p. 1).

*Amendment*

(c) undertakings in difficulty, as defined in Article 2(18) of Commission Regulation (EU) No 651/2014<sup>16</sup>, ***except for undertakings affected by energy transition to climate neutrality***;

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<sup>16</sup> Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty (OJ L 187, 26.6.2014, p. 1).

**Amendment 54**

**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 55**

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

*Text proposed by the Commission*

*Amendment*

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

***By way of derogation from point (d) of paragraph 1, the Commission may approve a territorial just transition plan that includes investments related to the production, processing, distribution, storage, transmission or use of natural gas provided that it is used as a bridging technology and under the following duly***

*justified circumstances:*

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

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

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

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

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

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

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

## **Amendment 56**

### **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

*Amendment*

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.

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. ***Where the Commission decides to withhold its approval, it shall duly justify its decision.***

## **Amendment 57**

### **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, ***on a voluntary basis,*** the resources transferred in accordance with Article [21a] of Regulation (EU) [new CPR]. The total of the ERDF and ESF+ resources ***that the Member State decides to transfer*** to the JTF priority shall not exceed three times ***the amount of the support received from the JTF.***

## **Amendment 58**

### **Proposal for a regulation Article 6 – paragraph 2 a (new)**

*Text proposed by the Commission*

*Amendment*

***2 a. Eligible projects financed under the JTF contributing to the specific objective as set out in Article 2 may benefit from up to 75 % of relevant costs.***

## **Amendment 59**

## 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 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<sup>17</sup> 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.

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<sup>17</sup> Regulation (EC) No 1059/2003 of the European Parliament and of the Council of 26 May 2003 on the establishment of a common classification of territorial units for statistics (NUTS) (OJ L 154 21.6.2003, p. 1).

#### *Amendment*

1. Member States shall prepare, together with *all* relevant *regional and local* authorities of the territories concerned (*at least at NUTS levels 2 and 3*), 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<sup>17</sup> 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, *environmental, and energy security* impacts resulting from the transition, in particular with regard to job losses *and the potential number of affected jobs in solid* fossil fuel production and use and the transformation needs of the production processes of industrial facilities with the highest greenhouse gas intensity. *The investment guidance identified by the Commission in Annex D to the Country Reports 2020 shall not limit the Member States in proposing areas and priorities for the JTF support. Relevant authorities and stakeholders of the territories shall be actively involved in all the phases of the process: preparation, selection and implementation.*

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<sup>17</sup> Regulation (EC) No 1059/2003 of the European Parliament and of the Council of 26 May 2003 on the establishment of a common classification of territorial units for statistics (NUTS) (OJ L 154 21.6.2003, p. 1).

## Amendment 60

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

*Text proposed by the Commission*

(a) a description of the transition process at national level towards **a** climate-neutral economy, including a timeline for key transition steps which are consistent with the latest version of the National Energy and Climate Plan (‘NECP’);

*Amendment*

(a) a description of the transition process at national **and regional** level towards **the achievement of the EU 2030 climate targets and of an EU** climate-neutral economy **by 2050**, including **the transition actions already taken and a** timeline for **next** key transition steps which are consistent with the latest version of the National Energy and Climate Plan (‘NECP’);

**Amendment 61**

**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 as most negatively affected **which require additional financial support to achieve** the transition process referred to in point (a) and to be supported by the JTF, in accordance with paragraph 1;

**Amendment 62**

**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

*Amendment*

(c) an assessment of the transition challenges faced by the most negatively affected territories, including the social, economic, and environmental **and energy security impacts** of the transition to a **Union level** climate-neutral economy **by 2050**, identifying the potential number of



and objectives, to be reached by 2030 linked to the transformation or closure of greenhouse gas-intensive activities in those territories;

affected *workers*, jobs and job losses, *the potential impact of self-government revenues at NUTS level 2 and 3, the number of enterprises disrupted*, 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 63

#### 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 addressing the social, economic, environmental *and energy security* impacts of the transition to *an EU* climate-neutral economy *by 2050 and preventing deepening of energy poverty*;

### Amendment 64

#### 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* national, regional or territorial strategies and plans;

### Amendment 65

#### 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

*Amendment*

(f) a description of the governance mechanisms consisting of the partnership arrangements, the monitoring and

evaluation measures planned and the responsible bodies;

evaluation measures planned and the responsible bodies ***at national and regional level, including the possibility of evaluation by non-governmental bodies and institutions;***

#### Amendment 66

##### Proposal for a regulation Article 7 – paragraph 2 – point f a (new)

*Text proposed by the Commission*

*Amendment*

***(f a) a description of the participatory process carried out for its elaboration;***

#### Amendment 67

##### 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;

(g) a description of the type ***and timeline*** of operations envisaged and their expected contribution to alleviate the ***social, economic, energy security and environmental impacts*** of the transition ***to a climate-neutral economy;***

#### Amendment 68

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

*Text proposed by the Commission*

*Amendment*

(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***

(h) where support is provided to productive ***and sustainable*** investments to enterprises other than SMEs, ***a*** list of such operations and enterprises and a justification of the necessity of such support;

*created in the absence of the investment;*

## Amendment 69

### Proposal for a regulation

#### Article 7 – paragraph 2 – point i

*Text proposed by the Commission*

(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;

*Amendment*

(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 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 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 2 – point j

*Text proposed by the Commission*

(j) synergies and complementarities with other Union programmes and pillars of the Just Transition Mechanism to address identified development needs.

*Amendment*

(j) synergies and complementarities with other **relevant** Union programmes, **funds** and pillars of the Just Transition Mechanism to address identified development needs.

## Amendment 71

### Proposal for a regulation

#### Article 7 – paragraph 2 – point j a (new)

*Text proposed by the Commission*

*Amendment*

**(j a) where support is provided to**

*industrial activities already covered by the ETS, a description that such support does not contribute to increasing the profits already derived from the trading of emission allowances.*

## Amendment 72

### Proposal for a regulation Article 7 – paragraph 3

*Text proposed by the Commission*

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

*Amendment*

3. The preparation and implementation of territorial just transition plans shall involve the relevant partners in accordance with Article [6] of Regulation (EU) [new CPR], *as well as representatives of industry, the energy sector, social partners and any other relevant stakeholders.*

## Amendment 73

### 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 territorial strategies referred to in Article [23] of Regulation (EU) [new CPR], the NECPs *and the 2050 Long Term Strategy, the Paris Agreement and the European Pillar of Social Rights, and, to the furthest possible degree, with smart specialisation strategies and other relevant strategies and programmes, including on clean air, clean steel, energy poverty and energy prosumers.*

## Amendment 74

### Proposal for a regulation Article 7 – paragraph 4 – subparagraph 2 a (new)

*Text proposed by the Commission*

*Amendment*

***The territorial just transition plans and the decisions regarding the selection of projects and operations shall be publicly available. The preparation and development of territorial transition plans shall be subject to public consultation.***

## **Amendment 75**

### **Proposal for a regulation Article 8 – paragraph 3**

*Text proposed by the Commission*

*Amendment*

3. Where a JTF priority supports the activities referred to in points (h), (i) or (j) of Article 4(2), data on the indicators for participants shall only be transmitted where all the data relating to that participant, required in accordance with Annex III are available.

3. Where a JTF priority supports the activities referred to in points (h), (i) or (j) of Article 4(2), data on the indicators for participants shall only be transmitted where all the data relating to that participant, required in accordance with Annex III are available, ***while ensuring strict data protection rules.***

## **Amendment 76**

### **Proposal for a regulation Article 9 – paragraph 1**

*Text proposed by the Commission*

*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 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.

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. ***Financial corrections shall relate to failures related to programme***

*interventions and not failures stemming from external factors.*

#### **Amendment 77**

##### **Proposal for a regulation Annex II – point 1 – introductory part**

*Text proposed by the Commission*

1. Outline of the transition process and identification of the most negatively affected territories within the Member State

*Amendment*

1. Outline of the transition process and identification of the most negatively affected territories within the Member State, ***including the historical transition***

#### **Amendment 78**

##### **Proposal for a regulation Annex II – point 2 – introductory part**

*Text proposed by the Commission*

2. Assessment of transition challenges, for each of the identified ***territory***

*Amendment*

2. Assessment of transition challenges ***and opportunities***, for each of the identified ***territories***

#### **Amendment 79**

##### **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 and territorial impact of the ***historic and foreseen*** transition to a climate-neutral economy

#### **Amendment 80**

##### **Proposal for a regulation Annex II – point 3 – point 3.1 a (new)**

*Text proposed by the Commission*

*Amendment*

***3.1 a. description of how community representatives and civil society actors are consulted and engaged in the programming process, both before and after programming documents are developed.***

