




Basic information	
2020/0100(COD) COD - Ordinary legislative procedure (ex-codecision procedure) Regulation	Procedure completed
Public sector loan facility under the Just Transition Mechanism Subject 2.50.03 Securities and financial markets, stock exchange, CIUTS, investments 4.70.01 Structural funds, investment funds in general, programmes 8.40.07 European Investment Bank (EIB)	


Key players				
European Parliament	Joint committee responsible		Rapporteur	Appointed
	BUDG Budgets		VAN OVERTVELDT Johan (ECR)	22/07/2020
	ECON Economic and Monetary Affairs		HAHN Henrike (Greens/EFA)	22/07/2020
		Shadow rapporteur FITZGERALD Frances (EPP) FERNANDES José Manuel (EPP) BELKA Marek (S&D) HEINÄLUOMA Eero (S&D) SØGAARD-LIDELL Linea (Renew) ARMAND Clotilde (Renew) GEESE Alexandra (Greens /EFA) JURZYCA Eugen (ECR) BECK Gunnar (ID) LAPORTE Hélène (ID) GUSMÃO José (GUE/NGL) KOKKALIS Petros (GUE /NGL)		
	Committee for opinion		Rapporteur for opinion	Appointed
	EMPL Employment and Social Affairs		The committee decided not to give an opinion.	








	ENVI Environment, Public Health and Food Safety	CANFIN Pascal (Renew)	10/06/2020
	ITRE Industry, Research and Energy	KLOC Izabela-Helena (ECR)	10/07/2020
	TRAN Transport and Tourism	The committee decided not to give an opinion.	
	REGI Regional Development	MAESTRE Cristina (S&D)	09/06/2020
Council of the European Union			
European Commission	Commission DG	Commissioner	
	Regional and Urban Policy	FERREIRA Elisa	
European Economic and Social Committee			
European Committee of the Regions			

Key events			
Date	Event	Reference	Summary
28/05/2020	Legislative proposal published	COM(2020)0453 	Summary
17/06/2020	Committee referral announced in Parliament, 1st reading		
23/07/2020	Referral to joint committee announced in Parliament		
16/10/2020	Vote in committee, 1st reading		
16/10/2020	Committee report tabled for plenary, 1st reading	A9-0195/2020	Summary
16/10/2020	Committee decision to open interinstitutional negotiations with report adopted in committee		
19/10/2020	Committee decision to enter into interinstitutional negotiations announced in plenary (Rule 71)		
21/10/2020	Committee decision to enter into interinstitutional negotiations confirmed by plenary (Rule 71)		
10/05/2021	Approval in committee of the text agreed at 1st reading interinstitutional negotiations	PE692.743 GEDA/A/(2021)001766	
24/06/2021	Decision by Parliament, 1st reading	T9-0311/2021	Summary
24/06/2021	Results of vote in Parliament		
24/06/2021	Debate in Parliament		
13/07/2021	Act adopted by Council after Parliament's 1st reading		

14/07/2021	Final act signed		
30/07/2021	Final act published in Official Journal		

Technical information	
Procedure reference	2020/0100(COD)
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)
Procedure subtype	Legislation
Legislative instrument	Regulation
Legal basis	Rules of Procedure EP 59 Treaty on the Functioning of the European Union TFEU 175-p3 Treaty on the Functioning of the European Union TFEU 322-p1
Mandatory consultation of other institutions	European Economic and Social Committee European Committee of the Regions
Stage reached in procedure	Procedure completed
Committee dossier	CJ16/9/03566

Documentation gateway				
European Parliament				
Document type	Committee	Reference	Date	Summary
Committee draft report		PE655.767	24/07/2020	
Committee opinion	REGI	PE658.810	01/10/2020	
Committee opinion	ITRE	PE655.710	02/10/2020	
Committee opinion	ENVI	PE658.776	05/10/2020	
Committee report tabled for plenary, 1st reading/single reading		A9-0195/2020	16/10/2020	Summary
Text agreed during interinstitutional negotiations		PE692.743	05/05/2021	
Text adopted by Parliament, 1st reading/single reading		T9-0311/2021	24/06/2021	Summary
Council of the EU				
Document type	Reference	Date	Summary	
Coreper letter confirming interinstitutional agreement	GEDA/A/(2021)001766	05/05/2021		
Draft final act	00033/2021/LEX	14/07/2021		
European Commission				
Document type	Reference	Date	Summary	
Legislative proposal	COM(2020)0453 	28/05/2020	Summary	
	SWD(2020)0092			

