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From: General Secretariat of the Council
To: Permanent Representatives Committee

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Subject: Just Transition Fund (JTF) Regulation
- Progress report

I. INTRODUCTION

1. On 11 December 2019, the Commission adopted a Communication on the European Green Deal, setting out its roadmap towards a new growth policy for Europe. In line with the objective of achieving EU climate neutrality by 2050 in an effective and fair manner, the European Green Deal proposed a Just Transition Mechanism. The Mechanism consists of three pillars: (1) a Just Transition Fund implemented under shared management, (2) a dedicated scheme under InvestEU, and (3) a public sector loan facility with the EIB Group to mobilise additional investments to regions concerned.

2. On 14 January 2020, the Commission adopted a proposal for a Regulation establishing the Just Transition Fund (JTF Regulation). The JTF Regulation was presented to the Structural Measures Working Party on 21 January 2020, during the Croatian Presidency. On 28 May 2020, following the COVID-19 outbreak, an amended proposal was submitted. Detailed examination of the JTF Regulation by the working party followed during February, March, May and June. The Permanent Representatives Committee endorsed a (partial) mandate for negotiations with the European Parliament on the JTF Regulation on 24 June 2020¹.
3. The partial mandate for negotiations was updated on 5 October 2020 to take account of the European Council Conclusions adopted in the special meeting of the European Council of 17, 18, 19, 20 and 21 July 2020².

II. STATE OF PLAY OF INTER-INSTITUTIONAL NEGOTIATIONS

4. The inter-institutional negotiations with the European Parliament started under the German Presidency. Six technical meetings and three political trilogues were held during the months of September, October, November and December. The German Presidency regularly briefed the Member States at the Structural Measures Working Party on the state of the negotiations and consulted delegations with regard to a number of Presidency's drafting proposals aimed at achieving balanced and fair compromises between the co-legislators.
5. A provisional political agreement on the JTF Regulation was reached at the political trilogue on 9 December 2020. The results of the work and the progress on the negotiations with the European Parliament are set out in the Annex to this note.
6. In the past months, substantial progress has been made during the inter-institutional negotiations with the European Parliament. Moreover, the Structural Measures Working Party has been informed about the results of the work and the progress on the negotiations with the European Parliament. **The Presidency is of the view that, based on the principle that "nothing is agreed until everything is agreed", a balanced compromise text has emerged which has been supported by a majority of Member States.**

¹ Doc. 8502/1/20 REV 1.

² Doc. 10883/1/20 REV 1.

III. WAY FORWARD

7. The Permanent Representatives Committee is, therefore, invited to take note of the progress made and acknowledge the results achieved on the negotiations with the European Parliament on the JTF Regulation, as set out in the Annex to this note.
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Regulation establishing the Just Transition Fund

Version: After the 3rd (final) Trilogue on 9 December

Commission proposal COM (2020) 22 and 460 <i>Article 1</i> <i>Subject matter and scope</i>	European Parliament first reading (plenary mandate 17/09/2020) <i>[no change]</i>	Council Position (COREPER partial mandate 24/6/20 and 5/10/20) <i>[no change]</i>	Compromise proposal, comments <i>Provisional common understanding</i> <i>[no change]</i>	Rows
<p>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.</p>	<p><u>Amendment 18</u> 1. This Regulation establishes the Just Transition Fund ('JTF') to provide support to the people, economy and environment of territories that face facing serious socio-economic challenges deriving from the transition process towards the achievement of the Union's 2030 targets for energy and climate, and a climate-neutral economy of the Union by 2050.</p>	<p>1. This Regulation establishes the support to the economies, people and the environment of territories facing serious socio-economic challenges deriving from the transition process towards the Union's 2030 target for climate set out in Article 2(11) of Regulation (EU) 2018/1999 and a climate-neutral economy of the Union by 2050.</p>	<p><i>Provisional common understanding</i> <i>[no change]</i></p> <p>1. This Regulation establishes the Just Transition Fund ('JTF') to provide support to the people, economies, and environment of territories facing serious socio-economic challenges deriving from the transition process towards the Union's 2030 target for energy and climate set out in Article 2(11) of Regulation (EU) 2018/1999 and a climate-neutral economy of the Union by 2050.</p>	1
<p>2. It lays down the specific objective of the JTF, its geographical coverage and resources, the scope of its support with regard to the Investment for jobs and growth goal referred to in [point (a) of Article 4(2)] of Regulation (EU) [new CPR] as well as specific provisions for programming and indicators necessary for monitoring.</p>	<p><i>[no change]</i></p>	<p><i>[no change]</i></p>	<p><i>Provisional common understanding</i> <i>[no change]</i></p>	3
<p><i>Article 2</i> <i>Specific objective</i></p>	<p><i>[no change]</i></p>	<p><i>[no change]</i></p>	<p><i>Provisional common understanding</i> <i>[no change]</i></p>	4

Commission proposal COM (2020) 22 and 460	European Parliament first reading (plenary mandate 17/09/2020)	Council Position (COREPER partial mandate 24/6/20 and 5/10/20)	Compromise proposal, comments	Rows
<p>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’.</p>	<p>Amendment 19 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, <i>enterprises and other stakeholders</i> to address the social, <i>employment</i>, economic and environmental impacts of the transition towards a climate-neutral economy <i>by 2050 and the intermediate goals for 2030, in line with the goals of the Paris Agreement.</i></p>	<p>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 the Union’s 2030 target for climate and a climate-neutral economy by 2050’.</p>	<p><i>Provisional common understanding</i></p> <p>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, employment, economic and environmental impacts of the transition towards the Union’s 2030 target for climate and a climate-neutral economy by 2050, based on the Paris Agreement’.</p> <p><i>The reference to “enterprises and other stakeholders” moved to Recital 12, row 125.</i></p>	5
<p><i>Article 3</i> <i>Geographical coverage and resources for the JTF under the Investment for jobs and growth goal</i></p> <p>1. The JTF shall support the Investment for jobs and growth goal in all Member States.</p>	<p><i>[no change]</i></p>	<p><i>[no change]</i></p>	<p><i>Provisional common understanding [no change]</i></p>	6
<p>2.³ The resources for the JTF under the Investment for jobs and growth goal available for budgetary commitment for the period 2021-2027 shall be EUR 11 270 459 000 in current prices, which</p>	<p>Amendment 20 2. The resources for the JTF under the Investment for jobs and growth goal available for budgetary commitment for the period 2021-2027</p>	<p>2. The resources for the JTF under the Investment for jobs and growth goal available for budgetary commitment for the period 2021-2027 shall be EUR 11 270 459 000 7 500 000 000 in current 2018</p>	<p><i>Provisional common understanding [no change]</i></p>	7
<p>the Investment for jobs and growth goal available for budgetary commitment for the period 2021-2027 shall be EUR 11 270 459 000 in current prices, which</p>	<p>2. The resources for the JTF under the Investment for jobs and growth goal available for budgetary commitment for the period 2021-2027 shall be EUR 11 270 459 000 in current prices, which</p>	<p>2. The resources for the JTF under the Investment for jobs and growth goal available for budgetary commitment for the period 2021-2027 shall be EUR 11 270 459 000 in current prices, which</p>	<p><i>Provisional common understanding</i></p> <p>2. The resources for the JTF under the Investment for jobs and growth goal available for budgetary</p>	8

³ Article 3(2): COM (2020) 460 final.

Commission proposal COM (2020) 22 and 460	European Parliament first reading (plenary mandate 17/09/2020)	Council Position (COREPER partial mandate 24/6/20 and 5/10/20)	Compromise proposal, comments	Rows
<p>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.</p>	<p>shall be EUR 11 270 459 000 25 358 532 750 in current 2018 prices, which (‘principal amount’), and shall not result from the transfer of resources from other Funds covered by Regulation (EU)... [new CPR]. The principal amount may be increased, as the case may be, by additional resources allocated in the Union budget, and by other resources in accordance with the applicable basic act.</p> <p>[no change]</p>	<p>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.</p> <p>[no change]</p>	<p>commitment for the period 2021-2027 shall be EUR 7 500 000 000 in 2018 prices as established in [point (g)] of Article 104(1) of Regulation (EU) [CPR]. They 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.</p>	8a
<p>0.35% of the amount referred to in the first subparagraph shall be allocated to technical assistance at the initiative of the Commission.</p>	<p>[no change]</p>	<p>[no change]</p>	<p><i>Provisional common understanding</i></p> <p>0.35% of the amount referred to in the first subparagraph shall be allocated to technical assistance at the initiative of the Commission.</p> <p><i>Moved to CPR</i></p> <p><i>Provisional common understanding</i></p>	
<p>3. The Commission shall adopt a decision by means of an implementing act setting out the annual breakdown of resources, including any additional resources referred to in paragraph 2, by Member State in accordance with the methodology set out in Annex I.</p>	<p>[no change]</p>		<p>The Commission shall adopt a decision by means of an implementing act setting out the annual breakdown of resources, including any additional resources referred to in paragraph 2, by Member State in accordance with the methodology allocations set out in Annex I.</p>	

Commission proposal COM (2020) 22 and 460	European Parliament first reading (plenary mandate 17/09/2020)	Council Position (COREPER partial mandate 24/6/20 and 5/10/20)	Compromise proposal, comments	Rows
<p>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+.</p>	<p>[no change]</p>	<p>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+.</p>	<p><i>Provisional common understanding</i></p> <p>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+.</p>	10
<p><i>Article 3a</i> <i>Resources from the European Union Recovery Instrument⁴</i></p>	<p>[no change]</p>		<p><i>Provisional common understanding</i> <i>[no change]</i></p>	11
<p>1. Measures referred to in Article 2 of Regulation [ERI] shall be implemented under the Just Transition Fund with an amount of EUR 32 803 000 000 in current prices of the amount referred to in point (vi) of Article 3(2)(a) of that Regulation, subject to its Article 4(3), (4) and (8).</p>	<p>[no change]</p>	<p>1. Measures referred to in Article 1(2) of Regulation [ERI] shall be implemented under the Just Transition Fund with an amount of up to EUR 32 803 000 000 in current 2018 prices of the amount referred to in point (xiv) of Article 3 2(2)(a) of that Regulation, subject to its Article 4(3), (4), (7) and (8 9).</p>	<p><i>Provisional common understanding</i></p> <p>1. Measures referred to in Article [1(2)] of Regulation [ERI] shall be implemented under this Regulation with an amount of EUR 10 000 000 000 referred to in the second subparagraph of Article 103(1) of the CPR and subject to Articles 4(3), 4(4), 4(7) and 4(9) of Regulation [ERI]. of EUR 32 803 000 000 in current prices of the amount referred to in point (vi) of Article 3(2)(a) of that Regulation, subject to its Article 4(3), (4) and (8).</p>	12
<p>This amount shall be considered other resources as referred to in Article 3(2)</p>	<p>[no change]</p>	<p>ThisThat amount shall be considered other resources as referred to in Article</p>	<p><i>Provisional common understanding</i></p>	12a

⁴ Article 3a: COM (2020) 460 final.

Commission proposal COM (2020) 22 and 460	European Parliament first reading (plenary mandate 17/09/2020)	Council Position (COREPER partial mandate 24/6/20 and 5/10/20)	Compromise proposal, comments	Rows
and shall constitute external assigned revenues in accordance with Article 21(5) of Regulation (EU, Euratom) 2018/1046.		3(2) and shall constitute external assigned revenues revenue as set out in accordance with Article 21(5) 3(1) of Regulation (EU, Euratom) 2018/1046 [ERI] .	This amount shall be considered other resources as referred to in Article 3(2). and As provided for in Article 3(1) of Regulation (ERI), this amount shall constitute external assigned revenue for the purpose of revenues in accordance with Article 21(5) of Regulation (EU, Euratom) 2018/1046.	13
They shall be made available for budgetary commitment under the Investment for jobs and growth goal for the years 2021 to 2024 in addition to the global resources set out in Article 3 as follows:	<i>[no change]</i>	They shall be made available for budgetary commitment under the Investment for jobs and growth goal for the years 2021 to 2024 2023 in addition to the global resources set out in Article 3 as follows:	This amount shall be made available for budgetary commitment under the Investment for jobs and growth goal for the years 2021 to 2024 2023 in addition to the global resources referred to in Article 3 as follows: <i>Provisional common understanding</i>	14
– 2021: EUR 7 954 600 000;	<i>[no change]</i>	– 2021: EUR 7 954 600 000 2 000 000 ;	– 2021: EUR 7 954 600 000 2 000 000 000 ;	15
– 2022: EUR 8 114 600 000;	<i>[no change]</i>	– 2022: EUR 8 114 600 000 4 000 000 ;	<i>Provisional common understanding</i> – 2022: EUR 8 114 600 000 4 000 000 000 ;	16
– 2023: EUR 8 276 600 000;	<i>[no change]</i>	– 2023: EUR 8 276 600 000 4 000 000 000 .	<i>Provisional common understanding</i> – 2023: EUR 8 276 600 000 4 000 000 000 .	17
– 2024: EUR 8 441 600 000.	<i>[no change]</i>	– 2024: EUR 8 441 600 000 .	– 2024: EUR 8 441 600 000 .	

