



**2020/0100(COD)**

2.10.2020

## **OPINION**

of the Committee on Industry, Research and Energy

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

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

Rapporteur for opinion: Izabela-Helena Kloc

PA\_Legam

## SHORT JUSTIFICATION

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

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

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

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

First, the definition of beneficiary was clarified. The term ‘public sector legal entity’ refers to both to an entity established as a public law body and to those established as private law bodies which are entrusted with a public service mission. This seems to exclude from the scope enterprises that formally are not public sector entities however they carry out important public tasks such as waste management, recycling, city lightning, etc. Rapporteur believes that such exclusion is not justified and would prevent realisation of a number of vital public interest projects and suggested respective change. Taking into account that there is no uniformed definition and understanding of a notion of “public service mission” across national laws it was clearly stated that the fact of its entering in a PPP with a public body should constitute the public service mission. In this way an ambiguity was solved whether the private entity needs to fulfil a public service mission in general, i.e. prior to and outside of the PPP, or whether, by contrast, the fact of entering in a PPP with a public body constitutes the public service mission.

Second, the rapporteur stressed the necessity of a wide range of investments to be covered under the Facility. Broader development needs stemming from the transition process and detailed in the territorial just transition plans will need to be addressed. In order to promote new economic activities replacing those that are phased out due to ambitious climate policies of the EU and to enhance the economic diversification of territories affected, the Facility should cover a wider range of investments compared to the first pillar. The wider range of investments eligible should reflect the particularities of the needs of the regions affected as expressed in their territorial just transition plans e.g. in transport, waste management, public lighting, district heating, distribution and energy transmission. This should include

investments in natural gas as a RES enabler and an efficient and affordable way of fuel-switching from more emissive sources that delivers low-emission solutions for economies and ensures that costs of the transition are kept in checks.

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

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

## AMENDMENTS

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

### Amendment 1

#### Proposal for a regulation

##### Recital 1

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

(1) The Commission adopted a Communication on the European Green Deal on 11 December 2019<sup>9</sup>, drawing its roadmap towards a new growth policy for Europe and setting ambitious objectives to counter climate change and for environmental protection. In line with the objective **to achieve** climate neutrality **in the Union** by 2050 in an effective **and fair** manner, the European Green Deal announced a Just Transition Mechanism to provide means for facing the **climate** challenge while leaving no one behind. The most vulnerable regions and people are the most exposed to the harmful effects of

###### *Amendment*

(1) The Commission adopted a Communication on the European Green Deal on 11 December 2019<sup>9</sup>, drawing its roadmap towards a new growth policy for Europe and setting ambitious objectives to counter climate change and for environmental protection. In line with the objectives **of achieving the Union's 2030 targets for climate and energy and** climate neutrality by 2050 in an effective, **fair and solidary** manner **and taking into account the global framework set by Paris Agreement**, the European Green Deal announced a Just Transition Mechanism to provide means for facing the challenge **of**

climate change and environmental degradation. At the same time, managing the transition requires significant structural changes.

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<sup>9</sup> COM(2019) 640 final.

## Amendment 2

### Proposal for a regulation Recital 1 a (new)

*Text proposed by the Commission*

***the transition*** while leaving no one behind. The most vulnerable regions and people are the most exposed to the harmful effects of climate change and environmental degradation. At the same time, managing the transition requires significant structural changes.

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<sup>9</sup> COM(2019) 640 final.

