

Just Transition Fund

2020/0006(COD) - 28/05/2020 - Supplementary legislative basic document

The Commission presented an amended proposal for a Regulation of the European Parliament and of the Council establishing the Just Transition Fund with a view to increasing the resources of the Fund to address the consequences of the COVID-19 crisis.

BACKGROUND: in line with the objective of achieving EU climate neutrality by 2050 in an effective and fair manner, the Just Transition Fund aims at alleviating the economic, environmental and social cost of the transition towards climate neutrality, for the benefit of the territories that are most negatively affected by the transition.

The COVID-19 crisis has prompted many governments to introduce unprecedented measures to contain the pandemic. This will pose significant challenges for public finances and debt management in the coming years, which could limit the public investment needed for economic recovery.

In order to prevent the widening of disparities as well as to avoid an uneven recovery process, the Commission proposes to provide additional support over the short and medium term to Member States and regions in order to help their economies and societies weather the situation and to ensure a swift and sustainable recovery of their economies.

CONTENT: the Commission proposes to amend the proposal for the Regulation establishing the Just Transition Fund to ensure that the necessary investments in the green transition are accelerated to create the conditions for Europe's long-term growth and resilience of the European economy to future shocks.

It is therefore proposed that additional resources of **EUR 35 613 048 000** (in current prices) are made available for the Just Transition Fund.

Of these additional resources, EUR 2 810 048 000 in current prices shall come from budget appropriations, bringing the level of the programme under the next MFF to EUR 11 270 459 000, to be allocated in the course of the ongoing negotiations at the level of the European Council.

The remaining additional resources amounting to EUR 32 803 million shall cover the period 2021-2024 and shall constitute external assigned revenue from the European Recovery Instrument. They shall be made available for budgetary commitments under the 'Investment for jobs and growth' objective as follows:

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

In addition, EUR 15 600 000 in current prices shall be made available for administrative expenditure.

The additional amount shall be distributed among Member States reflecting their capacity to finance the necessary investments to cope with the transition towards climate neutrality in accordance with the methodology set out in Annex I of the proposed Just Transition Fund Regulation.

The proposal foresees that additional resources from the European Recovery Instrument shall not require transfers from national allocations under the European Regional Development Fund and the European Social Fund plus.

The support provided through the Just Transition Fund is complemented by a dedicated just transition scheme under [InvestEU](#).

Additionally, a new [public sector loan facility](#) implemented with the EIB shall provide support to combining grants from EU resources with loans provided by the EIB for public entities in view of benefitting the most negatively impacted territories identified in the territorial just transition plans.