Commission proposal COM (2020) 22 and 460	European Parliament first reading (plenary mandate 17/09/2020)	Council Position (COREPER partial mandate 24/6/20 and 5/10/20)	Compromise proposal, comments	Rows
<p>In addition, EUR 15 600 000 in current prices shall be made available for administrative expenditure from the resources referred to in the first subparagraph.</p>	<p>[no change]</p>	<p>In addition, EUR 15 600 000 in current 2018 prices shall be made available for administrative expenditure from the resources referred to in the first subparagraph.</p>	<p><i>Provisional common understanding</i></p> <p>In addition, EUR 15 600 000 in current 2018 prices shall be made available for administrative expenditure from the resources referred to in the first subparagraph.</p>	18
<p>2. 0.35% of the amount referred to in the first subparagraph of paragraph 1 shall be allocated to technical assistance at the initiative of the Commission.</p>	<p>[no change]</p>	<p>[no change]</p>	<p><i>Provisional common understanding</i></p> <p>2. 0.35% of the amount referred to in the first subparagraph of paragraph 1 shall be allocated to technical assistance at the initiative of the Commission.</p> <p><i>Moved to CPR</i></p>	19
<p>3. The annual breakdown of the amount referred to in paragraph 1 by Member States shall be included in the Commission decision referred to in Article 3(3) in accordance with the methodology set out in Annex I.</p>	<p><u>Amendment 21</u></p> <p>3. The <i>At the request of a Member State, the amount referred to in the first subparagraph of paragraph 1 of this Article shall also be made available for the years 2025-2027.</i> For each period, the respective annual breakdowns of the amount referred to in paragraph 1 of this Article by Member States shall be included in the Commission decision referred to in Article 3(3) in accordance with the methodology set out in Annex I.</p>	<p>[no change]</p>	<p><i>Provisional common understanding</i></p> <p>3. The annual breakdown of the amount referred to in the first subparagraph of paragraph 1 by Member States shall be included in the Commission decision referred to in Article 3(3) in accordance with the methodology allocations set out in Annex I.</p>	20
<p>4. By way of derogation from Article [21a] of Regulation (EU) [new CPR] the amount referred to in</p>	<p>[no change]</p>	<p>4. By way of derogation from Article [21a] of Regulation (EU) [new CPR] the amount referred to in</p>	<p><i>Provisional common understanding</i></p>	21

Commission proposal COM (2020) 22 and 460	European Parliament first reading (plenary mandate 17/09/2020)	Council Position (COREPER partial mandate 24/6/20 and 5/10/20)	Compromise proposal, comments	Rows
paragraph 1 shall not require complementary support from the ERDF or the ESF+.		paragraph 1 shall not require complementary support from the ERDF or the ESF+.	4. By way of derogation from Article 14(3) of Regulation (EU) [new CPR] the amount referred to in paragraph 1 shall not require complementary support from the ERDF or the ESF+. <i>Provisional common understanding</i> <i>[no change]</i>	22
5. By way of derogation from Article 14(3) of the Financial Regulation, the de-commitment rules set out in Chapter IV of Title VII of Regulation (EU) [new CPR] shall apply to the budgetary commitments based on resources referred to in paragraph 1. By derogation from Article 12(4)(c) of the Financial Regulation these resources shall not be used for a succeeding programme or action.	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding</i> 6. Payments to programmes shall be posted to the earliest open commitment of the JTF, starting first with the commitments from resources referred to in the first subparagraph of paragraph 1 until exhausted. <i>Provisional common understanding</i> Article 3b Green Rewarding Mechanism <i>Provisional common understanding</i> 1. Where, pursuant to Article 3(2)	22a
	<u>Amendment 22</u> Article 3b Green Rewarding Mechanism <u>Amendment 22 (cont.)</u> 18 % of the total of the amounts referred to in the first subparagraph			23
				24

Commission proposal COM (2020) 22 and 460	European Parliament first reading (plenary mandate 17/09/2020)	Council Position (COREPER partial mandate 24/6/20 and 5/10/20)	Compromise proposal, comments	Rows
	<p><i>of Article 3(2) and the first subparagraph of Article 3a(1) shall be allocated in accordance with the speed with which the Member States reduce their greenhouse gas emissions, divided by their latest average GNI.</i></p>		<p>the resources for the JTF are increased before 31 December 2024, they shall be allocated on the basis of national shares set out in Annex I.</p> <p>2. Where, pursuant to Article 3(2) the resources for JTF are increased after 31 December 2024, the additional resources shall be distributed among Member States on the basis of GHG emissions of their industrial facilities in the period from year 2018 to the latest year for which data is available; as reported in accordance with Article 7 of Regulation (EC) No 166/2006 of the European Parliament and of the Council. The change of GHG emissions of each Member State shall be calculated by aggregating the GHG emissions of only those NUTS 3 level regions that have been identified in the territorial just transition plans in accordance with Article 7(1). These resources shall be distributed in accordance with the methodology laid down in paragraph 3.</p> <p>3. The allocation of additional resources for each Member State</p>	

Commission proposal COM (2020) 22 and 460	European Parliament first reading (plenary mandate 17/09/2020)	Council Position (COREPER partial mandate 24/6/20 and 5/10/20)	Compromise proposal, comments	Rows
			<p>shall be determined, in accordance with the following:</p> <p>i) the initial share of each Member State within the additional resources shall be calculated by taking the relative share of the Member State in the overall JTF allocation in accordance with Annex I;</p> <p>ii) for Member States that achieved a reductions in GHG missions, the initial share shall be further adjusted by taking into account the reduction in GHG emissions achieved by each Member State, calculated by expressing the level of GHG emissions of the latest reference year as percentage of the GHG emissions observed in 2018; for Member States that have not achieved a reduction in GHG emission, that percentage shall be set 100%.</p> <p>iii) the final share for each Member State shall be obtained by dividing the shares resulting from point i) with the percentages resulting from point ii) and the result from this division shall be rescaled in order to sum up to 100%.</p>	

Commission proposal COM (2020) 22 and 460	European Parliament first reading (plenary mandate 17/09/2020)	Council Position (COREPER partial mandate 24/6/20 and 5/10/20)	Compromise proposal, comments	Rows
			<p>4. Member States shall include the additional resources in their programmes and submit a programme amendment in accordance with Article 19 of Regulation (EU) [CPR].</p>	25
	<p><u>Amendment 23</u> <i>Article 3c</i> <i>Specific allocations for outermost regions and islands</i></p>		<p><i>Provisional common understanding</i> Article 3c Specific allocations for outermost regions and islands</p>	
	<p><u>Amendment 23 (cont.)</u> <i>1 % of the total of the amounts referred to in the first subparagraph of Article 3(2) and the first subparagraph of Article 3a(1) shall be a specific allocation for islands, and 1 % shall be a specific allocation for the outermost regions, as referred to in Article 349 TFEU, given to the Member States concerned.</i></p>		<p><i>Provisional common understanding</i></p> <p>When preparing their Just Transition Plans in accordance to Article 7(1), Member States shall take particular account of the situation of islands and outermost regions facing serious social-economic challenges deriving from the transition process towards the Union's 2030 target for energy and climate set out in Article 2(11) of Regulation (EU) 2018/1999 and a climate-neutral economy of the Union by 2050, having regard to their specific needs as recognised in Article 174 and 349 TFEU.</p> <p>When including such territories in their territorial just transition plans, Member States shall set out</p>	26

Commission proposal COM (2020) 22 and 460	European Parliament first reading (plenary mandate 17/09/2020)	Council Position (COREPER partial mandate 24/6/20 and 5/10/20)	Compromise proposal, comments	Rows
			<p>the specific amount allocated for these territories with the corresponding justification, taking into account the specific challenges of these territories.</p> <p><i>Complemented with addition in Annex II under Section I.1</i></p>	27
	<p><u>Amendment 66</u> <i>Article 3d</i> <i>Access to the JTF</i></p>	<p><i>[Article 3b</i> <i>Conditional access to resources]⁵</i></p>	<p>Conditional access to resources</p> <p><i>Provisional common understanding</i></p>	28
	<p><u>Amendment 66 (cont.)</u> <i>Access to the JTF shall be conditional on the adoption of a national objective towards the achievement of climate neutrality by 2050.</i></p>		<p>1. Where a Member State has not made a commitment to implement the objective of achieving a climate-neutral EU by 2050, only 50% of the annual amounts for that Member State set out in accordance with Article 3(3) and 3a(3) shall be made available for programming and included in the priorities.</p> <p>By way of derogation from Article 6(1), the remaining 50% of the annual amounts shall not be included in the priorities. In such cases, the programmes supported from the JTF and submitted in accordance with Article 16 [new</p>	

⁵ The Council does not have a position on this article yet.

Commission proposal COM (2020) 22 and 460	European Parliament first reading (plenary mandate 17/09/2020)	Council Position (COREPER partial mandate 24/6/20 and 5/10/20)	Compromise proposal, comments	Rows
			<p>CPR] shall include only 50% of the annual JTF amounts in the table referred to in Article 17(3)(f)(ii) [new CPR]. The table referred to in Article 17(3)(f)(i) [new CPR] shall identify separately the amounts available for programming and the amounts that shall not be programmed.</p> <p>2. The Commission shall only approve programmes containing a JTF priority or any amendment to it, where the requirements set out in programmed allocation part in accordance with paragraph 1 are respected.</p> <p>3. As soon as the Member State has committed to implement the objective of achieving a climate-neutral EU by 2050, it may submit a request for the amendment of each programme supported from the JTF in accordance with Article 19(1) [new CPR] and to include the non-programmed amounts that have not been decommitted. The Commission shall proceed in accordance with Article 19 [new CPR].</p>	

Commission proposal COM (2020) 22 and 460	European Parliament first reading (plenary mandate 17/09/2020)	Council Position (COREPER partial mandate 24/6/20 and 5/10/20)	Compromise proposal, comments	Rows
			<p>4. Budgetary commitments will be made on the basis of the table referred to in Article 17(3)(f)(i) [new CPR]. The commitments related to the non-programmed amounts shall not be used for payments and shall not be included in the basis for the calculation of the pre-financing in accordance with Article 84 [new CPR] until they are made available for programming in accordance with paragraph 3.</p> <p>By way of derogation to Article 99 [new CPR], in the absence of the Member State's commitment to implement the objective of achieving a climate-neutral EU by 2050 by 31 December of any given year starting from 2022, budgetary commitments for the preceding year which relate to non-programmed amounts shall be decommitted in their entirety in the following year.</p> <p><i>New recital added in row 120a</i></p>	29
	<p>Amendment 66 (cont.) <i>For those Member States which have not yet committed to a national target</i></p>		<p><i>Provisional common understanding</i></p> <p><i>EP Amendment 66 in row 29</i></p>	

Commission proposal COM (2020) 22 and 460	European Parliament first reading (plenary mandate 17/09/2020)	Council Position (COREPER partial mandate 24/6/20 and 5/10/20)	Compromise proposal, comments	Rows
<p><i>Article 4</i> <i>Scope of support</i></p> <p>1. The JTF shall only support activities that are directly linked to its specific objective as set out in Article 2 and which contribute to the implementation of the territorial just transition plans established in accordance with Article 7.</p> <p>2. In accordance with paragraph 1, the JTF shall exclusively support the following activities:</p> <p>(a) productive investments in SMEs, including start-ups, leading to economic diversification and reconversion;</p>	<p><i>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.</i></p> <p>[no change]</p> <p>[no change]</p> <p>[no change]</p>	<p>[no change]</p> <p>[no change]</p> <p>[no change]</p>	<p><i>implemented in row 28</i></p> <p><i>Provisional common understanding [no change]</i></p> <p><i>Provisional common understanding [no change]</i></p>	<p>30</p> <p>31</p>
<p>(a) productive investments in SMEs, including start-ups, leading to economic diversification and reconversion;</p>	<p>Amendment 24 (a) productive and sustainable investments in microenterprises and SMEs, including start-ups and sustainable tourism, leading to job creation, modernisation, economic diversification and reconversion;</p>	<p>[no change]</p>	<p><i>Provisional common understanding [no change]</i></p> <p><i>Provisional common understanding</i></p> <p>(a) productive investments in SMEs, including microenterprises and start-ups, leading to economic diversification, modernisation and reconversion;</p> <p><i>The reference to "sustainable tourism" moved to Recital 10, row 123.</i></p> <p><i>The reference to "job creation" moved in row 129, Recital 15.</i></p>	<p>31a</p> <p>32</p>

Commission proposal COM (2020) 22 and 460	European Parliament first reading (plenary mandate 17/09/2020)	Council Position (COREPER partial mandate 24/6/20 and 5/10/20)	Compromise proposal, comments	Rows
(b) investments in the creation of new firms, including through business incubators and consulting services;	Amendment 25 (b) investments in the creation of new firms and the development of those existing , including through business incubators and consulting services, leading to job creation ;	[no change] ⁶	Provisional common understanding (b) investments in the creation of new firms, including through business incubators and consulting services, leading to job creation ;	33
	Amendment 26 (ba) investments in social infrastructures, leading to job creation and economic diversification ;		Provisional common understanding EP Amendment 26 <i>withdrawn</i> Social aspects covered in line 48 and in a recital.	34
(c) investments in research and innovation activities and fostering the transfer of advanced technologies;	Amendment 27 (c) investments in research and innovation activities, including in universities and public research institutions , and fostering the transfer of advanced and market-ready technologies;	[no change]	Provisional common understanding (c) investments in research and innovation activities, including by universities and public research institutions , and fostering the transfer of advanced technologies;	35
(d) investments in the deployment of technology and infrastructures for affordable clean energy, in greenhouse gas emission reduction, energy efficiency and renewable energy;	Amendment 28 (d) investments in the deployment of technology and infrastructures for affordable clean energy and its systems , in greenhouse gas emission reduction, energy efficiency, and energy storage technologies and sustainable renewable energy, where it leads to job creation and maintenance of sustainable	[no change] ⁷	Provisional common understanding (d) investments in the deployment of technology as well as in systems and infrastructures for affordable clean energy. including energy storage technologies, and in greenhouse gas emission reduction, energy efficiency and renewable energy ;	36

⁶ Council position: Recital 10 is linked to this provision.