*Amendment*

***(1a) Achieving the Union's climate objectives requires addressing not only the problem of variable speed transition in the Union as regards climate action, but also the risk of growing socio-economic disparities between regions and the discontent of potentially adversely affected social groups. It is of paramount importance that efforts are concentrated on economic transformation and revitalisation of the territories concerned, for example coal mining regions, rather than relying on workers' mobility and risking the depopulation and stagnation of entire regions. In order to maintain coherence between the objectives of the transition and the priorities and goals of the Union such as boosting jobs, reducing poverty and inequality, effective support should be provided in order to diversify local economies through sound investments and to create sustainable employment to ensure that workers employed in sectors affected by the transition will be re-absorbed into local labour market.***

### Amendment 3

#### Proposal for a regulation Recital 2

*Text proposed by the Commission*

(2) The Commission adopted a Communication on the European Green Deal Investment Plan<sup>10</sup> on 14 January 2020, establishing the Just Transition Mechanism which focuses on the regions and sectors that are most affected by the transition given their dependence on fossil fuels, including coal, peat and oil shale or greenhouse gas-intensive industrial processes but have less capacity to finance the necessary investments. The Just Transition Mechanism consists of three pillars: a Just Transition Fund implemented under shared management, a dedicated just transition scheme under InvestEU, and a public sector loan facility to mobilise additional investments to the regions concerned.

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<sup>10</sup> COM(2020) 21 final.

*Amendment*

(2) The Commission adopted a Communication on the European Green Deal Investment Plan<sup>10</sup> on 14 January 2020, establishing the Just Transition Mechanism which focuses on the regions, ***communities*** and sectors that are most affected by the transition given their dependence on fossil fuels, including coal, peat and oil shale or greenhouse gas-intensive industrial processes, ***and structure of their employment*** but have less capacity to finance the ***necessary*** investments. The Just Transition Mechanism consists of three pillars: a Just Transition Fund implemented under shared management, a dedicated just transition scheme under InvestEU, and a public sector loan facility to mobilise additional investments to the regions concerned.

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<sup>10</sup> COM(2020) 21 final.

### Amendment 4

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

*Text proposed by the Commission*

*Amendment*

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

*when the market is failing.*

## Amendment 5

### Proposal for a regulation

#### Recital 4

*Text proposed by the Commission*

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

*Amendment*

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

## Amendment 6

### Proposal for a regulation

#### Recital 5

*Text proposed by the Commission*

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

*Amendment*

(5) In order to enhance the economic diversification of territories impacted by the transition, the Facility should cover a **wider** range of investments **as compared to the first pillar** on condition that they contribute to meet the **social, economic, labour, energy security or environmental** development needs in the transition towards **the Union’s 2030 targets for climate and energy and** a climate neutral economy **by 2050**, as described in the territorial just transition plans. **That transition aims to decouple from resource consumption and eliminate net emissions of greenhouse gases as well as other adverse impacts on human health and the**

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

*environment related to, inter alia, the deterioration of biodiversity and ecosystems, overconsumption of resources or chemical pollution. The support mechanism should avoid further increasing economic disparities between Union regions and should focus on the strengthening of social cohesion amongst all Union citizens.* The investments supported may cover energy and transport infrastructure, district heating *systems*, green *and sustainable* mobility, smart waste management, clean *and low-carbon* energy and energy efficiency measures including renovations and conversions of buildings, *investments in research and innovation activities*, support to transition to a circular economy, *urban environmental infrastructure, protection of cultural and historical heritage* as well as up- and re-skilling, training and social infrastructure, including social housing. Infrastructure developments may also include solutions leading to their enhanced resilience to withstand disasters. *Investments might also cover land restoration and decontamination unless falling under the scope of liabilities for environmental damage in accordance with polluter-pays principle referred to in Article 191 TFEU.* Comprehensive investment approach should be favoured in particular for territories with important transition needs. Investments in other sectors could also be supported if they are consistent with the adopted territorial just transition plans. By supporting investments that do not generate sufficient revenues, the Facility aims at providing public sector with additional resources necessary to address the social, economic environmental *and energy security* challenges resulting from the adjustment to climate transition *as well as to deliver long-term job opportunities for workers affected by economic restructuring.* In order to help identify investments with a high positive environmental impact eligible under the Facility, the EU taxonomy on



environmentally sustainable economic activities may be used.