## PROCEDURE – COMMITTEE ASKED FOR OPINION

<b>Title</b>	Establishing the Just Transition Fund
<b>References</b>	COM(2020)0022 – C9-0007/2020 – 2020/0006(COD)
<b>Committee responsible</b> Date announced in plenary	REGI 29.1.2020
<b>Opinion by</b> Date announced in plenary	ITRE 29.1.2020
<b>Associated committees - date announced in plenary</b>	27.5.2020
<b>Rapporteur</b> Date appointed	Jerzy Buzek 12.2.2020
<b>Discussed in committee</b>	19.5.2020
<b>Date adopted</b>	29.6.2020
<b>Result of final vote</b>	+ :            45 - :            17 0 :            9
<b>Members present for the final vote</b>	François Alfonsi, Nicola Beer, Hildegard Bentele, Tom Berendsen, Vasile Blaga, Michael Bloss, Paolo Borchia, Marc Botenga, Markus Buchheit, Klaus Buchner, Cristian-Silviu Buşoi, Jerzy Buzek, Carlo Calenda, Andrea Caroppo, Maria da Graça Carvalho, Ignazio Corrao, Ciarán Cuffe, Josianne Cutajar, Martina Dlabajová, Christian Ehler, Niels Fuglsang, Lina Gálvez Muñoz, Claudia Gamon, Nicolás González Casares, Bart Groothuis, Christophe Grudler, András Gyürk, Henrike Hahn, Robert Hajšel, Ivo Hristov, Romana Jerković, Seán Kelly, Izabela-Helena Kloc, Łukasz Kohut, Zdzisław Krasnodębski, Andrius Kubilius, Miapetra Kumpula-Natri, Thierry Mariani, Marisa Matias, Eva Maydell, Georg Mayer, Joëlle Mélin, Iskra Mihaylova, Dan Nica, Angelika Niebler, Ville Niinistö, Aldo Patriciello, Mauri Pekkarinen, Tsvetelina Penkova, Morten Petersen, Markus Pieper, Clara Ponsatí Obiols, Sira Rego, Jérôme Rivière, Robert Roos, Jessica Stegrud, Beata Szydło, Riho Terras, Grzegorz Tobiszowski, Patrizia Toia, Evžen Tošenovský, Isabella Tovaglieri, Henna Virkkunen, Pernille Weiss, Carlos Zorrinho
<b>Substitutes present for the final vote</b>	Mohammed Chahim, Jakob G. Dalunde, Eleonora Evi, Martin Hojsík, Elena Kountoura, Nils Torvalds



## FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

45	+
<b>EPP</b>	Hildegard Bentele, Tom Berendsen, Vasile Blaga, Cristian-Silviu Buşoi, Jerzy Buzek, Maria Da Graça Carvalho, Christian Ehler, András Gyürk, Seán Kelly, Andrius Kubilius, Eva Maydell, Angelika Niebler, Aldo Patriciello, Markus Pieper, Henna Virkkunen, Pernille Weiss
<b>S&amp;D</b>	Carlo Calenda, Mohammed Chahim, Josianne Cutajar, Lina Gálvez Muñoz, Nicolás González Casares, Robert Hajšel, Ivo Hristov, Romana Jerković, Łukasz Kohut, Miapetra Kumpula-Natri, Dan Nica, Tsvetelina Penkova, Patrizia Toia, Carlos Zorrinho
<b>RENEW</b>	Nicola Beer, Martin Hojsík, Martina Dlabajová, Claudia Gamon, Bart Groothuis, Christophe Grudler, Iskra Mihaylova, Mauri Pekkarinen, Morten Petersen, Nils Torvalds
<b>ECR</b>	Izabela-Helena Kloc, Zdzisław Krasnodębski, Beata Szydło, Grzegorz Tobiszowski, Evžen Tošenovský

17	-
<b>ID</b>	Markus Buchheit, Georg Mayer
<b>Greens</b>	François Alfonsi, Michael Bloss, Klaus Buchner, Ciarán Cuffe, Jakop G. Dalunde, Henrike Hahn, Ville Niinistö
<b>ECR</b>	Robert Roos, Jessica Stegrud
<b>GUE</b>	Marc Botenga, Elena Kountoura, Sira Rego
<b>NI</b>	Ignazio Corrao, Eleonora Evi, Clara Ponsatí Obiols

9	0
<b>EPP</b>	Riho Terras
<b>S&amp;D</b>	Niels Fuglsang
<b>ID</b>	Paolo Borchia, Andrea Caroppo, Thierry Mariani, Joëlle Mélin, Jérôme Rivière, Isabella Tovaglieri
<b>GUE</b>	Marisa Matias

Key to symbols:

+ : in favour

- : against

0 : abstention

24.6.2020

## **OPINION OF THE COMMITTEE ON TRANSPORT AND TOURISM**

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: Dominique Riquet

### **SHORT JUSTIFICATION**

The Just Transition Fund is one of the measures taken by the Commission under the Green Pact for Europe with the aim of achieving the 2050 carbon neutrality target that the Union has set itself, by supporting, in particular, the regions most in difficulty and those worst affected by the transition.

This legislative proposal is more topical than ever: it acknowledges the unavoidable nature, but also the cost, of the challenges and economic and social difficulties involved in the structural transformation of our production methods across whole sectors and regions, given their dependence on fossil fuels or the fact that their industries emit large volumes of CO<sub>2</sub>. Although all the Member States will be required to take action, it is primarily the territories which are most vulnerable and worst affected by the transition which will need assistance – in keeping with the fundamental principle of European solidarity.

Your rapporteur for the Committee on Transport and Tourism welcomes this proposal for its purpose (target of carbon neutrality), its inclusive approach ('leave no one behind') and the synergies it will generate with other European funds. In particular, this fund is properly tailored to national and regional circumstances through the national energy and climate plans and the territorial plans, on the basis of shared management and in keeping with the subsidiarity principle. In that respect, this instrument is fully integrated into regional policies through the Structural Funds, which are based on participation by the Member States, and will gain in impact by seeking to complement the measures taken by the EIB and under related funding mechanisms (InvestEU, etc.). Your rapporteur regards the territorial focus in the preparation and implementation of this financing tool as vital to the success of the transition and was keen, therefore, to highlight the relevant provisions.

The priority of the regulation is to help workers and enterprises in the territories and sectors worst affected reskill and convert. However, given the very small budget allocated to the fund — derisory when set against the amounts required to make the economic transition a success — your rapporteur takes the view that more precise targeting of this budgetary instrument is

possible and would increase its value added and effectiveness by optimising the allocation of funding and focusing on the sectors and activities most in need of support.

With that aim in view, a number of new provisions have been proposed:

- More precise targeting of the activities eligible for JTF support: although your rapporteur considers that priority should indeed be given to SMEs, which, owing to their size, often have less flexibility to adapt their production apparatus, he nevertheless takes the view that a number of activities initially proposed by the Commission (research and innovation, digitalisation and, in that it contravenes the ‘polluter pays’ principle, aid for decontamination) are not directly relevant for the purposes of the regulation and can, moreover, be supported by other European budgetary and financial instruments;
- More stringent eligibility criteria for activities covered by the ETS: your rapporteur recognises the value of including certain industrial activities covered by the EU Emissions Trading System (ETS), to a limited degree and subject to case-by-case acceptance by the Commission. He regards it as essential, however, that there should be no possibility of windfall effects for these enterprises, so that they do not take advantage of additional aid granted by the JTF to decarbonise their industrial activities with a view to selling their surplus emissions allowances, thus garnering windfall profits in addition to the financial assistance from the JTF.
- More targeted, more result-oriented funding allocation: with a view to the stricter application of the ‘use it or lose it’ principle, the required performance levels for the priorities have been raised, in order to make provision for adjustments and reallocations in the event of failures to meet targets and guarantee the additionality of every euro spent;
- The aim of the JTF is to help the territories worst affected by the transition, with a view to achieving carbon neutrality by 2050. All the Member States will have to contribute to the achievement of this common goal, given that failure by one would undermine the efforts of and have adverse repercussions for all the others, even those which have made most progress with the green transition. Accordingly, in keeping with the same fundamental principle of European solidarity, your rapporteur takes the view that Member States that are not yet committed to reaching a national carbon neutrality target by 2050 should have their access to the fund restricted and their national allowance partially suspended until they have adopted that target;
- More precise definition of eligible industrial activities: your rapporteur acknowledges that the proposal correctly identifies the territories and sectors worst affected by the transition, in particular because of their dependence on fossil fuels and the carbon-intensive nature of their industrial activities. He takes the view, however, that there is a major shortcoming in the identification criteria and considers that eligibility for the fund should be extended to include industrial activities which, although they generate low greenhouse gas emissions, involve manufacturing of finished products which are incompatible with the EU’s objective of carbon neutrality. They should be seen as integral to the transition and included within the scope of the fund. In particular, the thermic-vehicle manufacturing sector is undergoing rapid and profound changes throughout its value chain: specific European support must therefore be provided in

order to help it make a success of the transition, to support workers and to maintain its competitiveness and leadership in the context of stiffer international competition. However, it should be borne in mind that no climate-neutrality target can be achieved without decarbonising transport: the sector accounts for 23% of EU CO<sub>2</sub> emissions, and its share continues to grow, while road transport alone accounts for 75% of the CO<sub>2</sub> emissions generated and the energy consumed by the sector. Vehicle manufacturers, their suppliers and the maintenance and repair sectors are the worst affected by the transition to zero- and/or low-emission vehicles. Given their importance to the European economy (3.5 million direct and indirect jobs in the EU, the automotive sector accounts for 8.5% of jobs in European industry and 7.5% of EU GDP), these sectors must therefore be supported by the JTF.

Your rapporteur is therefore convinced that incorporating these recommendations addressed to the Committee on Regional Development will enable the Just Transition Fund to enhance its operational capability and effectiveness with a view to achieving the European objective of climate neutrality, while protecting the most vulnerable in this transition.

## AMENDMENTS

### Amendment 1

#### 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

###### *Amendment*

(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, greenhouse gas intensive industries **or industries whose**

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.