Document attached to the procedure		28/05/2020	
Commission response to text adopted in plenary	SP(2021)514	09/08/2021	
Follow-up document	COM(2023)0060 	07/02/2023	
Follow-up document	COM(2023)0713 	21/11/2023	
Follow-up document	COM(2024)0424 	30/09/2024	
Follow-up document	COM(2025)0623 	06/10/2025	
Follow-up document	COM(2025)0628 	08/10/2025	
Follow-up document	SWD(2025)0287 	08/10/2025	

National parliaments

Document type	Parliament /Chamber	Reference	Date	Summary
Contribution	RO_SENATE	COM(2020)0453	06/07/2020	
Contribution	ES_PARLIAMENT	COM(2020)0453	06/07/2020	
Contribution	PT_PARLIAMENT	COM(2020)0453	27/07/2020	

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
EESC	Economic and Social Committee: opinion, report	CES2765/2020	18/09/2020	
CofA	Court of Auditors: opinion, report	52020AA0008 OJ C 373 04.11.2020, p. 0001	04/11/2020	

Additional information

Source	Document	Date
EP Research Service	Briefing	21/12/2020
European Commission	EUR-Lex	

Final act

Regulation 2021/1229 OJ L 274 30.07.2021, p. 0001
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Public sector loan facility under the Just Transition Mechanism

2020/0100(COD) - 28/05/2020 - Legislative proposal

PURPOSE: to provide for the public sector loan facility under the Just Transition Mechanism to support public investment in the territories most negatively affected by the climate transition.

PROPOSED ACT: Regulation of the European Parliament and of the Council.

ROLE OF THE EUROPEAN PARLIAMENT: the European Parliament decides in accordance with the ordinary legislative procedure on an equal footing with the Council.

BACKGROUND: in order to help the most vulnerable regions to cope with the socio-economic effects of transition, the Commission proposed in January 2020 to establish a Just Transition Mechanism, amounting to EUR 100 billion and based on three pillars:

- A [Just Transition Fund](#),

- a dedicated just transition scheme under [InvestEU](#) and

- a public sector loan facility.

In line with the objective to achieve EU climate-neutrality 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.

In view of the coronavirus crisis, the European Commission wishes to strengthen the Just Transition Mechanism as part of its response to the crisis and in its new proposal for the next Multiannual Financial Framework (MFF) for the period 2021-2027.

The present proposal of the European Commission addresses the third pillar of the Just Transition Facility, namely the Public Sector Loan Facility to support public sector entities in their investments.

CONTENT: the proposed Regulation provides for the 'Public Sector Loan Facility' to support public sector investments by combining grants financed from the Union budget with loans granted on preferential terms by financial partners such as the European Investment Bank (EIB).

The public sector loan facility of the present proposal constitutes the third pillar of the Just Transition Mechanism. It will support public investments, through preferential lending conditions. These investments will benefit the territories most negatively affected by the climate transition as identified in the territorial just transition plans for the purposes of the Just Transition Fund.

The grant component of the Facility shall be implemented directly by the European Commission while the EIB shall implement the loan component.

Objectives

Under the Just Transition Facility, the Public Sector Loan Facility shall benefit, in each Member State, the territories most affected by the transition to a carbon-neutral European Union, as identified in the territorial Just Transition Plans of the Just Transition Fund.

All investments under the Just Transition Mechanism, including the public sector loan facility, shall be implemented based on territorial just transition plans.

In order to ensure an effective implementation of the Facility, the proposed Regulation provides for the provision of advisory support for the preparation, development, and implementation of projects. Only projects that do not generate sufficient stream of own revenues and that would not be financed on commercial terms without the element of grant support may be eligible.

Investments

In order to enhance the economic diversification of territories impacted by the transition, the Facility should cover a wide range of investments. They 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,

- up- and re-skilling, training and social infrastructure, including social housing.