⁷ Council position: Recital 10 is linked to this provision.

Commission proposal COM (2020) 22 and 460	European Parliament first reading (plenary mandate 17/09/2020) <i>employment at a considerable scale;</i>	Council Position (COREPER partial mandate 24/6/20 and 5/10/20)	Compromise proposal, comments	Rows
			<i>Provisional common understanding</i> (da) investments in renewable energy in accordance with the Renewable Energy Directive (EU) 2018/2001⁸, including the sustainability criteria set out therein, and in energy efficiency, including for the purposes of reducing energy poverty;	36a
Amendment 29 <i>(da) investments in smart and sustainable mobility and environmentally-friendly transport infrastructure;</i>		(d bis) investments in sustainable local mobility, including decarbonisation of the local transport sector;	<i>Provisional common understanding</i> (db) investments in smart and sustainable local mobility, including decarbonisation of the local transport sector and its infrastructure;	37
Amendment 30 <i>(db) investments in projects fighting energy poverty, particularly in social housing, and promoting energy efficiency, a climate neutral approach ;</i>			<i>Provisional common understanding</i> <i>EP Amendment 33 withdrawn</i> <i>The reference to “investments in projects fighting energy poverty, particularly in social housing” implemented in row 124, Recital 11.</i>	38
	<i>dc) low-emission district heating in most affected regions</i>		<i>Provisional common understanding</i>	38a

⁸ Directive (EU) 2018/2001 of the European Parliament and of the Council of 11 December 2018 on the promotion of the use of energy from renewable sources (recast) (OJ L 328/82, 21.12.2018, p. 82).

Commission proposal COM (2020) 22 and 460	European Parliament first reading (plenary mandate 17/09/2020)	Council Position (COREPER partial mandate 24/6/20 and 5/10/20)	Compromise proposal, comments	Rows
(e) investments in digitalisation and digital connectivity;	<u>Amendment 31</u> (e) investments in digitalisation, digital innovation and digital connectivity, including digital and precision farming ;	[no change]	(dc) Rehabilitation and upgrade of district heating networks with a view to improving energy efficiency of district heating systems and investments in heat production provided that they are supplied exclusively by renewable energy sources. <i>Provisional common understanding</i>	39
(f) investments in regeneration and decontamination of sites, land restoration and repurposing projects;	<u>Amendment 32</u> (f) investments in green infrastructure as well as regeneration and decontamination of sites, land restoration brown fields and repurposing projects, when the 'polluter pays' principle cannot be applied ;	[no change] ⁹	<i>Provisional common understanding</i> (f) investments in regeneration and decontamination of brownfield sites, land restoration and including where necessary green infrastructure and repurposing projects, taking into account the 'polluter pays' principle ; <i>Provisional common understanding</i> [no change]	40
(g) investments in enhancing the circular economy, including through waste prevention, reduction, resource efficiency, reuse, repair and recycling;	<u>Amendment 104</u> (g) investments in enhancing the circular economy, including through waste prevention, reduction, resource efficiency, reuse, repair and recycling;	[no change]	<i>Provisional common understanding</i> [no change] <i>Non-eligibility of waste incineration clarified in row 123, Recital 10</i>	41
	<u>Amendment 33</u> (ga) creation and development of social and public services of general		<i>Provisional common understanding</i> <i>EP Amendment 33 withdrawn.</i>	42

⁹ Council position: Recital 10 is linked to this provision.

Commission proposal COM (2020) 22 and 460	European Parliament first reading (plenary mandate 17/09/2020)	Council Position (COREPER partial mandate 24/6/20 and 5/10/20)	Compromise proposal, comments	Rows
	<i>interest;</i>		<i>Social aspects covered in line 48 and in a recital.</i>	
	<u>Amendment 34</u> <i>(gb) investments in culture, education and community building, including the valorisation of tangible and intangible mining heritage and community hubs;</i>		<i>Provisional common understanding</i> <i>EP Amendment 34 implemented in a new Recital 9b, row 122a.</i>	43
(h) upskilling and reskilling of workers;	<u>Amendment 35</u> (h) upskilling, and reskilling and training of workers and jobseekers;	(h) upskilling and reskilling of workers and jobseekers; ¹⁰	<i>Provisional common understanding</i> (h) upskilling and reskilling of workers and jobseekers; ¹¹	44
(i) job-search assistance to jobseekers;	<u>Amendment 36</u> (i) job-search assistance to jobseekers, <i>active aging support and income support for workers in transition between jobs;</i>	[no change]	<i>Provisional common understanding</i> [no change] <i>The reference to "active aging" covered in line 48 (elderly care).</i>	45
(i) active inclusion of jobseekers;	<u>Amendment 37</u> (i) active inclusion of jobseekers, <i>particularly women, disabled persons and vulnerable groups;</i>	[no change]	<i>Provisional common understanding</i> <i>The reference to "particularly women, disabled persons and vulnerable groups" moved in Recital 11, row 124.</i>	46
(k) technical assistance.	[no change]	[no change]	<i>Provisional common understanding</i> [no change]	47
		(l) other activities in the areas of education and social inclusion indicated in territorial just transition	<i>Provisional common understanding</i> (l) other activities in the areas	48

¹⁰ Council position: Recital 11 is linked to this provision.

¹¹ Council position: Recital 11 is linked to this provision.

Commission proposal COM (2020) 22 and 460	European Parliament first reading (plenary mandate 17/09/2020)	Council Position (COREPER partial mandate 24/6/20 and 5/10/20) plans in accordance with Article 7.	Compromise proposal, comments	Rows
<p>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.</p>	<p>Amendment 38 Additionally, the JTF may support, in areas designated as assisted areas in accordance with points (a) and (c) of less developed and transition regions as set out in 107(3) of the TFEU 102(2) of Regulation No .../...[new CPR], productive investments in enterprises other than SMEs, provided that such investments have been approved as part of the territorial just transition plan based on the information required under point (h) of Article 7(2). Such investments shall only be eligible where they are necessary for the implementation of the territorial just transition to a</p>	<p>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, where they contribute to a climate-neutral economy by 2050, and where their support is necessary for job creation in the identified territory, and where they do not lead to relocation as required under Article 60 of Regulation No. .../... [CPR].</p>	<p>of education and social inclusion including, where duly justified, infrastructure for the purposes of training centres, child and elderly care facilities as indicated in territorial just transition plans in accordance with Article 7.</p> <p><i>Social aspects in rows 38, 42, 45 and 48 covered in row 123a, Recital 10a.</i></p> <p><i>Provisional common understanding</i></p> <p>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, where they contribute to the transition to a climate-neutral economy by 2050 and to related environmental targets, and where their support is necessary for job creation in the identified territory, and where they</p>	49

Commission proposal COM (2020) 22 and 460	European Parliament first reading (plenary mandate 17/09/2020)	Council Position (COREPER partial mandate 24/6/20 and 5/10/20)	Compromise proposal, comments	Rows
The JTF may also support investments to achieve the reduction of greenhouse gas emissions from activities listed in Annex I to Directive 2003/87/EC of the European Parliament and of the Council provided that such investments have been approved as part of the territorial just transition plan based on the information required under point (i) of Article 7(2). Such investments shall only be eligible where they are necessary for the implementation of the territorial just transition plan.	<i>climate-neutral economy without supporting relocation, in compliance with Article 60(1) of Regulation No .../... [new CPR].</i> <u>Amendment 39</u> The JTF may also support investments to achieve the reduction of greenhouse gas emissions from activities listed in Annex I to Directive 2003/87/EC of the European Parliament and of the Council provided that such investments have been approved as part of the territorial just transition plan based on the information required under point (i) of Article 7(2) of this Regulation and that they comply with the other conditions laid down in the second subparagraph of this paragraph. Such investments shall only be eligible where they are necessary for the implementation of the territorial just transition plan.	[no change]	do not lead to relocation as required under Article 60 of Regulation No. .../... [CPR]. Provisional common understanding [no change]	50
Article 5 <i>Exclusion from the scope of support</i>	[no change]	[no change]	Provisional common understanding [no change]	51
The JTF shall not support:	[no change]	[no change]	Provisional common understanding [no change]	52
(a) the decommissioning or the construction of nuclear power stations;	[no change]	[no change]	Provisional common understanding [no change]	53
(b) the manufacturing, processing and marketing of tobacco and tobacco products;	[no change]	[no change]	Provisional common understanding [no change]	54

Commission proposal COM (2020) 22 and 460	European Parliament first reading (plenary mandate 17/09/2020)	Council Position (COREPER partial mandate 24/6/20 and 5/10/20)	Compromise proposal, comments	Rows
(c) undertakings in difficulty, as defined in Article 2(18) of Commission Regulation (EU) No 651/2014 ¹² ;	Amendment 40 (c) undertakings in difficulty, as defined in Article 2(18) of Commission Regulation (EU) No 651/2014 ¹³ , <i>except in cases where the difficulties derive from the energy transition process or where the difficulties began after 15 February 2020</i> ;	(c) undertakings in difficulty, as defined in Article 2(18) of Commission Regulation (EU) No 651/2014 ¹⁴ , unless authorised under applicable Union State aid rules ;	<i>Provisional common understanding</i> (c) undertakings in difficulty, as defined in Article 2(18) of Commission Regulation (EU) No 651/2014 ¹⁵ , unless authorised under temporary State aid rules established to address exceptional circumstances or under <i>de minimis</i> aid to support investments reducing energy costs in the context of the energy transition process ;	55
(d) investment related to the production, processing, distribution, storage or combustion of fossil fuels;	Amendment 41 (d) investment related to the production, processing, transport , distribution, storage or combustion of fossil fuels;	[no change]	<i>Provisional common understanding</i> d) investment related to the production, processing, transport , distribution, storage or combustion of fossil fuels;	56
(e) investment in broadband infrastructure in areas in which there are at least two broadband networks of equivalent category.	Amendment 42 (e) investment in broadband infrastructure in areas in which there are at least two broadband networks of	[no change]	<i>Provisional common understanding</i> (e) investment in broadband infrastructure in areas in which there	57

¹² 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).

¹³ 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).

¹⁴ 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).

¹⁵ 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).

Commission proposal COM (2020) 22 and 460	European Parliament first reading (plenary mandate 17/09/2020)	Council Position (COREPER partial mandate 24/6/20 and 5/10/20)	Compromise proposal, comments	Rows
	<p>where equivalent category solutions are provided by the market in competitive conditions to customers;</p> <p><u>Amendment 43</u> (ea) investment in enterprises other than SMEs, involving the transfer of jobs and production processes from one Member State to another or to a third country;</p>		<p>are at least two broadband networks of equivalent category-</p> <p>Provisional common understanding EP amendment 43 withdrawn</p>	58
	<p><u>Amendment 44</u> (eb) operations in a NUTS 2 region where an opening of a new coal, lignite or oil shale mine or of a peat extraction field or a reopening of a temporarily decommissioned coal, lignite or oil shale mine or of a peat extraction field is scheduled during the duration of the programme.</p> <p><u>Amendment 45</u> By way of derogation from point (d) of Article 5(1) of this Regulation, for regions heavily relying on the extraction and combustion of coal, lignite, oil shale or peat, the Commission may approve territorial just transition plans which include investments in activities related to natural gas, provided that such activities qualify as environmentally sustainable in accordance with</p>		<p>Provisional common understanding EP amendment 44 withdrawn</p>	59
			<p>Provisional common understanding EP amendment 45 withdrawn</p>	60

Commission proposal COM (2020) 22 and 460	European Parliament first reading (plenary mandate 17/09/2020)	Council Position (COREPER partial mandate 24/6/20 and 5/10/20)	Compromise proposal, comments	Rows
	Article 3 of Regulation (EU) 2020/852¹⁶ and comply with the following cumulative conditions:			
	<u>Amendment 45 (cont.)</u> (a) are used as a bridging technology replacing coal, lignite, peat, or oil shale;		<i>Provisional common understanding EP amendment 45 withdrawn</i>	61
	<u>Amendment 45 (cont.)</u> (b) fall within the limits of sustainable availability or are compatible with the use of clean hydrogen, biogas and biomethane;		<i>Provisional common understanding EP amendment 45 withdrawn</i>	62
	<u>Amendment 45 (cont.)</u> (c) contribute to the Union's environmental objectives on climate change mitigation and adaptation, through accelerating the full phase-out of coal, lignite, peat or oil shale;		<i>Provisional common understanding EP amendment 45 withdrawn</i>	63
	<u>Amendment 45 (cont.)</u> (d) deliver significant reductions in greenhouse gas emissions and air pollution and increase energy efficiency;		<i>Provisional common understanding EP amendment 45 withdrawn</i>	64
	<u>Amendment 45 (cont.)</u> (e) contribute to tackling energy poverty;		<i>Provisional common understanding EP amendment 45 withdrawn</i>	65
	<u>Amendment 45 (cont.)</u> (f) do not hamper the development of renewable energy sources in the		<i>Provisional common understanding EP amendment 45 withdrawn</i>	66

¹⁶ 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).