***finished products are incompatible with the target of a carbon-neutral Union.***

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. ***In that context, special attention should be paid to the particular challenges that the impact of transitioning to climate neutrality will present for remote, island and geographically disadvantaged areas, and for areas with depopulation problems.***

## Amendment 2

### 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, ***inclusive*** and socially acceptable for all, ***leaving no one behind and fighting energy poverty.*** Therefore, both the Union and the Member States ***as well as the different regional and local actors should*** take into account its economic and social implications from the outset, ***as well as the characteristics and specificities of their regions, including their carbon intensity and GDP per capita below the EU average,*** and deploy all possible instruments to mitigate adverse consequences ***and turn the challenges into opportunities. The transition should avoid economic collapse of the most exposed regions while guaranteeing the basis of economic development in these regions.*** The Union budget has an important role in that regard.

## Amendment 3

### 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 aim of the JTF is to ***support the actions targeted at a fair and successful energy transition towards a climate-neutral economy and*** 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 mitigating adverse social consequences and*** by financing the modernisation ***and reconversion*** of the local economy and by mitigating the negative repercussions on employment ***and creating new opportunities through training, re-skilling and updated education curricula***. 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]. ***Given the nature of the transition policy, the JTF is proposed as a long-term instrument fully in line with the vision of climate-neutral continent by 2050.***

**Amendment 4**

**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

*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 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.

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. *Voluntary transfers of* resources from the ERDF and ESF+ *decided by each Member State will complement* the achievement of this target.

## Amendment 5

### 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 *instruments and all other relevant Union and national funding instruments targeting vulnerable sectors. The establishment of the JTF should not lead to cuts from the funds covered by Regulation (EU) .../... [new CPR].*

## Amendment 6

### 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

*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 *solid* fossil fuels, *have* greenhouse gas intensive industrial activities *or have industrial activities whose finished products are ultimately incompatible with carbon neutrality*, 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

of Member States to finance the necessary investments to cope with the transition towards climate neutrality.

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 7**

### **Proposal for a regulation Recital 8a**

*Text proposed by the Commission*

*Amendment*

***(8a) Horizontal financial rules adopted by the European Parliament and the Council on the basis of Article 322 of the Treaty on the Functioning of the European Union apply to this Regulation. These rules are laid down in the Financial Regulation and determine in particular the procedure for establishing and implementing the budget through grants, procurement, prizes, indirect implementation, and provide for checks on the responsibility of financial actors. Rules adopted on the basis of Article 322 TFEU also concern the protection of the Union's budget in case of generalised deficiencies as regards the rule of law in the Member States, as the respect for the rule of law is an essential precondition for sound financial management and effective EU funding;***

*(This amendment takes over the text of the new COM proposal 2020/0460.)*

## **Amendment 8**

### **Proposal for a regulation Recital 9a**

*Text proposed by the Commission*

*Amendment*

***(9a) In accordance with Regulation [European Recovery Instrument] and***



*within the limits of resources allocated therein, recovery and resilience measures under the Just Transition Fund should be carried out to address the unprecedented impact of the COVID-19 crisis. Such additional resources should be used in such a way as to ensure compliance with the time limits provided for in Regulation [ERI];*

*(This amendment takes over the text of the new COM proposal 2020/0460.)*

## **Amendment 9**

### **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<sup>13</sup> while maintaining and enhancing employment and avoiding environmental degradation. Particular attention should also be given to activities enhancing innovation and

*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 **and regional** 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, **while mitigating negative economic and societal impacts of environmental transition**. 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. **In that regard, natural gas may represent a bridging technology in the transition when it replaces more intensive carbon energy sources and is linked with renewable energy deployment**. 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

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.

significant emission reduction, in line with the EU 2030 climate objectives and EU climate neutrality by 2050<sup>13</sup> 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, **including AI technologies**, as well as in the fields of digitalisation and connectivity, **accessibility and sustainable mobility as well as fostering modal shift**, provided that such measures help mitigate the negative side effects of a transition towards, and contribute to, a climate-neutral and circular economy.

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<sup>13</sup> 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.

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<sup>13</sup> 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 10

### Proposal for a regulation Recital 10 a (new)

*Text proposed by the Commission*

*Amendment*

***(10a) The JTF should also support industrial activities which, although they do not generate significant greenhouse gas emissions, involve manufacturing of industrial products which are impacted by the transition to climate neutrality in the Union. In that connection, the European thermic vehicle-manufacturing sector is one of the most severely disrupted, and will be disrupted even more, at a time when it is operating in a context of ever stiffer international competition and more***

*stringent environmental requirements - it accounts for almost 20% of the Union's CO2 emissions. Carbon neutrality cannot therefore be achieved without specific support for that sector, which accounts for 8, 5% of industrial jobs in the Union, 7, 5% of Union GDP and some 3, 5 million direct jobs, which means 11,4% of jobs in the Union manufacturing, and 13,8 million indirect jobs. In particular, as vehicle manufacturers, their suppliers and the maintenance and repair sectors are the most exposed, the JTF should support these sectors and assist workers and jobseekers in their conversion to more modern skills, particularly in the context of alternative industries manufacturing zero- and/or low-emission vehicles. The JTF should also support investments in public transport networks and fleets as an effective tool for the transition and towards low emission mobility, while promoting modal shift especially in metropolitan centres and connectivity in rural areas. Particular attention should also be given to the socio-economic difficulties of depopulated or scarcely populated areas that depend heavily on fossil fuels in order to prevent relocation and depopulation of these territories.*

## Amendment 11

### 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) 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 **and self-employed persons**, with the aim of helping them to adapt to new employment opportunities, as well as providing job-search assistance to jobseekers and their active **and full** inclusion into the labour market. **Similarly, special attention should**

*be paid to unemployment rates, particularly for young people, in territories affected by the transition.*

## Amendment 12

### 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<sup>14</sup> 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***

*Amendment*

(12) In order to enhance the economic ***modernisation and reconversion*** 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 ***supporting the adaptation of*** 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<sup>14</sup> 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, ***should be sustainable and should be consistent with the energy efficiency first principle. Those investments should be made in such a way as to rule out the possibility of windfall effects for the industrial facilities concerned, so that***

*located in areas designated as assisted areas for the purposes of points (a) and (c) of Article 107(3) TFEU.*

*they do not take advantage of additional aid granted by the JTF to decarbonise their activities with a view to then selling their surplus emissions allowances, thus garnering windfall profits in addition to the financial aid from the JTF.* 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 *paying particular account to the ensuing structural changes and the measures required for these changes.*

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<sup>14</sup> Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a scheme for greenhouse gas emission allowance trading within the Community and amending Council Directive 96/61/EC (OJ L 275, 25.10.2003, p. 32).

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<sup>14</sup> Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a scheme for greenhouse gas emission allowance trading within the Community and amending Council Directive 96/61/EC (OJ L 275, 25.10.2003, p. 32).

## Amendment 13

### 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 with the type of operations set out in the

#### *Amendment*

(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 **may** be reinforced with **voluntary transfers of** 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.

territorial just transition plans.

## Amendment 14

### 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 **by 2050**, notably as regards the **progressive** conversion or closure of facilities involving **solid** fossil fuel production or other greenhouse gas intensive activities **or activities whose finished industrial products are incompatible with the objective of carbon neutrality, while maintaining and expanding employment opportunities in the affected areas, 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 **such as unemployment rate and job losses**, 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

### Proposal for a regulation Recital 15 a (new)

*Text proposed by the Commission*

*Amendment*

***(15a) The territorial just transition plans are to be submitted as soon as possible but not later than one year after the entry into force of this Regulation. That poses an implementation challenge for managing authorities and for the 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 and support local actors in the implementation of the JTF.***

## Amendment 16

### Proposal for a regulation Recital 16

*Text proposed by the Commission*

*Amendment*

(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.

(16) In order to ***optimise*** the use of JTF resources ***and enhance the result orientation of the JTF***, 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 17

### Proposal for a regulation Recital 17

*Text proposed by the Commission*

*Amendment*

(17) In order to supplement and amend certain non-essential elements of this Regulation, the power to adopt acts in

(17) In order to supplement and amend certain non-essential elements of this Regulation, the power to adopt acts in

accordance with Article 290 TFEU should be delegated to the Commission in respect of the amendment of the elements contained in Annex III of this Regulation regarding the common output and result indicators. It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level, and that those consultations be conducted in accordance with the principles laid down in the Interinstitutional Agreement of 13 April 2016 on Better Law-Making<sup>15</sup>. In particular, to ensure equal participation in the preparation of delegated acts, the European Parliament and the Council receive all documents at the same time as Member States' experts; these experts systematically have access to meetings of Commission expert groups dealing with the preparation of delegated acts.

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<sup>15</sup> OJ L 123, 12.5.2016, p.13.

## Amendment 18

### 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

accordance with Article 290 TFEU should be delegated to the Commission in respect of the amendment of the elements contained in Annex III of this Regulation regarding the common output and result indicators. It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level, and ***with the participation of the representatives of the affected community, and*** that those consultations be conducted in accordance with the principles laid down in the Interinstitutional Agreement of 13 April 2016 on Better Law-Making<sup>15</sup>. In particular, to ensure equal participation in the preparation of delegated acts, the European Parliament and the Council receive all documents at the same time as Member States' experts; these experts systematically have access to meetings of Commission expert groups dealing with the preparation of delegated acts.

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<sup>15</sup> OJ L 123, 12.5.2016, p.13.

##### *Amendment*

(19) The objectives of this Regulation, namely to support territories facing economic and social transformation in their transition to a climate-neutral economy, ***should take into account the effects of COVID-19 pandemic in the entire Union. These objectives*** 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



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,

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

### Proposal for a regulation Article 1 – paragraph 1

*Text proposed by the Commission*

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.

