



2020/0006(COD)

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

PA_Legam

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')¹¹ and is part of the Sustainable Europe Investment Plan¹² 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, **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 Communication on the European Green Deal ('the European Green Deal')¹¹ and is part of the Sustainable Europe Investment Plan¹² 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**.

¹¹ COM(2019) 640 final, 11.12.2019.

¹² COM(2020) 21, 14.1.2020.

¹¹ COM(2019) 640 final, 11.12.2019.

¹² 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 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, **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 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 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.

(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 ***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

(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 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 **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

Amendment

(7) The resources from the JTF **should** complement the resources available under

(7) The resources from the JTF should **be complementary to** the resources available under cohesion policy, **without**

cohesion policy.

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, in line with the EU 2030 climate objectives and EU climate neutrality by 2050¹³ 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 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) 2020/852 of the European Parliament and of the Council ^{12a}, 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 2050¹³ 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.**

^{12a} 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).

¹³ As set out in “A Clean Planet for all European strategic long-term vision for a prosperous, modern, competitive and climate neutral economy”, Communication from the Commission to the European Parliament, the European Council, the Council, the European Economic and Social Committee, the Committee of the Regions and the European Investment Bank - COM(2018) 773 final.

¹³ As set out in “A Clean Planet for all European strategic long-term vision for a prosperous, modern, competitive and climate neutral economy”, Communication from the Commission to the European Parliament, the European Council, the Council, the European Economic and Social Committee, the Committee of the Regions and the European Investment Bank - COM(2018) 773 final.

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

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 to adapt to new ***employment*** opportunities, as well as providing job-search assistance to jobseekers and their active inclusion ***into the labour market***.

(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

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 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

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 Council¹⁴ 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.

¹⁴ 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).

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 Council¹⁴ 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 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.

¹⁴ 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^{1a} accordingly;

^{1a} 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-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.

(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 ***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 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

(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**.

Amendment 26

Proposal for a regulation 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

(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 ***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 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

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 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^{1a} 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.

^{1a} 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

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**

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;

(e) investments in digitalisation and digital connectivity;

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, *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;
- (g) investments in enhancing the circular economy, including through waste prevention, reduction, resource efficiency, reuse, repair and recycling;
- (h) upskilling and reskilling of workers;
- (i) job-search assistance to jobseekers;
- (j) active inclusion of jobseekers;
- (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**

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

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.

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

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

Amendment

(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

(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 ***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

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 National Energy and Climate Plan of the Member State concerned.

Amendment

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 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**

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.**

priority but shall not exceed three times *that* amount.

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

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***

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;

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

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 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 ***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 (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***

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

Amendment

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

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

Title	Establishing the Just Transition Fund
References	COM(2020)0022 – C9-0007/2020 – 2020/0006(COD)
Committee responsible Date announced in plenary	REGI 29.1.2020
Opinion by Date announced in plenary	ENVI 29.1.2020
Associated committees - date announced in plenary	27.5.2020
Rapporteur Date appointed	Alexandr Vondra 24.3.2020
Discussed in committee	4.5.2020
Date adopted	29.6.2020
Result of final vote	+ : 36 - : 19 0 : 21
Members present for the final vote	Nikos Androulakis, Bartosz Arłukowicz, Margrete Auken, Simona Baldassarre, Marek Paweł Balt, Traian Băsescu, Aurelia Beigneux, Monika Beňová, Sergio Berlato, 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
Substitutes present for the final vote	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	Michał 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