Commission proposal COM (2020) 22 and 460	European Parliament first reading (plenary mandate 17/09/2020)	Council Position (COREPER partial mandate 24/6/20 and 5/10/20)	Compromise proposal, comments	Rows
	<i>territories concerned and are compatible and in synergy with a subsequent use of renewable energy sources.</i>			
	<p><u>Amendment 45 (cont.)</u> <i>In duly justified cases, the Commission may also approve investments in non-qualifying activities in accordance with Article 3 of Regulation (EU) 2020/852, if they comply with all the other conditions set out in the first subparagraph of this paragraph, and the Member State is able to justify, in the territorial just transition plan, the need to support those activities and demonstrates consistency of those activities with Union energy and climate objectives and legislation, as well as its National Energy and Climate Plan.</i></p>		<p><i>Provisional common understanding</i> <i>EP amendment 45 withdrawn</i></p>	67
<p><i>Article 6</i> <i>Programming of the JTF resources</i></p>	<p><i>[no change]</i></p>	<p><i>[no change]</i></p>	<p><i>Provisional common understanding</i> <i>[no change]</i></p>	68
<p>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</p>	<p><u>Amendment 46</u> The JTF resources shall be programmed for the categories of regions where the territories <i>or economic activities</i> 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</p>	<p><i>[no change]</i></p>	<p><i>Provisional common understanding</i> <i>[no change]</i></p>	69

Commission proposal COM (2020) 22 and 460	European Parliament first reading (plenary mandate 17/09/2020)	Council Position (COREPER partial mandate 24/6/20 and 5/10/20)	Compromise proposal, comments	Rows
<p>the form of one or more specific programmes or of one or more priorities within a programme.</p>	<p>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.</p>	<p>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.</p>	<p><i>Provisional common understanding</i></p> <p>The Commission shall only approve a programme or any amendment to it 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.</p>	70
<p>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.</p>	<p><u>Amendment 47</u> Unless it duly justifies withholding its approval, the Commission shall not approve a programme where the identification of the territories most negatively affected by the transition process, contained within the relevant territorial just transition plan, is duly justified and the relevant territorial just transition plan is consistent with the National Energy and Climate Plan of the Member State concerned, the climate-neutrality objective for 2050, its intermediate steps by 2030 and the European Pillar of Social Rights.</p>	<p>The Commission shall only approve a programme or any amendment to it 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.</p>	<p><i>Provisional common understanding</i></p> <p>The Commission shall only approve a programme or any amendment to it 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.</p>	70

Commission proposal COM (2020) 22 and 460	European Parliament first reading (plenary mandate 17/09/2020)	Council Position (COREPER partial mandate 24/6/20 and 5/10/20)	Compromise proposal, comments	Rows
<p>2.¹⁷ The JTF priority or priorities shall comprise the JTF resources consisting of all or part of the JTF allocation for the Member States and the resources transferred in accordance with Article [21a] of Regulation (EU) [new CPR]. The total of the ERDF and ESF+ resources transferred to the JTF shall be at least equal to one and a half times the amount of support from the JTF to that priority excluding the resources referred to in paragraph 1 of Article 3a but shall not exceed three times that amount.</p>	<p>Amendment 48 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 those resources may be complemented by the resources transferred <i>on a voluntary basis</i> in accordance with Article [21a] of Regulation (EU) [new CPR]. The total of the ERDF and ESF+ resources <i>to be</i> transferred to the JTF <i>priority</i> shall not exceed <i>be at least equal to one and a half times</i> the amount of support from the JTF to that priority excluding the resources referred to in paragraph 1 of Article 3a but shall not exceed three times that amount. <i>The resources transferred from ERDF and ESF+ shall maintain their original objectives and be included in the levels of thematic concentration of ERDF and ESF+.</i></p>	<p>2. The JTF priority or priorities shall comprise the JTF resources consisting of all or part of the JTF allocation for the Member States and the resources transferred in accordance with Article 21a of Regulation (EU) [new CPR]. The total of the ERDF and ESF+ resources transferred to the JTF shall be at least equal to one and a half not exceed three times the amount of support from the JTF to that priority excluding the resources referred to in paragraph 1 of Article 3a but shall not exceed three times that amount.</p>	<p><i>Provisional common understanding</i></p> <p>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 on a voluntary basis in accordance with Article 21a of Regulation (EU) [new CPR]. The total of the ERDF and ESF+ resources transferred to the JTF shall be at least equal to one and a half not exceed three times the amount of support from the JTF to that priority excluding the resources referred to in paragraph 1 of Article 3a but shall not exceed three times that amount.</p>	71
	<p>Amendment 49 2a. <i>The JTF is designed for the most vulnerable communities within each region, and therefore eligible projects financed under the JTF contributing to the specific objective in Article 2 shall benefit from co-</i></p>		<p><i>Provisional common understanding</i></p> <p><i>Alignment with the wording agreed in CPR.</i></p> <p>In accordance with Article [106] of Regulation (EU) [new CPR], the</p>	72

17 Article 6(2): COM (2020) 460 final.

Commission proposal COM (2020) 22 and 460	European Parliament first reading (plenary mandate 17/09/2020)	Council Position (COREPER partial mandate 24/6/20 and 5/10/20)	Compromise proposal, comments	Rows
	<i>financing of up to 85 % of relevant costs.</i>		<p>co-financing rate for the priority supported by the JTF shall not be higher than</p> <p>(a) 85% for less developed regions;</p> <p>(b) 70% for transition regions;</p> <p>(c) 50% for more developed regions;</p> <p>applicable to the region where the territory or territories identified in the territorial just transition plans in accordance with Article [7] are located.</p>	73
<p><i>Article 7</i></p> <p><i>Territorial just transition plan</i></p> <p>1. Member States shall prepare, together with the relevant authorities of the territories concerned, one or more territorial just transition plans covering one or more affected territories corresponding to level 3 of the common classification of territorial units for statistics ('NUTS level 3 regions') as established by Regulation (EC) No 1059/2003 of the European Parliament and of the Council as amended by</p>	<p><i>[no change]</i></p> <p><u>Amendment 50</u></p> <p>1. Member States shall prepare, together with the relevant local and regional authorities of the territories concerned and in accordance with the partnership principle laid down in Article 6 of Regulation (EU) .../... [new CPR] and, where relevant, the assistance of the EIB and EIF, one or more territorial just transition plans covering one or more affected</p>	<p><i>[no change]</i></p> <p>1. Member States shall prepare, together with the relevant authorities of the territories concerned, one or more territorial just transition plans covering one or more affected territories corresponding to level 3 of the common classification of territorial units for statistics ('NUTS level 3 regions') as established by [Regulation (EC) No 1059/2003 of the European Parliament and of the Council as amended by</p>	<p><i>Provisional common understanding</i> <i>[no change]</i></p> <p><i>Provisional common understanding</i></p> <p>1. Member States shall prepare, together with the relevant local and regional authorities of the territories concerned, one or more territorial just transition plans covering one or more affected territories corresponding to level 3 of the common classification of territorial units for statistics ('NUTS level 3</p>	74

Commission proposal COM (2020) 22 and 460	European Parliament first reading (plenary mandate 17/09/2020)	Council Position (COREPER partial mandate 24/6/20 and 5/10/20)	Compromise proposal, comments	Rows
<p>Commission Regulation (EC) No 868/2014 or parts thereof, in accordance with the template set out in Annex II. Those territories shall be those most negatively affected based on the economic and social impacts resulting from the transition, in particular with regard to expected job losses in fossil fuel production and use and the transformation needs of the production processes of industrial facilities with the highest greenhouse gas intensity.</p>	<p>territories corresponding to level 3 of the common classification of territorial units for statistics ('NUTS level 3 regions') as established by Regulation (EC) No 1059/2003 of the European Parliament and of the Council as amended by Commission Regulation (EC) No 868/2014 (EU) 2016/2066¹⁸ or parts thereof, in accordance with the template set out in Annex II. Those territories shall be those most negatively affected based on the economic and social impacts resulting from the transition, in particular with regard to expected job losses in fossil fuel production and use and the transformation needs of the production processes of industrial facilities with the highest greenhouse gas intensity.</p>	<p>Commission Regulation (EC) No 868/2014¹⁹ or parts thereof, in accordance with the template set out in Annex II. Those territories shall be those most negatively affected based on the economic and social impacts resulting from the transition, in particular with regard to expected adaptation of workers or job losses in fossil fuel production and use and the transformation needs of the production processes of industrial facilities with the highest greenhouse gas intensity.²¹</p>	<p>regions') as established by Regulation (EC) No 1059/2003 of the European Parliament and of the Council as amended by Commission Regulation (EC) No 868/2014 (EU) 2016/2066²² or parts thereof, in accordance with the template set out in Annex II. Those territories shall be those most negatively affected based on the economic and social impacts resulting from the transition, in particular with regard to expected adaptation of workers or job losses in fossil fuel production and use and the transformation needs of the production processes of industrial facilities with the highest greenhouse gas intensity.²³</p>	75
<p>2. A territorial just transition plan shall contain the following elements:</p> <p>(a) a description of the transition process at national level towards a</p>	<p><i>[no change]</i></p> <p><u>Amendment 51</u> (a) a description of the transition process at national level towards a</p>	<p><i>[no change]</i></p> <p>(a) a description of the transition process at national level towards a</p>	<p><i>Provisional common understanding</i> <i>[no change]</i></p> <p><i>Provisional common understanding</i></p>	76

¹⁸ Regulation (EC) No 1059/2003 of the European Parliament and of the Council of 26 May 2003 on the establishment of a common classification of territorial units for statistics (NUTS) (OJ L 154, 21.6.2003, p. 1).

¹⁹ Regulation (EC) No 1059/2003 of the European Parliament and of the Council of 26 May 2003 on the establishment of a common classification of territorial units for statistics (NUTS) (OJ L 154 21.6.2003, p. 1).

²⁰ The same reference as in Article 102 CPR will be used, once agreed by the co-legislators.

²¹ Council position: Recital 15 is linked to this provision.

²² **Regulation (EC) No 1059/2003 of the European Parliament and of the Council of 26 May 2003 on the establishment of a common classification of territorial units for statistics (NUTS) (OJ L 154, 21.6.2003, p. 1).**

²³ Council position: Recital 15 is linked to this provision.