*Amendment*

1. This Regulation establishes the Just Transition Fund ('JTF') to provide support to territories ***or economic activities*** facing serious socio-economic challenges ***in*** the transition process towards a climate-neutral economy of the Union by 2050, ***particularly in terms of the creation of jobs, the up- and re-skilling of the workers and training.***

## Amendment 20

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

*Text proposed by the Commission*

In accordance with the second subparagraph of Article [4(1)] of Regulation (EU) [new CPR], the JTF shall contribute to the single specific objective 'enabling regions and people to address the social, economic and environmental impacts of the transition towards a climate-neutral economy'.

*Amendment*

In accordance with the second subparagraph of Article [4(1)] of Regulation (EU) [new CPR], the JTF shall contribute to the single specific objective ***supporting the actions targeted at a fair and successful energy transition and*** 'enabling regions, ***economic operators*** and people to address the social, economic and environmental impacts of the transition

towards a climate-neutral economy *by 2050*'. *JTF funding is necessary for the continued narrowing of regional disparities and for European social cohesion.*

## Amendment 21

### 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 **11 270 459 000 in current prices (10 billion in 2018 prices)** *and shall not result from the transfer of resources from other Union funds covered by EU Regulation.../...[new CPR]. That 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.

## Amendment 22

### 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 at **least 2 % or the annual inflation rate of the Union if the latter is higher than 2 %**.

## Amendment 23

### 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 an implementing act setting out the resources **for the 2021-2027 period**, including any additional resources referred to in paragraph 2, by Member State in accordance with the methodology set out in Annex I **and the annual breakdown of resources**.

## **Amendment 24**

### **Proposal for a regulation Article 3 – paragraph 4**

*Text proposed by the Commission*

4. By way of derogation from Article [21a] of Regulation (EU) [new CPR], any additional resources referred to in paragraph 2, allocated to the JTF in the Union budget or provided by other resources shall not require complementary **support** from the ERDF or the ESF+.

*Amendment*

4. By way of derogation from Article [21a] of Regulation (EU) [new CPR], any additional resources referred to in paragraph 2, allocated to the JTF in the Union budget or provided by other resources shall not require complementary **transfer** from the ERDF or the ESF+.

## **Amendment 25**

### **Proposal for a regulation Article 3a – paragraph 1**

*Text proposed by the Commission*

*Amendment*

***Measures referred to in Article 2 of Regulation [ERI] shall be implemented under the Just Transition Fund with an amount of EUR 32 803 000 000 in current prices (30 billion in 2018 prices) of the amount referred to in point (vi) of Article 3(2)(a) of that Regulation, subject to its Article 4(3), (4) and (8).***

***This amount shall be considered other resources as referred to in Article 3(2) and shall constitute external assigned revenues in accordance with Article 21(5) of Regulation (EU, Euratom) 2018/1046.***

*They shall be made available for budgetary commitment under the Investment for jobs and growth goal for the years 2021 to 2024 in addition to the global resources set out in Article 3 as follows:*

- 2021: EUR 7 954 600 000;*
- 2022: EUR 8 114 600 000;*
- 2023: EUR 8 276 600 000;*
- 2024: EUR 8 441 600 000.*

*In addition, EUR 15 600 000 in current prices shall be made available for administrative expenditure from the resources referred to in the first subparagraph.*

*(This amendment takes over the text of the new COM proposal 2020/0460. The text “(30 billion in 2018 prices)” is an addition compared to the text of that proposal.)*

## **Amendment 26**

### **Proposal for a regulation Article 3a – paragraph 2**

*Text proposed by the Commission*

*Amendment*

- 2. 0.35% of the amount referred to in the first subparagraph of paragraph 1 shall be allocated to technical assistance at the initiative of the Commission.*

*(This amendment takes over the text of the new COM proposal 2020/0460.)*

## **Amendment 27**

### **Proposal for a regulation Article 3a – paragraph 3**

*Text proposed by the Commission*

*Amendment*

- 3. The annual breakdown of the amount referred to in paragraph 1 by Member States shall be included in the*

***Commission decision referred to in Article 3(3) in accordance with the methodology set out in Annex I.***

*(This amendment takes over the text of the new COM proposal 2020/0460 and refers to the Annex I as amended by that proposal.)*

## **Amendment 28**

### **Proposal for a regulation Article 3a – paragraph 4**

*Text proposed by the Commission*

*Amendment*

***4. By way of derogation from Article [21a] of Regulation (EU) [new CPR] the amount referred to in paragraph 1 shall not require complementary transfer from the ERDF or the ESF+ set out in Annex I.***

*(This amendment takes over the text of the new COM proposal 2020/0460. The word “transfer” replaced the word “support” of the original text of that proposal.)*

## **Amendment 29**

### **Proposal for a regulation Article 3a – paragraph 5**

*Text proposed by the Commission*

*Amendment*

***5. By way of derogation from Article 14(3) of the Financial Regulation, the de-commitment rules set out in Chapter IV of Title VII of Regulation (EU) [new CPR] shall apply to the budgetary commitments based on resources referred to in paragraph 1. By derogation from Article 12(4)(c) of the Financial Regulation these resources shall not be used for a succeeding programme or action.***

*(This amendment takes over the text of the new COM proposal 2020/0460.)*

## Amendment 30

### 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 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 31

### 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:

## Amendment 32

### 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 investments in **companies**, including **SMEs and** start-ups, leading to economic reconversion;

## Amendment 33

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

*Text proposed by the Commission*

*Amendment*

**(da) investments related to production, processing, distribution, storage or combustion of natural gas under the**

*following conditions:*

*- the investments are retrofitting and/or replacing existing more carbon-intensive infrastructure;*

*- the investments contribute to achieving the Union climate-neutrality by 2050 at the latest;*

*- the supported infrastructure is synergistic with renewable and other carbon-neutral energy production capacity.*

## **Amendment 34**

### **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 **green infrastructure, reducing pollution**, regeneration and decontamination of sites, land restoration and repurposing projects, **including but not limited to the creation of biodiversity hubs, benefiting sustainable tourism**;

## **Amendment 35**

### **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 enhancing the circular economy, including through waste **of all kinds**, prevention, reduction, resource efficiency, reuse, repair and recycling;

## **Amendment 36**

### **Proposal for a regulation**

#### **Article 4 – paragraph 2 – subparagraph 1 – point h**

*Text proposed by the Commission*

*Amendment*

(h) upskilling and reskilling of workers;

(h) ***investments in programmes for upskilling and reskilling of workers and self-employed persons, as well in entrepreneurial training;***

### **Amendment 37**

#### **Proposal for a regulation**

##### **Article 4 – paragraph 2 – subparagraph 1 – point j**

*Text proposed by the Commission*

*Amendment*

(j) active inclusion of jobseekers;

(j) active inclusion of jobseekers ***in the form of support to access the labour market;***

### **Amendment 38**

#### **Proposal for a regulation**

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

*Text proposed by the Commission*

*Amendment*

***(ka) investments in the deployment of technology and infrastructures for clean and smart mobility contributing to greenhouse gas emission reduction and to diversification of sustainable mobility solutions; investments in public transport networks and fleets, with a special focus on promoting modal shift towards low emission mobility in metropolitan centres and rural areas;***

### **Amendment 39**

#### **Proposal for a regulation**

##### **Article 4 – paragraph 2 – subparagraph 1 – point (k b) (new)**

*Text proposed by the Commission*

*Amendment*

***(kb) industrial activities whose finished products or their use are ultimately***



*incompatible with the objective of carbon neutrality;*

## Amendment 40

### 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 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) *of this Regulation*. Such investments shall only be eligible where they are necessary for the implementation of the territorial just transition plan.

## Amendment 41

### Proposal for a regulation

#### Article 4 – paragraph 2 – subparagraph 3

*Text proposed by the Commission*

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*

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 *and do not, by virtue of windfall effects, merely add to the profits which industrial facilities can obtain under the ETS. Additionally, such investments shall be sustainable and shall*

*not increase or maintain dependency on solid fossil fuels.*

#### **Amendment 42**

##### **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 construction of nuclear power stations;

#### **Amendment 43**

##### **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<sup>16</sup> ;*

*Amendment*

*deleted*

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<sup>16</sup> *Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty (OJ L 187, 26.6.2014, p. 1).*

#### **Amendment 44**

##### **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 related to the production, processing, distribution, storage or combustion of fossil fuels, *except for natural gas*;

## Amendment 45

### 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*

**deleted**

## Amendment 46

### Proposal for a regulation

#### Article 6 – paragraph 1 – subparagraph 1

*Text proposed by the Commission*

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.

*Amendment*

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 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.

## Amendment 47

### 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** 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 48

### 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 they may be complemented by** the resources transferred **on a voluntary basis** in accordance with Article [21a] of Regulation (EU) [new CPR]. The total of the ERDF and ESF+ resources transferred to the JTF priority shall **not exceed three** times the amount of support from the JTF to that priority.

## Amendment 49

### 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 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<sup>17</sup> 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

*Amendment*

1. Member States shall prepare, **in full compliance with the partnership principle** together with the relevant authorities of the territories concerned, **including local and regional authorities**, one or more territorial just transition plans covering **the areas of** 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<sup>17</sup> 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, **labour market**, social **and**

production and use and the transformation needs of the production processes of industrial facilities with the highest greenhouse gas intensity.