## **Amendment 7**

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

*Text proposed by the Commission*

*Amendment*

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

## **Amendment 8**

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

*Text proposed by the Commission*

*Amendment*

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

## **Amendment 9**

**Proposal for a regulation**  
**Recital 5 c (new)**

*Text proposed by the Commission*

*Amendment*

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

**Amendment 10**

**Proposal for a regulation**  
**Recital 5 d (new)**

*Text proposed by the Commission*

*Amendment*

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

***fact of its entering in a PPP with a public body should constitute the public service mission.***

## **Amendment 11**

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

*Text proposed by the Commission*

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

*Amendment*

(14) ***In case demand exceeds the nationally allocated funding resources,*** specific eligibility conditions and award criteria should be set out in the work programme and the call for proposals. Those eligibility conditions and award criteria should take into account the ***ability*** of the project ***to meet the objectives and*** the development needs described in the territorial just transition plans, the overall objective of promoting regional and territorial convergence, ***as well as the overall impact on the regional labour market*** and the significance of the grant component for the viability of the project. Union Support established by this Regulation should thus only be made available to Member States with at least one territorial just transition plan adopted. The work programme and calls for proposals will also take into account the territorial just transition plans submitted by Member States to ensure that coherence and consistency across the different pillars of the mechanism is ensured.

## **Amendment 12**

### **Proposal for a regulation Recital 16 a (new)**

*Text proposed by the Commission*

*Amendment*

***(16a) Given the relatively low level of the***

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

## Amendment 13

### Proposal for a regulation Recital 22

#### *Text proposed by the Commission*

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

#### *Amendment*

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

## Amendment 14

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

*Text proposed by the Commission*

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

*Amendment*

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

## Amendment 15

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

*Text proposed by the Commission*

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

*Amendment*

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

## Amendment 16

### Proposal for a regulation Article 2 – paragraph 1 – point 3

*Text proposed by the Commission*

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

*Amendment*

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

## Amendment 17

### Proposal for a regulation Article 2 – paragraph 1 – point 6 a (new)

*Text proposed by the Commission*

*Amendment*

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

## Amendment 18

### Proposal for a regulation Article 3 – paragraph 1

*Text proposed by the Commission*

*Amendment*

1. The general objective of the Facility is to address serious socio-economic challenges deriving from the transition process towards **a** climate-neutral economy for the benefit of the Union territories identified in the territorial just transition plans prepared by the Member States in accordance with Article 7 of Regulation [JTF Regulation].

1. The general objective of the Facility is to address serious socio-economic challenges **and opportunities** deriving from the transition process towards **the Union's 2030 target for climate and energy and** climate-neutral economy **by 2050, in line with Paris Agreement objectives and responding to the need to strengthen competitiveness,** for the benefit of the territories identified in the territorial just transition plans prepared by the Member States in accordance with Article 7 of Regulation [JTF Regulation].

## Amendment 19

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

*Text proposed by the Commission*

*Amendment*

2. The Facility shall have the specific objective of increasing public sector investments, which address the development needs of regions identified in

2. The Facility shall have the specific objective of increasing public sector investments, which **support actions and solutions for fair, efficient and affordable**

the territorial just transition plans, by facilitating the financing of projects that do not generate a sufficient stream of own revenues and would not be financed without the element of grant support from the Union budget.

***energy transition and*** address the development needs of regions identified in the territorial just transition plans, by facilitating the financing of projects that ***are in line with the Union's climate targets, provide long-term sustainable employment, but*** do not generate a sufficient stream of own revenues and would not be financed without the element of grant support from the Union budget.