Commission proposal COM (2020) 22 and 460	European Parliament first reading (plenary mandate 17/09/2020)	Council Position (COREPER partial mandate 24/6/20 and 5/10/20)	Compromise proposal, comments	Rows
<p>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');</p>	<p>process at national level towards <i>the achievement of the Union 2030 climate targets and a climate-neutral economy by 2050</i>, including a timeline for key transition steps which are consistent with the latest version of the National Energy and Climate Plan ('NECP');</p>	<p>climate-neutral economy, including a timeline for key transition steps towards the attainment of the Union's 2030 target for climate set out to in Article 2(11) of Regulation (EU) 2018/1999 and climate neutrality by 2050 which are consistent with the latest version of the National Energy and Climate Plan ('NECP');</p>	<p>(a) a description of the transition process at national level towards a climate-neutral economy, including a timeline for key transition steps towards the Union's 2030 target for energy and climate set out in Article 2(11) of Regulation (EU) 2018/1999 and a climate-neutral economy of the Union by 2050 which are consistent with the latest version of the National Energy and Climate Plan ('NECP');</p>	77
<p>(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;</p>	<p><u>Amendment 52</u> (b) a justification for identifying the territories as most negatively affected by the transition process referred to in point (a) and to be supported by the JTF, in accordance with paragraph 1, including indicators such as the unemployment rate and the depopulation rate;</p>	<p>[no change]</p>	<p><i>Provisional common understanding</i> [no change]</p>	77
<p>(c) an assessment of the transition challenges faced by the most negatively affected territories, including the social, economic, and environmental impact of the transition to a climate-neutral economy, identifying the potential number of affected jobs and job losses, the development needs and objectives, to be reached by 2030 linked to the transformation or closure of greenhouse gas-intensive activities in those</p>	<p><u>Amendment 53</u> (c) an impact assessment of the transition challenges faced by the most negatively affected territories, including the social, economic, and environmental impact of the transition to a climate-neutral economy, identifying the potential number of affected jobs and job losses, the potential impact on government revenues, the development needs and</p>	<p>(c) an assessment of the transition challenges faced by the identified most negatively affected territories, including the social, economic, and environmental impact of the transition to a climate-neutral economy, identifying the potential number of affected jobs and job losses, the development needs and objectives, to be reached by 2030 linked to the transformation or closure of greenhouse gas-intensive activities in</p>	<p><i>Provisional common understanding</i> (c) an assessment of the transition challenges faced by the identified most negatively affected territories, including the social, economic, and environmental impact of the transition to a climate-neutral economy, identifying the potential number of affected jobs and job losses as well as depopulation risks,</p>	78

Commission proposal COM (2020) 22 and 460 territories;	European Parliament first reading (plenary mandate 17/09/2020)	Council Position (COREPER partial mandate 24/6/20 and 5/10/20) those territories;	Compromise proposal, comments	Rows
(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;	objectives, to be reached by 2030 linked to the transformation or closure of greenhouse gas-intensive activities in those territories, and the challenges regarding energy poverty ; <u>Amendment 54</u> (d) a description of the expected contribution of the JTF support to addressing the social, demographic , economic, health and environmental impacts of the transition to a climate-neutral economy;	(d) a description of the expected contribution of the JTF support to addressing the social, economic, health and environmental impacts of the transition to a climate-neutral economy by 2050 ;	the development needs and objectives, to be reached by 2030 linked to the transformation or closure of greenhouse gas-intensive activities in those territories; <i>Provisional common understanding</i> (d) a description of the expected contribution of the JTF support to addressing the social, demographic , economic, health and environmental impacts of the transition to a climate-neutral economy by 2050, including the expected contribution in terms of job creation and preservation ; <i>Last addition is linked to row 33.</i>	79
(e) an assessment of its consistency with other national, regional or territorial strategies and plans;	<u>Amendment 55</u> (e) an assessment of its consistency with other national, regional or territorial strategies and plans, where relevant ;	(e) an assessment of its consistency with other relevant national, regional or territorial strategies and plans;	(e) an assessment of its consistency with other relevant national, regional or territorial strategies and plans; <i>Provisional common understanding</i>	80
(f) a description of the governance mechanisms consisting of the partnership arrangements, the monitoring and evaluation measures planned and the responsible bodies;	[no change]	[no change]	<i>Provisional common understanding</i> [no change]	81
(g) a description of the type of operations envisaged and their expected contribution to alleviate the impact of the transition;	[no change]	[no change]	<i>Provisional common understanding</i> [no change]	82

Commission proposal COM (2020) 22 and 460	European Parliament first reading (plenary mandate 17/09/2020)	Council Position (COREPER partial mandate 24/6/20 and 5/10/20)	Compromise proposal, comments	Rows
<p>(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;</p>	<p>Amendment 56 (h) where support is provided to productive investments to enterprises other than SMEs, an exhaustive indicative list of such operations and enterprises and a justification of the necessity of such support through a gap analysis demonstrating that the expected job losses would exceed the expected number of jobs created in the absence of the investment;</p>	<p>(h) where support is provided to productive investments to enterprises other than SMEs, an exhaustive a 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;</p>	<p><i>Provisional common understanding</i> (h) where support is provided to productive investments to enterprises other than SMEs, an exhaustive indicative list of such operations and enterprises and a justification of the necessity of such support through a gap analysis demonstrating that the expected job losses would exceed the expected number of jobs created in the absence of the investment;</p>	83
<p>(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;</p>	<p>[no change]</p>	<p>(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 a list of operations to be supported and a justification that they contribute to a transition to a climate neutral economy and lead to a substantial reduction in greenhouse-gas emissions going 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;</p>	<p><i>Provisional common understanding</i> (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 a list of operations to be supported and a justification that they contribute to a transition to a climate neutral economy and lead to a substantial reduction in greenhouse-gas emissions going 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;</p>	84

Commission proposal COM (2020) 22 and 460	European Parliament first reading (plenary mandate 17/09/2020)	Council Position (COREPER partial mandate 24/6/20 and 5/10/20)	Compromise proposal, comments	Rows
(j) synergies and complementarities with other Union programmes and pillars of the Just Transition Mechanism to address identified development needs.	[no change]	(j) synergies and complementarities with other relevant Union programmes and pillars of the Just Transition Mechanism to address identified development needs;	<i>Provisional common understanding</i> (j) synergies and complementarities with other relevant Union programmes and pillars of the Just Transition Mechanism to address identified development needs;	85
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].	<u>Amendment 57</u> 3. The preparation and implementation of territorial just transition plans shall involve the relevant partners in accordance with Article [6] of Regulation (EU) [new CPR] and, where relevant, the EIB and EIF.	(k) synergies and complementarities with planned support from the other pillars of the Just Transition Mechanism.	<i>Provisional common understanding</i> (k) synergies and complementarities with planned support from the other pillars of the Just Transition Mechanism.	86
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].	<u>Amendment 57</u> 3. The preparation and implementation of territorial just transition plans shall involve the relevant partners in accordance with Article [6] of Regulation (EU) [new CPR] and, where relevant, the EIB and EIF.	[no change]	<i>Provisional common understanding</i> 3. The preparation and implementation of territorial just transition plans shall involve the relevant partners in accordance with Article [6] of Regulation (EU) [new CPR] and, where relevant, the EIB and EIF.	87
4. Territorial just transition plans shall be consistent with the territorial strategies referred to in Article [23] of Regulation (EU) [new CPR], with relevant smart specialisation strategies, the NECPs and the European Pillar of Social Rights.	[no change]	4. Territorial just transition plans shall be consistent with the relevant territorial strategies referred to in Article [23] of Regulation (EU) [new CPR], with relevant and smart specialisation strategies, the NECPs and the European Pillar of Social Rights.	<i>Provisional common understanding</i> 4. Territorial just transition plans shall be consistent with the relevant territorial strategies referred to in Article [23] of Regulation (EU) [new CPR], with relevant and relevant smart specialisation strategies, the NECPs and the European Pillar of	88

Commission proposal COM (2020) 22 and 460	European Parliament first reading (plenary mandate 17/09/2020)	Council Position (COREPER partial mandate 24/6/20 and 5/10/20)	Compromise proposal, comments	Rows
Where the revision of a National Energy and Climate Plan pursuant to Article 14 of Regulation (EU) 2018/1999 necessitates a revision of a territorial just transition plan, this revision shall be carried out as part of the mid-term review exercise in accordance with Article 14 of Regulation (EU) [new CPR].	[no change]	[no change]	Social Rights. "Relevant" applies to both "territorial strategies" and "smart specialisation strategies". Provisional common understanding [no change]	89
Article 8 Indicators	[no change]	5. Where Member States want to make use of the possibility to receive support under pillars 2 or 3 of the Just Transition Mechanism, the territorial just transition plan shall set out the sectors and areas envisaged to be supported under those pillars.	Provisional common understanding 5. Where Member States want to make use of the possibility to receive support under pillars 2 or 3 of the Just Transition Mechanism, the territorial just transition plan shall set out the sectors and areas envisaged to be supported under those pillars. Provisional common understanding [no change]	90
1. Common output and result indicators, as set out in Annex III and, where duly justified in the territorial just transition plan, programme-specific output and result indicators, shall be established in accordance with [point (a)]	[no change]	[no change]	Provisional common understanding [no change]	91
			Provisional common understanding [no change]	92

Commission proposal COM (2020) 22 and 460	European Parliament first reading (plenary mandate 17/09/2020)	Council Position (COREPER partial mandate 24/6/20 and 5/10/20)	Compromise proposal, comments	Rows
of the second subparagraph of Article 12(1)], [point (d)(ii) of Article 17(3)] and [point (b) of Article 37(2)] of Regulation (EU) [new CPR].				
2. For output indicators, baselines shall be set at zero. The milestones set for 2024 and targets set for 2029 shall be cumulative. Targets shall not be revised after the request for programme amendment submitted pursuant to Article [14(2)] of Regulation (EU) [new CPR] has been approved by the Commission.	<u>Amendment 58</u> 2. For output indicators, baselines shall be set at zero. The milestones set for 2024 and targets set for 2029 shall be cumulative. Targets shall not be revised after the request for programme amendment submitted pursuant to Article [14(2)] of Regulation (EU) [new CPR] has been approved by the Commission.	[no change]	Provisional common understanding [no change]	93
3. Where a JTF priority supports the activities referred to in points (h), (i) or (j) of Article 4(2), data on the indicators for participants shall only be transmitted where all the data relating to that participant, required in accordance with Annex III are available.	[no change]	[no change]	Provisional common understanding [no change]	94
4. The Commission is empowered to adopt delegated acts in accordance with Article 10 to amend Annex III in order to make the necessary adjustments to the list of indicators to be used.	[no change]	4. The Commission is empowered to adopt delegated acts in accordance with Article 10 to amend Annex III in order to make the necessary adjustments to the list of indicators to be used.	Provisional common understanding 4. The Commission is empowered to adopt delegated acts in accordance with Article 10 to amend Annex III in order to make the necessary adjustments to the list of indicators to be used.	95
<i>Article 9</i> <i>Financial corrections</i>	[no change]	[no change]	Provisional common understanding [no change]	96
Where the Commission concludes,	<u>Amendment 59</u>	Where the Commission concludes,	Provisional common understanding	97

Commission proposal COM (2020) 22 and 460	European Parliament first reading (plenary mandate 17/09/2020)	Council Position (COREPER partial mandate 24/6/20 and 5/10/20)	Compromise proposal, comments	Rows
<p>based on the examination of the final performance report of the programme, that there is a failure to achieve at least 65% of the target established for one or more output or result indicators for the JTF resources, it may make financial corrections pursuant to Article [98] of Regulation (EU) [new CPR] by reducing the support from the JTF to the priority concerned in proportion to the achievements.</p>	<p>Where the Commission concludes, based on the examination of the final performance report of the programme, that there is a failure to achieve at least 65% of the target established for one or more output or result indicators for the JTF resources, it the Commission may make financial corrections pursuant to Article [98] of in accordance with Regulation (EU) [new CPR] by reducing the support from the JTF to the priority concerned in proportion to the achievements.</p>	<p>based on the examination of the final performance report of the programme, that there is a failure to achieve at least 65% of the target established for one or more output or result indicators for the JTF resources, it may make financial corrections pursuant to Article [98] of Regulation (EU) [new CPR] by reducing the support from the JTF to the priority concerned in proportion to the achievements.</p>	<p>Where the Commission concludes, based on the examination of the final performance report of the programme, that there is a failure to achieve at least 65% of the target established for one or more output or result indicators for the JTF resources, it the Commission may make financial corrections pursuant to in accordance with Article 98 of Regulation (EU) [new CPR] by reducing the support from the JTF to the priority concerned in proportion to the achievements where less than 65% of the target set out for one or more output indicators is achieved.</p> <p><i>Provisional common understanding</i></p> <p>Financial corrections shall be in proportion to the achievements and shall not be applied where the failure to achieve targets is due to the impact of socio-economic or environmental factors, significant changes in the economic or environmental conditions in the Member State concerned or because of reasons of force majeure seriously affecting implementation of the priorities concerned.</p>	98

Commission proposal COM (2020) 22 and 460 <i>Article 10</i> <i>Exercise of the delegation</i>	European Parliament first reading (plenary mandate 17/09/2020) <i>[no change]</i>	Council Position (COREPER partial mandate 24/6/20 and 5/10/20) <i>Article 10</i> <i>Exercise of the delegation</i>	Compromise proposal, comments	Rows
<p>1. The power to adopt delegated acts is conferred on the Commission subject to the conditions laid down in this Article.</p>	<p><i>[no change]</i></p>	<p>1. The power to adopt delegated acts is conferred on the Commission subject to the conditions laid down in this Article.</p>	<p><i>Provisional common understanding</i> <i>Article 10</i> <i>Exercise of the delegation</i></p>	99
<p>2. The power to adopt delegated acts referred to in Article 8(4) shall be conferred on the Commission for an indeterminate period of time from [the date of the entry into force of this Regulation].</p>	<p><i>[no change]</i></p>	<p>2. The power to adopt delegated acts referred to in Article 8(4) shall be conferred on the Commission for an indeterminate period of time from [the date of the entry into force of this Regulation].</p>	<p><i>Provisional common understanding</i></p> <p>2. The power to adopt delegated acts referred to in Article 8(4) shall be conferred on the Commission for an indeterminate period of time from [the date of the entry into force of this Regulation].</p>	101
<p>3. The delegation of power referred to in Article 8(4) may be revoked at any time by the European Parliament or by the Council. A decision to revoke shall put an end to the delegation of the power specified in that decision. It shall take effect the day following the publication of the decision in the Official Journal of the European Union or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.</p>	<p><i>[no change]</i></p>	<p>3. The delegation of power referred to in Article 8(4) may be revoked at any time by the European Parliament or by the Council. A decision to revoke shall put an end to the delegation of the power specified in that decision. It shall take effect the day following the publication of the decision in the Official Journal of the European Union or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.</p>	<p><i>Provisional common understanding</i></p> <p>3. The delegation of power referred to in Article 8(4) may be revoked at any time by the European Parliament or by the Council. A decision to revoke shall put an end to the delegation of the power specified in that decision. It shall take effect the day following the publication of the decision in the Official Journal of the European Union or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.</p>	102