***territorial cohesion*** 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 ***and conversion to alternative industries in sectors whose finished industrial products are ultimately incompatible with the target of carbon neutrality.***

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<sup>17</sup> Regulation (EC) No 1059/2003 of the European Parliament and of the Council of 26 May 2003 on the establishment of a common classification of territorial units for statistics (NUTS) (OJ L 154 21.6.2003, p. 1).

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<sup>17</sup> Regulation (EC) No 1059/2003 of the European Parliament and of the Council of 26 May 2003 on the establishment of a common classification of territorial units for statistics (NUTS) (OJ L 154 21.6.2003, p. 1).

## **Amendment 50**

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

*Text proposed by the Commission*

(a) a description of the transition process at national ***level*** towards a climate-neutral economy, including a timeline for key transition steps which are consistent with the latest version of the National Energy and Climate Plan ('NECP');

*Amendment*

(a) a description of the transition process at national ***regional and local levels*** towards a climate-neutral economy ***by 2050***, including a timeline for key transition steps which are consistent with the latest version of the National Energy and Climate Plan ('NECP');

## **Amendment 51**

### **Proposal for a regulation Article 7 – paragraph 2 – point a a (new)**

*Text proposed by the Commission*

*Amendment*

***(aa) a clear commitment in line with the objective of achieving a climate-neutral Union by 2050 and reaching its reduction targets by 2030;***

## Amendment 52

### 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** 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 53

### 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 **or economic activities**, including the social, **labour market**, economic, and environmental impact of the transition to a climate-neutral economy **by 2050, taking unemployment rates into account and** identifying the potential number of affected jobs and **the number of job losses and territorial revenue** losses, the development needs and objectives, to be reached by 2030 linked to the transformation or closure of greenhouse gas-intensive activities **or activities whose finished industrial products are ultimately incompatible with the target of carbon neutrality** in those territories;

## Amendment 54

### 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 addressing the social, economic and environmental impacts of the transition to a climate-neutral economy **by 2050, along with the design of sustainable mobility and green energy plans that are accessible and affordable in the territories most affected by the transition;**

**Amendment 55**

**Proposal for a regulation**

**Article 7 – paragraph 2 – point i**

*Text proposed by the Commission*

(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;

*Amendment*

(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 **by 2050** 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 56**

**Proposal for a regulation**

**Article 7 – paragraph 2 – point j a (new)**

*Text proposed by the Commission*

*Amendment*

**(ja) where support is provided to investment to transport infrastructure, a list of such operations and the impact study demonstrating the level of attracted investment, the expected jobs created as**

*effect of the built infrastructure and the contribution to greenhouse gas emission reduction;*

#### **Amendment 57**

##### **Proposal for a regulation**

##### **Article 7 – paragraph 2 – point j b (new)**

*Text proposed by the Commission*

*Amendment*

*(jb) a comprehensive timeframe of implementation for the concrete actions previewed in the plan.*

#### **Amendment 58**

##### **Proposal for a regulation**

##### **Article 7 – paragraph 4 – subparagraph 1**

*Text proposed by the Commission*

*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, ***industrial strategy, clean and smart mobility strategy***, the NECPs and the European Pillar of Social Rights.

#### **Amendment 59**

##### **Proposal for a regulation**

##### **Article 7 – paragraph 4 – subparagraph 1 a (new)**

*Text proposed by the Commission*

*Amendment*

***The territorial just transition plans shall exclude any public investment in solid fossil fuel infrastructure and shall offer an opportunity to further strengthen local economies.***





## PROCEDURE – COMMITTEE ASKED FOR OPINION

<b>Title</b>	Establishing the Just Transition Fund
<b>References</b>	COM(2020)0022 – C9-0007/2020 – 2020/0006(COD)
<b>Committee responsible</b> Date announced in plenary	REGI 29.1.2020
<b>Opinion by</b> Date announced in plenary	TRAN 29.1.2020
<b>Rapporteur</b> Date appointed	Dominique Riquet 13.2.2020
<b>Date adopted</b>	23.6.2020
<b>Result of final vote</b>	+: 36 –: 7 0: 6
<b>Members present for the final vote</b>	Magdalena Adamowicz, Andris Ameriks, José Ramón Bauzá Díaz, Izaskun Bilbao Barandica, Marco Campomenosi, Ciarán Cuffe, Jakop G. Dalunde, Johan Danielsson, Andor Deli, Karima Delli, Anna Deparnay-Grunenberg, Ismail Ertug, Gheorghe Falcă, Giuseppe Ferrandino, João Ferreira, Mario Furore, Søren Gade, Isabel García Muñoz, Elsi Katainen, Elena Kountoura, Julie Lechanteux, Bogusław Liberadzki, Peter Lundgren, Benoît Lutgen, Elżbieta Katarzyna Łukacijewska, Marian-Jean Marinescu, Tilly Metz, Giuseppe Milazzo, Cláudia Monteiro de Aguiar, Caroline Nagtegaal, Jan-Christoph Oetjen, Philippe Olivier, Rovana Plumb, Tomasz Piotr Poręba, Dominique Riquet, Dorien Rookmaker, Massimiliano Salini, Sven Schulze, Vera Tax, Barbara Thaler, István Ujhelyi, Petar Vitanov, Elissavet Vozemberg-Vrionidi, Roberts Zīle, Kosma Złotowski
<b>Substitutes present for the final vote</b>	Paolo Borchia, Clare Daly, Michael Gahler, Georg Mayer

## FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

36	+
ECR	Tomasz Piotr Poręba, Roberts Zīle, Kosma Złotowski
GUE/NGL	Clare Daly, João Ferreira, Elena Kountoura
PPE	Magdalena Adamowicz, Andor Deli, Gheorghe Falcă, Michael Gahler, Benoît Lutgen, Marian-Jean Marinescu, Giuseppe Milazzo, Cláudia Monteiro de Aguiar, Massimiliano Salini, Sven Schulze, Barbara Thaler, Elissavet Vozemberg-Vrionidi, Elżbieta Katarzyna Łukacijewska
RENEW	José Ramón Bauzá Díaz, Izaskun Bilbao Barandica, Søren Gade, Elsi Katainen, Caroline Nagtegaal, Jan-Christoph Oetjen, Dominique Riquet
S&D	Andris Ameriks, Johan Danielsson, Ismail Ertug, Giuseppe Ferrandino, Isabel Garcia Muñoz, Bogusław Liberadzki, Rovana Plumb, Vera Tax, István Ujhelyi, Petar Vitanov

7	-
ECR	Peter Lundgren
NI	Dorien Rookmaker
VERTS/ALE	Ciarán Cuffe, Jakob G. Dalunde, Karima Delli, Anna Deparnay-Grunenberg, Tilly Metz

6	0
ID	Paolo Borchia, Marco Campomenosi, Julie Lechanteux, Georg Mayer, Philippe Olivier
NI	Mario Furore

### Key to symbols:

+ : in favour

- : against

0 : abstention

16.6.2020

## **OPINION OF THE COMMITTEE ON AGRICULTURE AND RURAL DEVELOPMENT**

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: Isabel Carvalhais

### **SHORT JUSTIFICATION**

This draft opinion responds to the legislative proposal by the European Commission of January 2020 to establish a Just Transition Fund, supporting territories and communities in the transition to a circular and climate neutral EU economy by 2050, in line with the Paris Agreement.

Farmers are in the frontline, when it comes to climate change and are therefore one of the main interested parties in achieving this objective.

The opinion reaffirms that the Just Transition Fund must operate as additional tool with respect to new funding resources. All major MFF funds, the CAP included, must incorporate climate considerations into the decision-making with the aim to contribute to the decarbonisation of the economy, for which adequate funding is necessary. The JTF should complement and not damage the action of the other long-term EU policies.

Shared efforts are essential in achieving the common goal of a climate-neutral economy and, as such, access to the JTF should be conditional to the acceptance of a national objective of climate neutrality by 2050, as well as of intermediate targets for 2030.

The opinion underlines that special attention must be given to particularly affected territories that are rural or peripheral areas, which are facing already more profound social and economic challenges that further reduces their ability to respond to the challenges of the transition process. These regions can also have an important role in the development of renewable energy investments, including areas adjacent to those territories.

Inclusive policies and strategies are necessary to avoid exacerbating inequalities in the transition process and to ensure the necessary social support to the communities. As such, some new eligible activities of a social nature are proposed, as well as a bottom-up approach of stakeholder involvement.

## AMENDMENTS

The Committee on Agriculture and Rural Development 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 1

###### *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')<sup>11</sup> and is part of the Sustainable Europe Investment Plan<sup>12</sup> 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.

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<sup>11</sup> COM(2019) 640 final, 11.12.2019.

<sup>12</sup> COM(2020) 21, 14.1.2020.

###### *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 and the United Nations Sustainable Development Goals by concentrating Union funding on green objectives ***and on reducing carbon emissions, as well as the European Pillar of Social Rights.*** This Regulation implements one of the priorities set out in the Communication on the European Green Deal ('the European Green Deal')<sup>11</sup> and is part of the Sustainable Europe Investment Plan<sup>12</sup> 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 ***economy by 2050*** and ***to a*** circular economy, where any remaining greenhouse gas emissions are compensated by equivalent absorptions. ***Furthermore, the Just Transition Fund (JTF) takes into account the unprecedented impact of the COVID-19 crisis.***

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<sup>11</sup> COM(2019) 640 final, 11.12.2019.