Proposed budget

The total budget proposed for the grant component of the facility is EUR 1.525 billion. It is envisaged to finance this amount mainly :

- with assigned revenue EUR 1.275 billion and;
- partly with appropriations programmed under the Multiannual Financial Framework (MFF) 2021- 2027 for EUR 250 million.

EUR 1 billion of the assigned revenue foreseen would stem from the estimated surpluses of the provisioning of the European Fund for Strategic Investments (EFSI) after its constitution phase, ending in 2022.

From the financial envelope for the grant component, up to EUR 25 million from assigned revenues will be allocated to advisory services to support the preparation and implementation of eligible projects.

Public sector loan facility under the Just Transition Mechanism

2020/0100(COD) - 24/06/2021 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 635 votes to 35, with 21 abstentions, a legislative resolution 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.

The proposal for a regulation aims to establish for the duration of the multiannual financial framework (MFF) 2021-2027, the '**Public Sector Loan Facility**' under the Just Transition Facility to support public sector investments by combining grants financed by the Union budget with loans granted on preferential terms by financial partners such as the European Investment Bank (EIB).

The European Parliament's first-reading position under the ordinary legislative procedure amends the Commission's proposal as follows:

Objective

The Facility should **support EU territories facing severe social, economic and environmental challenges** in their transition towards the EU's 2030 climate target and the EU's 2050 climate neutrality objective.

The specific objective of the Facility should be to increase public sector investments that respond to the development needs of the territories identified in the territorial just transition plans, facilitating the financing of projects that do not generate sufficient revenue streams to cover their investment costs, in order to prevent the replacement of potential support and investment from alternative resources.

Horizontal principles

The objectives of the Facility should be pursued in line with the UN Sustainable Development Goals, the European Social Charter, the Polluter Pays Principle, the Paris Agreement and the 'do no significant harm' principle.

Respect for fundamental rights and compliance with the **Charter of Fundamental Rights of the European Union**, in particular gender equality, should also be ensured throughout the preparation, appraisal, implementation and monitoring of projects eligible under the Facility. Similarly, beneficiaries and the Commission should avoid any discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation.

Budget

Without prejudice to the additional resources allocated in the EU budget for the 2021-2027 period, the grant component of the Facility should be financed from:

- resources from the Union budget for an amount of **EUR 250 000 000** in current prices; and
- assigned revenue (repayments from financial instruments, surplus from the provisioning of the Union guarantee established by Regulation (EU) 2015 /1017) up to a maximum of **EUR 1 275 000 000** in current prices.

A maximum amount of **EUR 35 000 000** is foreseen for advisory services for the preparation, development and implementation of eligible projects, of which at least EUR 10 000 000 should support the administrative capacity of beneficiaries, in particular in the less developed regions.

For grants awarded under calls for proposals published no later than 31 December 2025, the Union support granted to eligible projects in a Member State should not exceed the national shares set out in Annex I to [Regulation \(EU\) 2021/1056](#) of the European Parliament and of the Council. These national shares should no longer be pre-allocated for the period after 31 December 2025.

Eligible projects

To be eligible, projects must have a **measurable impact** and include, where appropriate, **output indicators** in terms of addressing the serious social, economic and environmental challenges arising from the transition towards the Union's 2030 climate and energy targets and the objective of achieving climate neutrality in the Union by 2050.

The Facility should not support investments in activities excluded under Regulation (EU) 2021/1056, such as investments related to the production, processing, transmission, distribution, storage or combustion of fossil fuels.

Instead, it should support investments in renewable energy and green and sustainable mobility, including the promotion of green hydrogen and efficient district heating networks, and support sustainable energy, energy efficiency measures and measures for the renovation of buildings, urban regeneration, the transition to a circular economy, biodiversity, as well as social infrastructure, including care facilities and social housing.

Programming, monitoring, evaluation

The work programmes should include **award criteria** which apply when the total grant support requested for eligible projects exceeds the available resources. These criteria should include the priority given, where appropriate, to: (i) projects promoted by beneficiaries located in less developed regions; (ii) projects that contribute directly to the achievement of the Union's climate and energy targets; (iii) projects promoted by beneficiaries that have adopted decarbonisation plans.

When selecting financing partners other than the EIB, the Commission should take into account the capacity of potential financing partners to ensure that their lending policies are consistent with the EU's environmental and social standards and climate and energy targets.