Commission proposal COM (2020) 22 and 460	European Parliament first reading (plenary mandate 17/09/2020)	Council Position (COREPER partial mandate 24/6/20 and 5/10/20)	Compromise proposal, comments	Rows
<p>4. Before adopting a delegated act, the Commission shall consult experts designated by each Member State in accordance with the principles laid down in the Interinstitutional Agreement of 13 April 2016 on Better Law-Making.</p>	<p>[no change]</p>	<p>4. Before adopting a delegated act, the Commission shall consult experts designated by each Member State in accordance with the principles laid down in the Interinstitutional Agreement of 13 April 2016 on Better Law-Making.</p>	<p><i>Provisional common understanding</i></p> <p>4. Before adopting a delegated act, the Commission shall consult experts designated by each Member State in accordance with the principles laid down in the Interinstitutional Agreement of 13 April 2016 on Better Law-Making.</p>	102a
<p>5. As soon as it adopts a delegated act, the Commission shall notify it simultaneously to the European Parliament and to the Council.</p>	<p>[no change]</p>	<p>5. As soon as it adopts a delegated act, the Commission shall notify it simultaneously to the European Parliament and to the Council.</p>	<p><i>Provisional common understanding</i></p> <p>5. As soon as it adopts a delegated act, the Commission shall notify it simultaneously to the European Parliament and to the Council.</p>	103
<p>6. A delegated act adopted pursuant to Article 8(4) shall enter into force only if no objection has been expressed either by the European Parliament or by the Council within a period of two months of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by two months at the initiative of the European Parliament or of the Council.</p>	<p>[no change]</p>	<p>6. A delegated act adopted pursuant to Article 8(4) shall enter into force only if no objection has been expressed either by the European Parliament or by the Council within a period of two months of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by two months at the initiative of the European Parliament or of the Council.</p>	<p><i>Provisional common understanding</i></p> <p>6. A delegated act adopted pursuant to Article 8(4) shall enter into force only if no objection has been expressed either by the European Parliament or by the Council within a period of two months of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by two months at the initiative of the</p>	104

Commission proposal COM (2020) 22 and 460	European Parliament first reading (plenary mandate 17/09/2020)	Council Position (COREPER partial mandate 24/6/20 and 5/10/20)	Compromise proposal, comments	Rows
			European Parliament or of the Council.	
	Amendment 60 <i>Article 10a</i> <i>Transitional provisions</i>		Provisional common understanding [no change]	105
	Amendment 60 (cont.) <i>Member States shall benefit from a transition period until [one year from the date of entry into force of this Regulation] for the preparation and adoption of the territorial just transition plans. All Member States shall be fully eligible for funding under this Regulation during that transition period, which shall not be taken into account by the Commission when considering a decision on decommitment or loss of funding.</i>		Provisional common understanding to be confirmed at political level EP Amendment 60 withdrawn since a recital reflecting the principles of Article 6 MFF is agreed in CPR. For information, this is the wording of the new recital in CPR: “In order to allow Member States appropriate time to declare to the Commission expenditure up to the available level of resources in the event of the adoption of the new rules or programmes under shared management after 1 January 2021, the amounts corresponding to the allocations not used in year 2021 should be transferred in equal proportions to the years 2022 to 2025 as envisaged under [Article 6 of the MFF regulation]”	106
	Amendment 61 <i>Article 10b</i> <i>Review</i>		Provisional common understanding Article 10b Review	107

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	<p>Amendment 61 (cont.)</p> <p><i>At the latest by the end of mid-term review of the next multi-annual financial framework, the Commission shall review the implementation of the JTF and assess whether it is appropriate to amend its scope in line with possible changes in Regulation (EU) 2020/852, the Union's climate objectives set out in Regulation (EU) 2020/... [European Climate Law] and the evolution in the implementation of the Sustainable Finance Action Plan. On that basis, the Commission shall submit a report to the European Parliament and to the Council, which may be accompanied by legislative proposals.</i></p>		<p><i>Provisional common understanding</i></p> <p>At the latest by 30 June 2025, the Commission shall review the implementation of the JTF with regard to the specific objective set out in Article 2 taking into account possible changes in Regulation (EU) 2020/852²⁴, the Union's climate objectives set out in Regulation (EU) 2020/... [European Climate Law] and the evolution in the implementation of the Sustainable Finance Action Plan. On that basis, the Commission shall submit a report to the European Parliament and to the Council, which may be accompanied by legislative proposals.</p>	108
<p><i>Article 11</i></p> <p><i>Entry into force</i></p>	<p>[no change]</p>	<p>[no change]</p>	<p><i>Provisional common understanding</i></p> <p>[no change]</p>	109
<p>This Regulation shall enter into force on the [twentieth] day following that of its publication in the Official Journal of the European Union.</p>	<p>[no change]</p>	<p>[no change]</p>	<p><i>Provisional common understanding</i></p> <p>[no change]</p> <p><i>Comment: date of the entry into force to be reconsidered at the end of the negotiating process.</i></p>	110
<p>This Regulation shall be binding in its entirety and directly applicable in all</p>	<p>[no change]</p>	<p>[no change]</p>	<p><i>Provisional common understanding</i></p> <p>[no change]</p>	111

²⁴ 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. 13–43).

Commission proposal COM (2020) 22 and 460 Member States.	European Parliament first reading (plenary mandate 17/09/2020)	Council Position (COREPER partial mandate 24/6/20 and 5/10/20)	Compromise proposal, comments	Rows
RECITALS				
<p>Commission proposal COM (2020) 22 and 460</p> <p>(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 Deal²⁵ and is part of the Sustainable Europe Investment Plan²⁶ 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</p>	<p>European Parliament first reading (plenary mandate 17/09/2020)</p> <p>Amendment 1</p> <p>(1) The regulatory framework governing the Union's cohesion policy for the period from 2021 to 2027, in the context of the next multi-annual financial framework, contributes to the fulfilment of the Union's commitments to implement the Paris Agreement, limiting global temperature increase to below 1,5 °C, and the United Nations Sustainable Development Goals and the European Pillar of Social Rights by concentrating Union funding on green objectives. This Regulation implements one of the priorities set out in the Communication on the European Green Deal ('the European Green Deal')²⁷ and is part of the Sustainable Europe Investment Plan²⁸ providing dedicated financing</p>	<p>Council Position (COREPER partial mandate 24/6/20)</p>	<p>Compromise proposal, comments</p> <p><i>Provisional common understanding</i></p> <p>(1) The regulatory framework governing the Union's cohesion policy for the period from 2021 to 2027, in the context of the next multi-annual financial framework, contributes to the fulfilment of the Union's commitments to implement the Paris Agreement, limiting global temperature increase to below 1.5 °C, 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')²⁹ and is part of the Sustainable Europe Investment Plan³⁰</p>	112

²⁵ COM(2019) 640 final, 11.12.2019.

²⁶ COM(2020) 21, 14.1.2020.

²⁷ COM(2019) 640 final, 11.12.2019.

²⁸ COM(2020) 21, 14.1.2020.

²⁹ COM(2019) 640 final, 11.12.2019.

Commission proposal COM (2020) 22 and 460	European Parliament first reading (plenary mandate 17/09/2020)	Council Position (COREPER partial mandate 24/6/20 and 5/10/20)	Compromise proposal, comments	Rows
<p>circular economy, where any remaining greenhouse gas emissions are compensated by equivalent absorptions.</p>	<p>under the Just Transition Mechanism in the context of cohesion policy to address the economic, and social and environmental costs of the transition to a climate-neutral and circular economy, where any remaining greenhouse gas emissions are compensated by equivalent absorptions, taking into account the impact of the COVID-19 pandemic.</p>		<p>providing dedicated financing under the Just Transition Mechanism in the context of cohesion policy to address the economic, and social and environmental costs of the transition to a climate-neutral and circular economy, where any remaining greenhouse gas emissions are compensated by equivalent absorptions.</p>	
<p>(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 and environmental impact heavily on fossil fuels - especially coal,</p>	<p>Amendment 2 (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 and environmental impact</p>		<p><i>Provisional common understanding</i> (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</p>	113

³⁰ COM(2020) 21, 14.1.2020.

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<p>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.</p>	<p>for those regions that rely heavily on fossil fuels - especially coal, lignite, peat for energy use and oil shale- or greenhouse gas intensive industries. Such a situation not only creates the risk of a variable speed transition in the Union as regards climate action, but also of growing disparities between regions, especially for outermost regions, remote, insular and geographically disadvantaged areas, and for areas with depopulation problems, detrimental to the objectives of social, economic and territorial cohesion.</p>		<p>entails a wider social, and economic and environmental impact for those regions that rely heavily on fossil fuels for energy use - 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.</p>	114
<p>(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.</p>	<p><u>Amendment 3</u> (3) In order to be successful, the transition has to be fair, and inclusive and socially acceptable for all. Therefore, both the Union, and the Member States and their regions must take into account its economic, and social and environmental implications from the outset, and deploy all possible instruments to mitigate adverse consequences. The Union budget has an important role in that regard to ensure that no one is left behind.</p>		<p><i>Provisional common understanding</i> (3) In order to be successful, the transition has to be fair and inclusive to be socially acceptable for all. Therefore, both the Union, and the Member States as well as their regions must take into account its economic, and social and environmental implications from the outset, and deploy all possible instruments to mitigate adverse consequences. The Union budget has an important role in that regard.</p>	115
<p>(4) As set out in the European Green Deal and the Sustainable Europe Investment Plan, a Just Transition</p>	<p><u>Amendment 4</u> (4) As set out in the European Green Deal and the Sustainable Europe</p>		<p><i>Provisional common understanding</i> (4) As set out in the European Green</p>	115

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<p>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.</p>	<p>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 and environmental consequences, in particular for workers affected in the process of transitioning towards Union climate neutrality by 2050 by bringing together the Union budget's spending on climate and social objectives at regional level, promoting a sustainable economy, green jobs and public health.</p>		<p>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 and environmental consequences, in particular for workers affected in the process of transitioning towards Union climate neutrality by 2050 by bringing together the Union budget's spending on climate and social objectives at regional level and aiming at high social and environmental standards.</p>	116
<p>(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.</p>	<p>Amendment 5 (5) This Regulation establishes the Just Transition Fund ('JTF') which is one of the pillars of the Just Transition Mechanism implemented under cohesion policy. The aim of the JTF is to mitigate and compensate the adverse effects of the climate transition by supporting the most affected territories and workers concerned and to promote a balanced socio-economic transition that fights social precarity and an unstable business environment. In line with the JTF specific objective, actions supported</p>		<p><i>Provisional common understanding</i> (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 and to promote a balanced socio-economic transition. In line with the JTF specific objective, actions supported by the JTF should directly</p>	116

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<p>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].</p>	<p>by the JTF should directly contribute to alleviate the impact of the transition by financing the diversification and modernisation of the local economy by regenerating natural assets and by mitigating the negative repercussions on employment and on standards of living. This is reflected in the JTF specific objective, which is established at the same level and listed together with the policy objectives set out in Article[4] of Regulation EU [new CPR].</p>		<p>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].</p>	117
<p>(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 fully to the achievement of this target.</p>	<p><u>Amendment 6</u> (6) In view of the importance of tackling climate change in line with the Union's commitments to implement the Paris Agreement, the commitment regarding the United Nations Sustainable Development Goals and the increased ambition of the Union as proposed in the European Green Deal, the JTF should provide a key contribution to mainstream climate and environmental actions. Resources from the JTF own envelope are additional and come on top of the investments needed to achieve the overall target of 25 30% of the Union budget expenditure contributing to climate objectives. Resources transferred on a voluntary basis from</p>		<p><i>Provisional common understanding</i> (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 30% of the Union budget expenditure contributing to climate objectives.</p>	