<sup>12</sup> COM(2020) 21, 14.1.2020

## Amendment 2

### 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, ***inclusive, scientifically underpinned*** and socially acceptable for all. Therefore, both the Union and the Member States, ***together with regional and local authorities and stakeholders***, must take into account its economic and social implications from the outset, and deploy all possible instruments to mitigate ***the anticipated*** adverse consequences, ***thereby respecting the “do no harm” principle of the European Green Deal***. The Union budget has an important role in that regard.

## Amendment 3

### Proposal for a regulation Recital 3 a (new)

*Text proposed by the Commission*

*Amendment*

***(3a) The principle of climate mainstreaming across all Union programmes is essential in achieving a climate-neutral economy by 2050, in line with the objectives of the Paris Agreement. All major multiannual financial framework (MFF) funds, including the common agricultural policy (CAP), should incorporate climate considerations into the decision-making and contribute to the decarbonisation of the economy. Only with adequate budgetary resources can those programmes be effective in ensuring a fair and just transition for all. The MFF for 2021-2027 should thus provide a strong and ambitious financial framework to effectively meet that ambition and should allocate new funding so that the***

*JTF can operate as an additional tool for climate action, complementing and not harming the action and impact of other long-term Union policies. The establishment of the JTF should not imply a reduction of the resources allocated to the other MFF funds, in particular the CAP or cohesion policy.*

#### Amendment 4

##### 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 level**.

*Amendment*

(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. **The Union should accompany and support regions and the people living there in** transitioning towards climate neutrality, **establishing a balance between the needs, such as employment, energy independence or food security, and the Union's goal of climate neutrality** by bringing together the Union budget's spending on climate, **cohesion** and social objectives at **all relevant levels**. **In that regard, sustainable forest management and farming and related sectors have an important role to play in the future CAP.**

#### Amendment 5

##### 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

*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

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].

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, **sustainability**, and modernisation **and reconversion** of the local economy, **by pinpointing and harnessing alternative resources at local level**, and by mitigating the negative repercussions on employment. **It should contribute to the prevention of environmental degradation. The measures supported by the JTF should counteract the phenomenon of the depopulation of regions in the process of energy transition.** 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 6

### 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

*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 and the increased ambition of the Union as proposed in the European Green Deal **and Regulation (EU).../... (the European Climate Law) to create opportunities of a more prosperous, inclusive, healthier and greener continent**, the JTF should provide a key contribution to mainstream climate actions **and help the transition to a renewable-based, resource- and energy-efficient and a climate-neutral economy by 2050.** Resources from the JTF own envelope are



achievement of this target.

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+ *can* contribute fully to the achievement of this target.

## Amendment 7

### Proposal for a regulation

#### Recital 6 a (new)

*Text proposed by the Commission*

*Amendment*

***(6a) The transition to a climate-neutral and sustainable economy and society is one of the most important common objectives of the Union, where the shared efforts by all are essential to its achievement. As the JTF is part of the European Green Deal, access to the JTF should be conditional on the acceptance of a national objective of climate neutrality by 2050, as well as of the intermediate targets for 2030.***

## Amendment 8

### Proposal for a regulation

#### Recital 7

*Text proposed by the Commission*

*Amendment*

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

(7) The resources from the JTF should complement the resources available under cohesion policy ***and the CAP's rural development policy, as well as national and regional investments and private capital, and should not by any means replace such investments.***

#### *Justification*

*The CAP is the policy that should be supporting agricultural producers to transition to more sustainable practices, and moving away from fossil fuel dependence. In addition, the social and rural community-based aspects of rural development CAP funding, like the cohesion*

*funds, should be maintained, not cut, and the JTF should work alongside in addition to those measures.*

## **Amendment 9**

### **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 **and circular** 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 dependence on the greenhouse gas-intensive industrial activities and** the capacity of Member States to finance the necessary investments to cope with the transition towards climate neutrality.

## **Amendment 10**

### **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

##### *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 people, communities and local economies and are sustainable in the long term, aligning with the objectives of the European Green Deal and of the Paris Agreement.** The

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<sup>13</sup> 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.

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<sup>13</sup> 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.

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<sup>13</sup> while maintaining and enhancing employment and avoiding environmental degradation. ***Support should also be provided for innovative practices in land-use and agriculture that contribute to reducing the carbon footprint of the sector and for rural development activities promoting the diversification of the local economy in rural areas.*** 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 ***enhance the creation of sustainable jobs and*** help mitigate the negative side effects of a transition towards, and contribute to, a climate-neutral ***economy by 2050 and a*** circular economy.

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<sup>13</sup> 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 11**

### **Proposal for a regulation Recital 10 a (new)**

*Text proposed by the Commission*

*Amendment*

***(10a) Transitioning from fossil fuels can be a challenge due to sometimes diverging objectives. It can be the case for hydroenergy projects which can have a negative impact on the ecological status of water bodies, their connectivity, fish population and consequently on local communities and their livelihoods. The JTF should finance only no-regret and win-win solutions both for the environment and climate. Such solutions should be set out in the project description and, where applicable, be covered by the scope of a project.***

## **Amendment 12**

### **Proposal for a regulation Recital 10 b (new)**

*Text proposed by the Commission*

*Amendment*

***(10b) With a view to tackling climate change and to achieving a climate-neutral economy, the JTF should support the development of a strong circular bioeconomy to drive sustainability in the agriculture sector. Sustainably and efficiently produced biomass from the agricultural, forestry and marine sectors, that gives value to side-stream and bio-waste, could contribute significantly to meeting the Union's climate commitments.***

## **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) 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 new professional qualifications targeted towards future-oriented sectors***, with the aim of helping them to adapt to new employment opportunities, as well as providing job-search assistance ***and counselling*** to jobseekers, ***ensuring equal access to all groups of people without discrimination***, and their active inclusion into the labour market.

## Amendment 14

### 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

*Amendment*

(12) In order to enhance the economic diversification, ***modernisation and reconversion*** of territories impacted by the transition, the JTF should provide support to productive investment in SMEs, ***taking into account sustainable and environmentally friendly activities, as defined in the relevant Union law, and which contributes to the Union's aim towards a circular economy***. 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, ***taking into account sustainable and environmentally friendly activities as defined in the relevant Union law***, should only be supported if they are necessary for mitigating job losses resulting from the transition, by creating or protecting a

under Directive 2003/87/EC of the European Parliament and of the Council<sup>14</sup> 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.

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<sup>14</sup> 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 *and the level playing field* 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.

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<sup>14</sup> Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a scheme for greenhouse gas emission allowance trading within the Community and amending Council Directive 96/61/EC (OJ L 275, 25.10.2003, p. 32).

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<sup>14</sup> Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a scheme for greenhouse gas emission allowance trading within the Community and amending Council Directive 96/61/EC (OJ L 275, 25.10.2003, p. 32).

## Amendment 15

### Proposal for a regulation Recital 12 a (new)

*Text proposed by the Commission*

*Amendment*

***(12a) Inclusive policies and strategies are necessary to avoid exacerbating inequalities in a just transition process that should benefit everyone. The promotion of social cohesion should be a***

*guiding principle for support under the JTF, promoting gender equality, ensuring vibrant rural areas, improved conditions for migrants, seasonal workers, young and older workers and low-skilled workers and ensuring that no one is left behind. Evaluations have shown the importance of taking into account the gender-equality objectives in all dimensions and in all stages of the preparation, monitoring, implementation and evaluation of operational programmes, in a timely and consistent manner while ensuring that specific actions are taken to promote gender equality.*

## **Amendment 16**

### **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 with the type of operations set out in the territorial just transition plans.

*Amendment*

(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 *might* be reinforced 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.

## **Amendment 17**

### **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 18**

### **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

*Amendment*

(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, ***together*** with the relevant stakeholders, ***including civil society and local communities concerned***, 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*

(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 ***gradual*** conversion or ***gradual*** closure of facilities involving fossil fuel production or other greenhouse gas intensive activities, ***while maintaining and boosting employment opportunities, through reskilling of workers and facilitating their transition to other types of employment 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



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.

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) **and submitted for approval** by the Commission.

## Amendment 19

### Proposal for a regulation Recital 15 a (new)

*Text proposed by the Commission*

*Amendment*

***(15a) Member States should favour the adoption of bottom-up strategies in the preparation and implementation of the territorial just transition plans, ensuring the active participation of the relevant public authorities, economic and social partners from all sectors of activity, and other relevant civil society stakeholders, including from the agricultural sector. In order to achieve effective action at local level, the stakeholders at the level of the territories affected should, where feasible, be actively involved in the preparation of the territorial just transition plans.***

## Amendment 20

### Proposal for a regulation Recital 16

*Text proposed by the Commission*

*Amendment*

(16) In order to **enhance** the result orientation of the use of JTF resources, the

(16) In order to **optimise** the result orientation of the use of JTF resources **and**

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.

*to enhance the result orientation of the JTF*, 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 21

### Proposal for a regulation Recital 16 a (new)

*Text proposed by the Commission*

*Amendment*

***(16a) Special attention and support should be given to rural and peripheral areas affected by the transition process. Many of those areas already face stronger social and economic challenges, including farmers and small businesses, such as ageing, out-migration of young people and overall depopulation and low-population density, lower level skills, less digital infrastructure and connectivity and lower energy connectivity, further reducing their ability to respond to the challenges of the transition process. Those areas could also have an important role in providing capacity for the installation of renewable energy investment, while safeguarding agricultural land. The territorial plans should also therefore contemplate the possibility of including adjacent rural areas to the identified territories as eligible for the deployment of renewable energy technology and infrastructures.***

## Amendment 22

### Proposal for a regulation Article 1 - paragraph 1

*Text proposed by the Commission*

*Amendment*

1. This Regulation establishes the Just

1. This Regulation establishes the Just

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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.