## Amendment 20

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

#### *Text proposed by the Commission*

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

#### *Amendment*

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

## Amendment 21

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

#### *Text proposed by the Commission*

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

#### *Amendment*

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

located in those territories;

## Amendment 22

### Proposal for a regulation

#### Article 8 – paragraph 1 – point b

*Text proposed by the Commission*

*Amendment*

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

**deleted**

## Amendment 23

### Proposal for a regulation

#### Article 8 – paragraph 1 a (new)

*Text proposed by the Commission*

*Amendment*

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

***(a) the investments are taking place in territories facing particularly serious energy transition challenges due to their high dependency on solid fossil fuels, such as those regions with a high-share of solid fossil fuel-based district heating systems;***

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

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

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



*carried out;*

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

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

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

## Amendment 24

### Proposal for a regulation Article 9 – paragraph 1

*Text proposed by the Commission*

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

*Amendment*

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

## Amendment 25

### Proposal for a regulation Article 10 – paragraph 2

*Text proposed by the Commission*

2. The amount of the grant shall not exceed 15% of the amount of the loan provided by the finance partner under this Facility. For projects located in territories in NUTS level 2 regions with a GDP per capita not exceeding 75% of the average

*Amendment*

2. The amount of the grant shall not exceed 15% of the amount of the loan provided by the finance partner under this Facility. For projects located in territories in NUTS level 2 regions with a GDP per capita not exceeding 75% of the average

GDP of the EU-27 as referred to in Article [102(2)] of Regulation [new CPR], the amount of the grant shall not exceed **20%** of the amount of the loan provided by the finance partner.

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

## Amendment 26

### Proposal for a regulation Article 11 – paragraph 1

*Text proposed by the Commission*

1. In addition to the grounds specified in Article 131(4) of the Financial Regulation and after consulting the finance partner, the amount of the grant may be reduced or the grant agreement may be terminated, if within **two** years from the date of signature of the grant agreement, the economically most significant supply, works or services contract has not been signed, in cases where the conclusion of such contract is envisaged pursuant to the grant agreement.

*Amendment*

1. In addition to the grounds specified in Article 131(4) of the Financial Regulation and after consulting the finance partner, the amount of the grant may be reduced or the grant agreement may be terminated, if within **three** years from the date of signature of the grant agreement, the economically most significant supply, works or services contract has not been signed, in cases where the conclusion of such contract is envisaged pursuant to the grant agreement.

## Amendment 27

### Proposal for a regulation Article 13 a (new)

*Text proposed by the Commission*

*Amendment*

#### ***Article 13a***

***Selection of finance partners other than the EIB***

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

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

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

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

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

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

*(d) ensure that the projects selected for support under the Facility are consistent with the objectives of the Facility and the Union's 2030 targets for climate and energy and climate neutral economy by 2050;*

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

*The Commission shall publish the selection results.*

**Amendment 28**

**Proposal for a regulation  
Article 14 – paragraph 3**

*Text proposed by the Commission*

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

*Amendment*

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

## **Amendment 29**

### **Proposal for a regulation Article 14 a (new)**

*Text proposed by the Commission*

*Amendment*

#### ***Article 14a***

##### ***Transparency***

***1. Beneficiaries shall ensure, for the benefit of the general public and a wide re-use of public sector and publicly funded information across the Union, transparency concerning the actions under this instrument. They shall publish online in open, machine-readable formats, as set out in Article 5(1) of the Directive 2019/1024 (EC) of the European Parliament and of the Council, relevant information concerning funded projects, such as description of the project, impact assessment, evaluation and audit reports.***

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

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

## Amendment 30

### Proposal for a regulation Article 15 – paragraph 2

*Text proposed by the Commission*

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

*Amendment*

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

## Amendment 31

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

*Text proposed by the Commission*

*Amendment*

***7a. Number of saved jobs***

## Amendment 32

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

*Text proposed by the Commission*

*Amendment*

***7b. Number of new jobs created***

**Amendment 33**

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

*Text proposed by the Commission*

*Amendment*

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

## PROCEDURE – COMMITTEE ASKED FOR OPINION

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

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

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

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

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

Key to symbols:

+ : in favour

- : against

0 : abstention