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	the ERDF and ESF+ will <i>could</i> contribute fully to the achievement of this target.		They contribute fully to the achievement of this target together with resources transferred on a voluntary basis from the ERDF and ESF+ will contribute fully to the achievement of this target . The JTF should support activities that respect the climate and environmental standards and priorities of the Union and do no significant harm to the environmental objectives within the meaning of Article 17 of Regulation (EU) No 2020/852 and that ensure the transition towards a low carbon economy in the pathway to achieve climate neutrality at the latest by 2050.	
(7) The resources from the JTF should complement the resources available under cohesion policy.	Amendment 7 (7) The resources from the JTF should complement the resources available under cohesion policy. <i>The establishment of the JTF should not lead to cuts to, or compulsory transfers from, the other cohesion funds.</i>		<i>Provisional common understanding [no change]</i>	118
(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	Amendment 8 (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, <i>or which until recently have</i>		<i>Provisional common understanding</i> (8) Transitioning to a climate-neutral economy is a challenge for all Member States. It will be particularly demanding for those Member States	119

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<p>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.</p>	<p><i>relied</i>, 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 <i>focus on those territories most affected, and</i> reflect the capacity of Member States to finance the necessary investments to cope with the transition towards climate neutrality, <i>with particular attention to least developed regions, outermost regions, mountainous, islands, sparsely populated, rural, remote and geographically disadvantaged areas whose small population make the transition in energy towards climate neutrality more difficult to implement, and taking into account the starting position of each Member State.</i> [no change]</p>		<p>that rely, or which until recently have relied, heavily on fossil fuels or greenhouse gas intensive industrial activities which need to be phased out or which need to adapt due to the transition towards climate neutrality and that lack the financial means to do so. The JTF should therefore cover all Member States, but the distribution of its financial means should focus on those territories that are the most affected by the climate transition process, and reflect the capacity of Member States to finance the necessary investments to cope with the transition towards climate neutrality.</p>	120
<p>(8a)³¹ Horizontal financial rules adopted by the European Parliament and the Council on the basis of Article 322 of the Treaty on the Functioning of the European Union apply to this Regulation. These rules are laid down in</p>			<p><i>Provisional common understanding</i> (8a) Horizontal financial rules adopted by the European Parliament and the Council on the basis of Article 322 of the Treaty on the</p>	

³¹ Recital 8a: COM (2020) 460 final.

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<p>the Financial Regulation and determine in particular the procedure for establishing and implementing the budget through grants, procurement, prizes, indirect implementation, and provide for checks on the responsibility of financial actors. Rules adopted on the basis of Article 322 TFEU also concern the protection of the Union's budget in case of generalised deficiencies as regards the rule of law in the Member States, as the respect for the rule of law is an essential precondition for sound financial management and effective EU funding.</p>			<p>Functioning of the European Union apply to this Regulation. These rules are laid down in the Financial Regulation and determine in particular the procedure for establishing and implementing the budget through grants, procurement, prizes, indirect implementation, and provide for checks on the responsibility of financial actors. Rules adopted on the basis of Article 322 TFEU also include a general regime of conditionality for the protection of the Union budget concern the protection of the Union's budget in case of generalised deficiencies as regards the rule of law in the Member States, as the respect for the rule of law is an essential precondition for sound financial management and effective EU funding.</p> <p><i>Wording taken over from other regulations, including React-EU.</i></p> <p><i>Provisional common understanding</i></p> <p>(8b) In order to ensure the effective use of the JTF resources, access to the JTF should be limited to 50% of the national allocation for those Member States that have not yet</p>	120a

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<p>(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.</p>	<p><u>Amendment 9</u> (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. Member States should ensure that municipalities and cities have direct access to the JTF resources to be made available to them according to their objective needs.</p>		<p>committed to implement the objective of achieving a climate-neutral EU by 2050, in line with the objectives of the Paris Agreement, the other 50% being made available for programming upon acceptance of such a commitment. In order to ensure fairness and equal treatment of Member States, where a Member State has not committed to implement the objective of achieving a climate-neutral EU by 2050 by 31 December in any year starting from 2022, the budgetary commitment for the preceding year should be decommitted in its entirety the following year.</p>	121
			<p><i>Provisional common understanding</i> (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. Member States should ensure that municipalities and cities are involved in the implementation of the JTF resources and their needs in that context are taken into</p>	

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(9a) ³² In accordance with Regulation [European Recovery Instrument] and within the limits of resources allocated therein, recovery and resilience measures under the Just Transition Fund should be carried out to address the unprecedented impact of the COVID-19 crisis. Such additional resources should be used in such a way as to ensure compliance with the time limits provided for in Regulation [ERF].	[no change]		<p>account.</p> <p><i>Provisional common understanding [no change]</i></p>	122
(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	Amendment 10 (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 and social	(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	<p><i>Provisional common understanding Linked to row 43.</i></p> <p>(9b) The identity of mining communities needs to be preserved and the continuity of past and future communities needs to be safeguarded. This involves paying special attention to their tangible and non-tangible mining heritage, including culture.</p> <p><i>Provisional common understanding</i></p>	122a
(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		(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	<p><i>Provisional common understanding</i></p> <p>(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,</p>	123

³² Recital 9a: COM (2020) 460 final.

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<p>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 2050³³ while maintaining and enhancing employment and avoiding environmental degradation. Particular attention should also be given to activities enhancing innovation and research in advanced and</p>	<p>commitments and priorities of the Union. The list of investments should include those that support people, communities and local economies and are sustainable in the long-term, taking into account all the objectives of the European Green Deal and the European Pillar of Social Rights. The projects financed should contribute to a gradual and full transition to a sustainable, climate-neutral, pollution-free and circular economy. For declining sectors, such as energy production based on coal, lignite, peat and oil shale or extraction activities for these solid fossil fuels, support should be linked to the phasing out of the activity and the corresponding reduction in the employment level. As regards transforming sectors with high greenhouse gas emission levels, support should promote new activities through the deployment of new technologies, new processes or products, leading to significant emission reduction, in line with the EU 2030 climate objectives and EU climate neutrality by 2050³⁵ while maintaining and enhancing employment and avoiding environmental degradation. Particular attention should also be given to activities enhancing innovation and research in advanced and</p>	<p>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 2050³⁵ while maintaining and enhancing employment and avoiding environmental degradation. Particular attention should also be given to activities enhancing innovation and research in advanced and</p>	<p>and environmental and social commitments and priorities of the Union. The list of investments should include those that support local economies through stimulating their endogenous growth potential in accordance with the respective smart specialisation strategies, including sustainable tourism where appropriate. Investments need to be, sustainable in the long-term, taking into account all the objectives of the European Green Deal. The projects financed should contribute to a transition to a sustainable, climate-neutral and circular economy, including measures aiming at increasing resource efficiency. It is clarified that waste incineration should not receive support given that this activity belongs to the lower part of the waste circular economy hierarchy. Consultancy services contributing to the implementation of measures supported by the JTF</p>	

³³ As set out in “A Clean Planet for all *European strategic long-term vision for a prosperous, modern, competitive and climate neutral economy*”, Communication from the Commission to the European Parliament, the European Council, the Council, the European Economic and Social Committee, the Committee of the Regions and the European Investment Bank - COM(2018) 773 final.

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<p>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.</p>	<p>2030 climate objectives and EU climate neutrality by 2050³⁴ while maintaining and enhancing <i>skilled</i> 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, <i>and smart and sustainable mobility</i>, provided that such measures help mitigate the negative side effects of a transition towards, and contribute to, a climate-neutral and circular economy, <i>taking into account the economic, social and energy characteristics of each Member State. The importance of culture, education and community building for the transition process should also be met by supporting activities that address the mining heritage.</i></p>	<p>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. Consultancy services contributing to the implementation of measures supported by the JTF should also be eligible.³⁶ Renaturation of sites, development of green infrastructure and water management can be supported as part of a land restoration project.³⁷ When supporting energy efficiency measures, the JTF can support investments which contribute to reducing energy poverty, principally through energy efficiency improvements of the housing stock by improving the energy efficiency of the housing stock by reducing consumption and creating savings to be achieved in households affected by energy poverty.³⁸</p>	<p>should also be eligible.³⁹ Renaturation of sites, development of green infrastructure and water management can be supported as part of a land restoration project.⁴⁰ When supporting energy efficiency measures, the JTF can support investments which also contribute to reducing energy poverty, principally through energy efficiency improvements of the housing stock.⁴¹ It is clarified that the JTF may also support the development of innovative storage technologies. Reflecting the importance of tackling climate change in line with the Union's commitments to implement the Paris Agreement, and the commitment to the United Nations Sustainable Development Goals, the actions under this Regulation should contribute to the</p>	

³⁵ 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.

³⁴ 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.

³⁶ Linked to Article 4 (2) (b).

³⁷ Linked to Article 4 (2) (f).

³⁸ Linked to Article 4 (2) (d).

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			<p>achievement of a 30% target of all MFF expenditure spent on mainstreaming climate objectives and should contribute to the ambition of providing 7.5% of annual spending under the MFF to biodiversity objectives in the year 2024 and 10% of annual spending under the MFF to biodiversity objectives in 2026 and 2027, while considering the existing overlaps between climate and biodiversity goals.</p>	123a
			<p><i>Provisional common understanding</i></p> <p><i>Social aspects linked to rows 38, 42, 45 and 48</i></p> <p>(10a) Support for activities in the area of education and social inclusion should be allowed as well as for social infrastructure for the purposes of child and elderly care facilities as well as in training centres and provided that these activities are appropriately justified in the territorial just transition plans. For elderly care, the principle of promoting</p>	

³⁹ Linked to Article 4 (2) (b).

⁴⁰ Linked to Article 4 (2) (f).

⁴¹ Linked to Article 4 (2) (d).

Commission proposal COM (2020) 22 and 460	European Parliament first reading (plenary mandate 17/09/2020)	Council Position (COREPER partial mandate 24/6/20 and 5/10/20)	Compromise proposal, comments	Rows
<p>(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.</p>	<p><u>Amendment 11</u> (11) To protect citizens who are most vulnerable to the climate transition, the JTF should also cover the up-skilling, and reskilling <i>and training</i> of the affected workers <i>and jobseekers</i>, <i>particularly women</i>, with the aim of helping them to adapt to new employment opportunities <i>and gain new qualifications suitable for the green economy</i>, as well as providing job-search assistance to jobseekers and their active inclusion into the labour market. <i>The promotion of social cohesion should be a guiding principle for providing support under the JTF.</i></p>	<p>(11) To protect citizens who are most vulnerable to the climate transition, the JTF should also cover the up-skilling and reskilling, including training, of the affected workers, with irrespective of whether they are still employed or have lost their job due to the transition. The JTF should aim of helping to help them to adapt to new employment opportunities, as well as providing. The JTF should also provide job-search assistance to jobseekers and support their active inclusion into the labour market. All jobseekers having lost their job in sectors affected by the transition in the region covered by the territorial just transition plan can be supported by the JTF, even if the dismissed workers are not residing in that region.⁴²</p>	<p>community-based care should be preserved. Social and public services in these areas could complete the investment mix. All support in these areas require appropriate justification in the territorial just transition plans and should follow the objectives of the European Pillar of Social Rights.</p> <p><i>Provisional common understanding</i></p> <p>(11) To protect citizens who are most vulnerable to the climate transition, the JTF should also cover the up-skilling and reskilling, including training, of the affected workers, with irrespective of whether they are still employed or have lost their job due to the transition. The JTF should aim of helping to help them to adapt to new employment opportunities, as well as providing. The JTF should also provide any appropriate form of support job-search assistance to jobseekers, including job search assistance and their active inclusion into the labour market. All jobseekers having lost their job in sectors affected by the transition in the region covered by</p>	124

⁴² Linked to Article 4 (2) (h).

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			<p>the territorial just transition plan can be supported by the JTF, even if the dismissed workers are not residing in that region.⁴³ Due regard should be paid to citizens at risk of energy poverty and, in particular, when implementing energy efficiency measures for improved social housing conditions.</p>	
			<p><i>Provisional common understanding</i></p> <p>(11a) To address the specific situation and role of women in the transition, gender equality should be promoted. Women's labour market participation and entrepreneurship as well as equal pay play an important role for ensuring equal opportunities. The Just Transition Fund should also pay special attention to vulnerable groups that suffer disproportionately from the adverse effects of the transition, such as workers with disabilities.</p>	124a

⁴³ Linked to Article 4 (2) (h).