Transition Fund ('JTF') to provide support to *people and the* territories *that require additional support to face* serious socio-economic challenges deriving from the transition process towards a climate-neutral economy of the Union by 2050 *and a circular economy, and to turn the challenges into opportunities, particularly in terms of sustainable new jobs, in a way that does not compromise environmental objectives and that safeguards natural resources.*

## Amendment 23

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

*Text proposed by the Commission*

In accordance with the second subparagraph of Article [4(1)] of Regulation (EU) [new CPR], the JTF shall contribute to the single specific objective 'enabling regions *and* people to address the social, economic and environmental impacts of the transition towards a climate-neutral economy'.

*Amendment*

In accordance with the second subparagraph of Article [4(1)] of Regulation (EU) [new CPR], the JTF shall contribute to the single specific objective 'enabling regions, people *and enterprises* to address the social, economic, *public health* and environmental impacts of the *smooth* transition towards a climate-neutral *and circular* economy', *while contributing to preserving Europe's natural resources and preventing environmental degradation.*

## Amendment 24

### 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 the Investment for jobs and growth goal in all Member States, *the overarching objectives of the European Green Deal, and in particular the Union climate-neutrality objective as laid down in Regulation (EU) 2020 /... (the European Climate Law), in*

*order to tackle climate and environmental challenges while ensuring a just transition that leaves no-one behind .*

## Amendment 25

### Proposal for a regulation

#### Article 3 – paragraph 2 – subparagraph 1

*Text proposed by the Commission*

2. 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*

2. The resources for the JTF under the Investment for jobs and growth goal available for budgetary commitment for the period 2021-2027 shall be of **EUR X billion** in 2018 prices, which may be increased by additional resources allocated in the Union budget, and by other resources in accordance with the applicable basic act. ***The JTF shall not be funded at the expense of resources allocated to other MFF funds, including those allocated to the CAP. This amount constitutes additional resources and its financing shall not imply reduction on the resources allocated to the other MFF funds, in particular the CAP or cohesion policy<sup>1a</sup>.***

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***<sup>1a</sup> In its resolution of 14 November 2018 on the Multiannual Financial Framework 2021-2027 – Parliament’s position with a view to an agreement, the European Parliament took a position in favour of maintaining the financing of the Cohesion policy and of the CAP for the EU-27 at the level of the 2014-2020 budget in real terms. The funding of the JTF shall constitute additional resources to this.***

## Amendment 26

### Proposal for a regulation

## Article 3 – paragraph 3 a (new)

*Text proposed by the Commission*

*Amendment*

**3a. Access to the JTF shall be conditional on the Member State commitment to a national target of climate neutrality by 2050 as well as of the intermediate targets of decarbonisation established for 2030.**

## Amendment 27

### Proposal for a regulation Article 3 – paragraph 4

*Text proposed by the Commission*

*Amendment*

**4. By way of derogation from Article [21a] of Regulation (EU) [new CPR], any additional resources referred to in paragraph 2, allocated to the JTF in the Union budget or provided by other resources shall not require complementary support from the ERDF or the ESF+.**

**deleted**

## Amendment 28

### Proposal for a regulation Article 4 – paragraph 1

*Text proposed by the Commission*

*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.

1. The JTF shall only support activities that are 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 29

### 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 investments in SMEs, including start-ups, leading to **job creation**, economic diversification and reconversion, **taking into account sustainable and environmentally friendly activities as defined in the relevant Union law**;

## Amendment 30

### 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, fostering the transfer **and increased access** of advanced technologies, **including innovative practices reducing carbon emissions in land-use and agriculture**;

## Amendment 31

### 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, **clean public transport in rural areas**, in greenhouse gas emission reduction, energy efficiency and renewable energy, **including in adjacent areas to the identified territories, when duly justified**;

## Amendment 32

### 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, ***in particular for the roll-out of high speed broadband in remote and rural areas, fostering access to digital technologies for all, including digital farming;***

## Amendment 33

### 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 and decontamination of sites, land restoration and repurposing projects, ***prioritising development of green infrastructures and use for agricultural and forestry activities, where appropriate, while ensuring respect for the “polluter pays” principle;***

## Amendment 34

### 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 enhancing the circular economy, ***including the sustainable circular bioeconomy,*** including through waste prevention, reduction, resource efficiency, reuse, repair and recycling;

## Amendment 35

### Proposal for a regulation

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

*Text proposed by the Commission*

*Amendment*

***(ga) investments in projects fighting the risk of energy poverty, improving energy efficiency;***

**Amendment 36**

**Proposal for a regulation**

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

*Text proposed by the Commission*

*Amendment*

(h) upskilling **and** reskilling of workers;

(h) upskilling, reskilling of workers **and jobseekers, and reintegration programmes in new areas of activity of workers and jobseekers;**

**Amendment 37**

**Proposal for a regulation**

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

*Text proposed by the Commission*

*Amendment*

(i) job-search assistance to jobseekers;

(i) job-search assistance **and counselling** to jobseekers;

**Amendment 38**

**Proposal for a regulation**

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

*Text proposed by the Commission*

*Amendment*

(j) active inclusion of jobseekers;

(j) active inclusion of jobseekers, **ensuring equal access and promoting gender equality;**

**Amendment 39**

**Proposal for a regulation**



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

*Text proposed by the Commission*

*Amendment*

***(ja) investments that contribute to reducing the risk of depopulation of the territories affected by the transition, in particular rural areas;***

**Amendment 40**

**Proposal for a regulation**

**Article 4 – paragraph 2 – subparagraph 1 – point j b (new)**

*Text proposed by the Commission*

*Amendment*

***(jb) investments in social infrastructure and social services of general interest in areas with low coverage, in particular rural areas, and in the protection of vital workers affected by the transition or crisis in their sector;***

**Amendment 41**

**Proposal for a regulation**

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

*Text proposed by the Commission*

*Amendment*

(k) technical assistance.

(k) technical assistance ***and advisory services.***

**Amendment 42**

**Proposal for a regulation**

**Article 4 – paragraph 2 – subparagraph 2**

*Text proposed by the Commission*

*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, productive investments in enterprises other than SMEs, provided that such investments

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***

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.

*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) **of this Regulation**. Such investments shall only be eligible where they are necessary for the implementation of the territorial just transition plan. ***The JTF may also support investments addressed to farmers and small rural businesses focused on sustainable agricultural and forestry activities.***

### Amendment 43

#### 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<sup>16</sup>;

*Amendment*

(c) undertakings in difficulty, as defined in Article 2(18) of Commission Regulation (EU) No 651/2014<sup>16</sup>, ***except in the cases where the difficulties derive from the COVID-19 crisis***;

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<sup>16</sup> Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty (OJ L 187, 26.6.2014, p. 1).

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<sup>16</sup> Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty (OJ L 187, 26.6.2014, p. 1).

### Amendment 44

#### 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

*Amendment*

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.

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, ***the target of climate neutrality by 2050 and the objectives of the European Green Deal.***

## Amendment 45

### 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 in accordance with Article [21a] of Regulation (EU) [new CPR]. The total of the ERDF and ESF+ resources transferred to the JTF priority shall ***not exceed three*** times the amount of support from the JTF to that priority.

## Amendment 46

### 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 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***<sup>17</sup> or parts thereof, in accordance

*Amendment*

1. Member States shall prepare, together with the relevant authorities ***and stakeholders*** of the territories concerned, ***including local and regional authorities***, 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

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.

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<sup>17</sup> Regulation (EC) No 1059/2003 of the European Parliament and of the Council of 26 May 2003 on the establishment of a common classification of territorial units for statistics (NUTS) (OJ L 154 21.6.2003, p. 1).

Regulation (EC) **No 2016/2066**<sup>17</sup> 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, **processing** and use and the transformation needs of the production processes of industrial facilities with the highest greenhouse gas intensity

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<sup>17</sup> Regulation (EC) No 1059/2003 of the European Parliament and of the Council of 26 May 2003 on the establishment of a common classification of territorial units for statistics (NUTS) (OJ L 154 21.6.2003, p. 1).