By 31 October each year, the Commission should publish a report on the implementation of the Facility. An interim evaluation should be carried out by 30 June 2025 and a report on this interim evaluation should be submitted to the European Parliament and the Council.

Public sector loan facility under the Just Transition Mechanism

2020/0100(COD) - 16/10/2020 - Committee report tabled for plenary, 1st reading/single reading

The Committee on Budgets and the Committee on Economic and Monetary Affairs jointly adopted the report by Johan VAN OVERTVELDT (ECR, BE) and Henrike HAHN (Greens/EFA, DE) the proposal for a regulation of the European Parliament and of the Council on the public sector loan facility under the Just Transition Mechanism.

The proposed Regulation seeks to provide for the 'Public Sector Loan Facility' under the Just Transition Mechanism to support public sector investments by combining grants financed from the Union budget with loans granted on preferential terms by financial partners such as the European Investment Bank (EIB).

The committee recommended that the European Parliament's position adopted at first reading under the ordinary legislative procedure should amend the Commission proposal as follows.

Objectives

The proposed general objective of the Facility is to contribute to the Union's policy objectives, in particular the new Union's 2030 targets for climate and energy and the transition towards a climate-neutral economy in the Union by 2050 at the latest, in line with the Union's commitments under the Paris Agreement and Union's objectives and responding to the need to strengthen competitiveness and ensuring that the transition reduces inequalities, creates a net employment effect together with the European Pillar of Social Rights and the UN Sustainable Development Goals.

The Facility shall have the specific objective of increasing public sector investments, which address the development needs of regions identified in the territorial just transition plans, by facilitating the financing of projects that do not generate a sufficient stream of own revenues to cover investment costs within the meaning of the additionality principle.

Members included the definition of the 'additionality principle' to mean 'the support for projects that do not generate a sufficient stream of own revenues to cover investment costs and secure funding to the same extent or within the same timeframe without the element of grant support from the Union budget'.

Budget

Members proposed that, without prejudice to additional resources allocated in the Union budget for the period 2021-2027, the grant component of support provided under this Facility, including the advisory support for the preparation, development, and implementation of projects, shall be financed from resources from the Union budget for an amount of **EUR 1 760 000 000** in current prices.

Higher amounts of technical and administrative assistance may be made available upon request to beneficiaries who have lower administrative capacities in terms of technological equipment, staff and infrastructure.

In order to pursue the achievement of specific objectives, in particular through advisory support and implementation, the committee proposed an amount of **EUR 50 000 000** for these activities.

Access to the resources

Access to the Facility shall be conditional on the adoption of a national objective towards the achievement of climate neutrality by 2050. For those Member States, which have not yet committed to a national target for climate neutrality, only 50 % of their national allocation shall be released, while the remaining 50 % shall be made available once they have adopted that target.

Non-eligible projects

The report stressed that the Facility shall not support activities which would hamper the development and deployment of low carbon alternatives or which lead in the long run to a lock-in of carbon-intensive assets and that would undermine the achievement of the Union's climate and environment objectives. Two years after the entry into force of this Facility, the Commission shall review the eligibility conditions in order to assess their impact on environmental objectives.

As part of that review, the Commission shall assess whether the conditions need to be updated to appropriately apply the 'do no harm principle' and take the necessary action.

Selection of finance partners other than the EIB

The Commission shall adopt delegated acts in respect of establishing work programmes, setting out the details of eligibility conditions and selection procedures for finance partners other than EIB. The eligibility conditions for the finance partners other than the EIB shall reflect the objectives of the Facility.

Monitoring and reporting

The Commission shall report annually on the implementation of the Facility. That report shall provide information on the results and impact of the Facility with respect to its objectives and performance indicators, in particular its contribution to addressing the transition needs and to the Union sustainability objectives including its impact on climate, the environment, the social dimension and gender equality.

Evaluation

Evaluations on the implementation of the Facility and its capacity to reach the objectives shall be carried out in a sufficiently timely manner to feed into the decision-making process. The interim evaluation of the Facility shall be performed by 1 January 2024. At the end of the implementation period and no later than 31 December 2031, the Commission shall submit to the European Parliament and to the Council an independent final evaluation report on the results and long-term impact of the Facility.