#### **Amendment 47**

##### **Proposal for a regulation**

##### **Article 7 – paragraph 2 – subparagraph 1 – point a**

###### *Text proposed by the Commission*

(a) a description of the transition process at national level towards a climate-neutral economy, including a timeline for key transition steps which are consistent with the latest version of the National Energy and Climate Plan ('NECP');

###### *Amendment*

(a) a description of the transition process at national level towards **the target of** a climate-neutral economy **by 2050**, including a **precise** timeline, for key transition steps **to the intermediate targets of decarbonisation established for 2030** which are consistent with the latest version of the National Energy and Climate Plan ('NECP');

#### **Amendment 48**

##### **Proposal for a regulation**

##### **Article 7 – paragraph 2 – subparagraph 1 – 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

###### *Amendment*

(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;

(a) and to be supported by the JTF, in accordance with paragraph 1, **and adjacent areas, where applicable, which can contribute to the effort for the transition or that are affected from an economic and social perspective by the transition process of the identified territories, in particular rural areas;**

## Amendment 49

### Proposal for a regulation

#### Article 7 – paragraph 2 – subparagraph 1 – 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 risk of depopulation of the affected regions**, the development needs and objectives, to be reached by 2030 linked to the transformation or closure of greenhouse gas-intensive activities in those territories **and the challenges regarding energy poverty;**

## Amendment 50

### Proposal for a regulation

#### Article 7 – paragraph 2 – subparagraph 1 – 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*

**deleted**

## Amendment 51

### Proposal for a regulation

#### Article 7 – paragraph 2 – subparagraph 1 – 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, ***and an assessment of potential spill over effects of transition on adjacent regions;***

## Amendment 52

### Proposal for a regulation

#### Article 7 – paragraph 2 – subparagraph 1 – point e a (new)

*Text proposed by the Commission*

*Amendment*

***(ea) a list of the consulted partners and relevant stakeholders from the territory concerned;***

## Amendment 53

### Proposal for a regulation

#### Article 7 – paragraph 3

*Text proposed by the Commission*

*Amendment*

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

3. The preparation and implementation of territorial just transition plans shall involve the relevant partners in accordance with Article [6] of Regulation (EU) [new CPR] ***and, where feasible, the relevant stakeholders at the geographical level of the affected territories referred in paragraph 1 of this Article, in a bottom-up approach.***

## Amendment 54

### Proposal for a regulation

## Article 7 – paragraph 4 – subparagraph 1

*Text proposed by the Commission*

4. 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*

4. 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 and the United Nations Sustainable Development Goals. Territorial just transition plans shall strengthen local economies and short economic routes and supply chains.***

## Amendment 55

### Proposal for a regulation

#### Article 7 – paragraph 4 – subparagraph 2 a (new)

*Text proposed by the Commission*

*Amendment*

***The mid-term assessment referred to in the second subparagraph shall include the evaluation of the progress made towards the net-zero emissions target for 2050 and the intermediate targets for 2030.***

## Amendment 56

### Proposal for a regulation

#### Article 8 – paragraph 2

*Text proposed by the Commission*

*Amendment*

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.

2. For output indicators, baselines shall be set at zero. The milestones set for 2024 and targets set for 2029 shall be cumulative. Targets ***may, in well justified circumstances,*** 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 57

### 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 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*

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 **70%** 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.



## PROCEDURE – COMMITTEE ASKED FOR OPINION

<b>Title</b>	Establishing the Just Transition Fund
<b>References</b>	COM(2020)0022 – C9-0007/2020 – 2020/0006(COD)
<b>Committee responsible</b> Date announced in plenary	REGI 29.1.2020
<b>Opinion by</b> Date announced in plenary	AGRI 29.1.2020
<b>Rapporteur</b> Date appointed	Isabel Carvalhais 4.3.2020
<b>Discussed in committee</b>	31.3.2020
<b>Date adopted</b>	11.6.2020
<b>Result of final vote</b>	+: 43 –: 1 0: 3
<b>Members present for the final vote</b>	Mazaly Aguilar, Clara Aguilera, Atidzhe Alieva-Veli, Álvaro Amaro, Eric Andrieu, Attila Ara-Kovács, Carmen Avram, Adrian-Dragoş Benea, Benoît Biteau, Mara Bizzotto, Daniel Buda, Isabel Carvalhais, Asger Christensen, Angelo Ciocca, Ivan David, Paolo De Castro, Jérémy Decerle, Salvatore De Meo, Herbert Dorfmann, Luke Ming Flanagan, Dino Giarrusso, Francisco Guerreiro, Martin Häusling, Martin Hlaváček, Krzysztof Jurgiel, Jarosław Kalinowski, Gilles Lebreton, Norbert Lins, Chris MacManus, Mairead McGuinness, Marlene Mortler, Ulrike Müller, Maria Noichl, Juozas Olekas, Pina Picierno, Maxette Pirbakas, Eugenia Rodríguez Palop, Bronis Ropé, Bert-Jan Ruissen, Anne Sander, Petri Sarvamaa, Simone Schmiedtbauer, Annie Schreijer-Pierik, Veronika Vrecionová, Juan Ignacio Zoido Álvarez
<b>Substitutes present for the final vote</b>	Franc Bogovič, Francesca Donato, Lena Düpont, Fredrick Federley, Valter Flego, Emmanouil Fragkos, Claude Gruffat, Anja Hazekamp, Pär Holmgren, Ivo Hristov, Jan Huitema, Peter Jahr, Zbigniew Kuźmiuk, Elena Lizzi, Benoît Lutgen, Tilly Metz, Dan-Ştefan Motreanu, Christine Schneider, Michaela Šojdrová, Marc Tarabella, Irène Tolleret, Ruža Tomašić

## FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

43	+
ECR	Mazaly Aguilar, Emmanouil Fragkos, Krzysztof Jurgiel, Veronika Vrecionová
GUE/NGL	Luke Ming Flanagan, Chris Macmanus, Eugenia Rodríguez Palop
ID	Gilles Lebreton, Maxette Pirbakas
NI	Dino Giarusso
PPE	Álvaro Amaro, Daniel Buda, Salvatore De Meo, Herbert Dorfmann, Jaroslaw Kalinowski, Norbert Lins, Marlene Mortler, Anne Sander, Petri Sarvamaa, Simone Schmiedtbauer, Christine Schneider, Annie Schreijer-Pierik, Juan Ignacio Zoido Álvarez
Renew	Atidzhe Alieva-Veli, Asger Christensen, Jérémy Decerle, Ulrike Müller, Irène Tolleret
S&D	Clara Aguilera, Eric Andrieu, Attila Ara-Kovács, Carmen Avram, Adrian-Dragoş Benea, Isabel Carvalhais, Paolo De Castro, Maria Noichl, Juozas Olekas, Pina Picierno
Verts/ALE	Benoît Biteau, Claude Gruffat, Francisco Guerreiro, Pär Holmgren, Bronis Ropé

1	-
ID	Ivan David

3	0
ID	Angelo Ciocca, Mara Bizzotto
Renew	Martin Hlaváček

Key to symbols:

- + : in favour
- : against
- 0 : abstention

## PROCEDURE – COMMITTEE RESPONSIBLE

<b>Title</b>	Establishing the Just Transition Fund			
<b>References</b>	COM(2020)0022 – C9-0007/2020 – 2020/0006(COD)			
<b>Date submitted to Parliament</b>	15.1.2020			
<b>Committee responsible</b> Date announced in plenary	REGI 29.1.2020			
<b>Committees asked for opinions</b> Date announced in plenary	BUDG 29.1.2020	ECON 15.5.2020	EMPL 29.1.2020	ENVI 29.1.2020
	ITRE 29.1.2020	TRAN 29.1.2020	AGRI 29.1.2020	
<b>Associated committees</b> Date announced in plenary	ENVI 27.5.2020	EMPL 27.5.2020	BUDG 27.5.2020	ITRE 27.5.2020
	ECON 27.5.2020			
<b>Rapporteurs</b> Date appointed	Manolis Kefalogiannis 21.1.2020			
<b>Discussed in committee</b>	19.2.2020	12.5.2020		
<b>Date adopted</b>	6.7.2020			
<b>Result of final vote</b>	+: –: 0:	27 7 8		
<b>Members present for the final vote</b>	François Alfonsi, Mathilde Androuët, Pascal Arimont, Adrian-Dragoş Benea, Isabel Benjumea Benjumea, Tom Berendsen, Erik Bergkvist, Stéphane Bijoux, Franc Bogovič, Andrea Cozzolino, Corina Creţu, Rosa D’Amato, Tamás Deutsch, Christian Doleschal, Francesca Donato, Raffaele Fitto, Chiara Gemma, Cristian Ghinea, Mircea-Gheorghe Hava, Krzysztof Hetman, Peter Jahr, Manolis Kefalogiannis, Ondřej Knotek, Constanze Krehl, Elżbieta Kruk, Cristina Maestre Martín De Almagro, Pedro Marques, Nora Mebarek, Martina Michels, Niklas Nienaß, Andrey Novakov, Younous Omarjee, Alessandro Panza, Tsvetelina Penkova, Caroline Roose, André Rougé, Susana Solís Pérez, Irène Tolleret, Monika Vana			
<b>Substitutes present for the final vote</b>	Vlad-Marius Botoş, Izabela-Helena Kloc, Stefania Zambelli			
<b>Date tabled</b>	15.7.2020			

## FINAL VOTE BY ROLL CALL IN COMMITTEE RESPONSIBLE

27	+
EPP	Pascal Arimont, Isabel Benjumea Benjumea, Tom Berendsen, Franc Bogovič, Tamás Deutsch, Christian Doleschal, Mircea-Gheorghe Hava, Krzysztof Hetman, Peter Jahr, Manolis Kefalogiannis, Andrey Novakov
S&D	Adrian-Dragoș Benea, Erik Bergkvist, Andrea Cozzolino, Corina Crețu, Constanze Krehl, Cristina Maestre Martín De Almagro, Pedro Marques, Nora Mebarek, Tsvetelina Penkova
RENEW	Stéphane Bijoux, Vlad-Marius Botoș, Cristian Ghinea, Ondřej Knotek, Susana Solís Pérez, Irène Tolleret
EUL/NGL	Younous Omarjee

7	-
ID	Francesca Donato, Alessandro Panza, Stefania Zambelli
GREENS/EFA	François Alfonsi, Niklas Nienaß, Caroline Roose, Monika Vana

8	0
ID	Mathilde Androuët, André Rougé
ECR	Raffaele Fitto, Izabela-Helena Kloc, Elżbieta Kruk
EUL/NGL	Martina Michels
NI	Rosa D'Amato, Chiara Gemma

Key to symbols:

+ : in favour

- : against

0 : abstention