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<p>(12) In order to enhance the economic diversification of territories impacted by the transition, the JTF should provide support to productive investment in SMEs. Productive investment should be understood as investment in fixed capital or immaterial assets of enterprises in view of producing goods and services thereby contributing to gross-capital formation and employment. For enterprises other than SMEs, productive investments should only be supported if they are necessary for mitigating job losses resulting from the transition, by creating or protecting a significant number of jobs and they do not lead to or result from relocation. Investments in existing industrial facilities, including those covered by the Union Emissions Trading System, should be allowed if they contribute to the transition to a climate-neutral economy by 2050 and go substantially below the relevant benchmarks established for free allocation under Directive 2003/87/EC of the European Parliament and of the Council⁴⁴ and if they result in the protection of a significant number of jobs. Any such investment should be</p>	<p><u>Amendment 12</u> (12) In order to enhance the economic diversification of territories impacted by the transition, the JTF should provide support to productive investment in SMEs. Productive investment should be understood as investment in fixed capital or immaterial assets of enterprises in view of producing goods and services thereby contributing to gross-capital formation and employment. For enterprises other than SMEs, productive investments should only be supported if they are necessary for mitigating job losses resulting from the transition, by creating or protecting a significant number of jobs and they do not lead to or result from relocation. Investments in existing industrial facilities, including those covered by the Union Emissions Trading System, should be allowed if they contribute to the transition to a climate-neutral economy by 2050 and go substantially below the relevant benchmarks established for free allocation under Directive 2003/87/EC of the European Parliament and of the Council⁴⁴ and if</p>		<p><i>Provisional common understanding</i> (12) In order to enhance the economic diversification of territories impacted by the transition, the JTF should provide support to productive investment in SMEs. Productive investment should be understood as investment in fixed capital or immaterial assets of enterprises in view of producing goods and services thereby contributing to gross-capital formation and employment. For enterprises other than SMEs, productive investments should only be supported if they are necessary for mitigating job losses resulting from the transition, by creating or protecting a significant number of jobs and they do not lead to or result from relocation. Investments in existing industrial facilities, including those covered by the Union Emissions Trading System, should be allowed if they contribute to the transition to a</p>	125

⁴⁴ 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).

Commission proposal COM (2020) 22 and 460	European Parliament first reading (plenary mandate 17/09/2020)	Council Position (COREPER partial mandate 24/6/20 and 5/10/20)	Compromise proposal, comments	Rows
<p>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.</p>	<p>they result in the protection creation and maintenance of a significant number of jobs. Any such investment should be justified accordingly in the relevant territorial just transition plan, be sustainable and, where applicable, be consistent with the polluter pays principle and the energy efficiency first principle. In order to protect the integrity of the internal market and cohesion policy, support to undertakings should comply with Union State aid rules as set out in 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.</p>		<p>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 Council⁴⁵ 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.</p>	126
	<p>Amendment 13 (12a) Support for productive investment in enterprises, other than SMEs, through the JTF should be limited to less developed and transition regions as set out in Article</p>		<p><i>Provisional common understanding</i> <i>EP Amendment 13 withdrawn</i></p>	

⁴⁵ 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).

Commission proposal COM (2020) 22 and 460	European Parliament first reading (plenary mandate 17/09/2020)	Council Position (COREPER partial mandate 24/6/20 and 5/10/20)	Compromise proposal, comments	Rows
<p>(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+')</p> <p>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.</p>	<p>102(2) of Regulation No .../... /CPR]. Amendment 14</p> <p>(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 could be reinforced on a voluntary basis with complementary funding from the ERDF and the ESF+. The respective amounts transferred from the ERDF and the ESF+ should be consistent with the type of operations set out in the territorial just transition plans.</p>		<p><i>Provisional common understanding</i></p> <p>(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 could be reinforced on a voluntary basis with complementary funding from the ERDF and the ESF+. The respective amounts transferred from the ERDF and the ESF+ should be consistent with the type of operations set out in the territorial just transition plans.</p>	127
<p>(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</p>	<p>Amendment 15</p> <p>(14) The JTF support should be conditional on the effective and measurable implementation of a transition process in a specific territory in order to achieve a climate-neutral economy. In that regard, Member</p>		<p><i>Provisional common understanding</i></p> <p>(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</p>	128

Commission proposal COM (2020) 22 and 460	European Parliament first reading (plenary mandate 17/09/2020)	Council Position (COREPER partial mandate 24/6/20 and 5/10/20)	Compromise proposal, comments	Rows
<p>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.</p>	<p>States should prepare, in social dialogue and cooperation with the relevant stakeholders in accordance with the partnership principle established by Article 6 of Regulation (EU) .../... [new CPR], and supported by the Commission, territorial just transition plans, detailing the transition process, consistently with, and possibly going further than, their National Energy and Climate Plans. To this end, the Commission should set up a Just Transition Platform, which would build on the existing platform for coal regions in transition to enable bilateral and multilateral exchanges of experience on lessons learnt and best practices across all affected sectors.</p>		<p>economy. In that regard, Member States should prepare, in social dialogue and cooperation with the relevant stakeholders, in accordance with the partnership principle established by Article 6 of Regulation (EU) .../... [new CPR], and supported by the Commission, territorial just transition plans, detailing the transition process, consistently with 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.</p>	129
<p>(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</p>	<p><u>Amendment 16</u> (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 the Union climate targets for 2030 and a climate-neutral economy by 2050, notably as regards the conversion or closure of facilities involving fossil fuel production or other greenhouse gas intensive</p>	<p>(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</p>	<p><i>Provisional common understanding</i> (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 the Union climate targets for 2030 and a climate-neutral economy by 2050, notably as regards the conversion or closure of facilities involving fossil</p>	

Commission proposal COM (2020) 22 and 460	European Parliament first reading (plenary mandate 17/09/2020)	Council Position (COREPER partial mandate 24/6/20 and 5/10/20)	Compromise proposal, comments	Rows
<p>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.</p>	<p>activities, <i>whilst maintaining and expanding employment opportunities in the affected territories in order to avoid social exclusion. Aggravating factors such as unemployment rates and depopulation trends should be taken into consideration.</i> 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 <i>and opportunities</i> 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 <i>European Green Deal</i>. 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.</p>	<p>should be parts thereof. The plans Where such territories are identified, additional attention should detail be given to the challenges and needs specificities of these territories and identify islands, insular areas as well as the type of operations needed in a manner that ensures outermost regions where the coherent development of climate-resilient geographical and socio-economic activities that are also consistent with characteristics may require a different approach to support the transition to process towards climate-neutrality and the objectives of the Green Deal.⁴⁶ 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.</p>	<p>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, taking into account depopulation risks, and identify the type of operations needed to contribute to job creation at the level of the plan and 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. Where such territories are identified, additional attention should detail be given to the challenges and needs specificities of these territories and identify islands, insular areas as well as the type of operations needed in a manner that ensures outermost regions where the coherent development of climate-resilient geographical and socio-economic activities that are also consistent with characteristics may require a</p>	

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Linked to Article 7 (1).

Commission proposal COM (2020) 22 and 460	European Parliament first reading (plenary mandate 17/09/2020)	Council Position (COREPER partial mandate 24/6/20 and 5/10/20)	Compromise proposal, comments	Rows
			<p>different approach to support the transition to process towards climate-neutrality and the objectives of the Green Deal.⁴⁷. 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.</p>	130
<p>(16) In order to enhance the result orientation of the use of JTF resources, the Commission, in line with the principle of proportionality, should be able to apply financial corrections in case of serious underachievement of targets established for the JTF specific objective.</p>	<p>[no change]</p>		<p><i>Provisional common understanding</i> [no change]</p>	130
<p>(17) In order to supplement and amend certain non-essential elements of this Regulation, the power to adopt acts in accordance with Article 290 TFEU should be delegated to the Commission in respect of the amendment of the elements contained in Annex III of this Regulation regarding the common output and result indicators. It is of</p>	<p>[no change]</p>		<p><i>Provisional common understanding</i> (17) In order to supplement and amend certain non-essential elements of this Regulation, the power to adopt acts in accordance with Article 290 TFEU should be delegated to the Commission in respect of the amendment of the elements contained in Annex III of this</p>	131

⁴⁷ Linked to Article 7 (1).

Commission proposal COM (2020) 22 and 460	European Parliament first reading (plenary mandate 17/09/2020)	Council Position (COREPER partial mandate 24/6/20 and 5/10/20)	Compromise proposal, comments	Rows
<p>particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level, and that those consultations be conducted in accordance with the principles laid down in the Interinstitutional Agreement of 13 April 2016 on Better Law-Making⁴⁸. In particular, to ensure equal participation in the preparation of delegated acts, the European Parliament and the Council receive all documents at the same time as Member States' experts; these experts systematically have access to meetings of Commission expert groups dealing with the preparation of delegated acts.</p>			<p>Regulation regarding the common output and result indicators. It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level, and that those consultations be conducted in accordance with the principles laid down in the Interinstitutional Agreement of 13 April 2016 on Better Law-Making⁴⁹. In particular, to ensure equal participation in the preparation of delegated acts, the European Parliament and the Council receive all documents at the same time as Member States' experts; these experts systematically have access to meetings of Commission expert groups dealing with the preparation of delegated acts.</p>	
<p>(18) In order to set out an appropriate financial framework for the JTF, implementing powers should be conferred on the Commission to set out the annual breakdown of available allocations per Member State in accordance with Annex I.</p>	<p>[no change]</p>		<p><i>Provisional common understanding</i> [no change]</p>	132
<p>(19) The objectives of this Regulation, namely to support territories facing economic and social transformation in their transition to a climate-neutral</p>	<p>Amendment 17 (19) The objectives of this Regulation, namely to support the people, economy and environment of</p>		<p><i>Provisional common understanding</i> (19) The objectives of this Regulation, namely to support the people, economy and environment</p>	133

⁴⁸ OJ L 123, 12.5.2016, p.13.

⁴⁹ OJ L 123, 12.5.2016, p.13.

Commission proposal COM (2020) 22 and 460	European Parliament first reading (plenary mandate 17/09/2020)	Council Position (COREPER partial mandate 24/6/20 and 5/10/20)	Compromise proposal, comments	Rows
<p>economy, cannot be sufficiently achieved by the Member States alone. The main reasons in this regard are, on the one hand, on the other 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,</p>	<p>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 <i>and ensuring compliance with high social and environmental standards and the promotion of worker participation.</i> 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,</p>		<p>of 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.</p>	

Regulation establishing the Just Transition Fund - Annexes

Outcome after the 3rd (final) Trilogue on 9 December 2020

Provisional common understanding reached on all Annexes

ANNEX I

~~ALLOCATION METHOD FOR RESOURCES OF THE JUST TRANSITION FUND~~

~~For each Member State, the financial envelope is determined in accordance with the following steps:~~

- ~~(a) — the share of each Member State is calculated as the weighted sum of the shares determined on the basis of the following criteria, weighted as indicated:~~
- ~~(i) — greenhouse gas emissions of industrial facilities in NUTS level 2 regions where the carbon intensity, as defined by the ratio of greenhouse gas emissions of industrial facilities as reported by Member States in accordance with Article 7 of Regulation (EC) No 166/2006 of the European Parliament and of the Council⁵⁰ compared to the gross value added of the industry, exceeds by a factor of two the EU 27 average. Where that level is not exceeded in any NUTS level 2 regions in a given Member State, greenhouse gas emissions of industrial facilities in the NUTS level 2 region with the highest carbon intensity is taken into account (weighting 49%);~~
 - ~~(ii) — employment in mining of coal and lignite (weighting 25%);~~
 - ~~(iii) — employment in industry in the NUTS level 2 regions taken into account for the purposes of point (i) (weighting 25%);~~
 - ~~(iv) — production of peat (weighting 0,95%);~~
 - ~~(v) — production of oil shale (weighting 0,05%);~~
- ~~(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 2 billion per Member State are redistributed proportionally to the allocations of all other Member States. The Member States shares are recalculated accordingly;~~

⁵⁰ — Regulation (EC) No 166/2006 of the European Parliament and of the Council of 18 January 2006 concerning the establishment of a European Pollutant Release and Transfer Register and amending Council Directives 91/689/EEC and 96/61/EC (OJ L 33, 4.2.2006, p. 1).

~~(c) — the Member State shares resulting from the application of point (b) are adjusted negatively or positively by a coefficient of 1.5 times of the difference by which that Member State's GNI per capita (measured in purchasing power parities) for the period 2015–2017 (as used for cohesion policy in the context of the MFF 2021–2027 negotiations; see fiche no. 62 of 22 July 2019) exceeds or falls below the average GNI per capita of the EU 27 Member States (average expressed as 100%);~~

~~This adjustment does not apply to Member States for which the allocation has been capped in accordance with point (b).~~

~~(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 capita aid intensity (measured on the basis of the entire population of the Member State) of at least EUR 32 (in 2018 prices) over the entire period.~~

~~The amounts to ensure the minimum aid intensity are deducted proportionally from the allocations of all the other Member States, except those for which the allocation has been capped in accordance with point (b).~~

~~The allocation of the Just Transition Fund is additional to the allocation resulting from paragraphs 1 to 16 of Annex XXII of [new CPR proposal] and is not included in the allocation basis to which points 10 to 15 of Annex XXII of the [new CPR proposal] are applied.~~

MEMBER STATE ALLOCATIONS

	Allocations from the European Union Recovery Instrument	Allocations from MFF resources	Total allocations	Member States' share from total
BE	95	71	166	0.95%
BG	673	505	1178	6.73%
CZ	853	640	1493	8.53%
DK	46	35	81	0.46%
DE	1288	966	2254	12.88%
EE	184	138	322	1.84%
IE	44	33	77	0.44%
EL	431	324	755	4.31%
ES	452	339	790	4.52%
FR	535	402	937	5.35%
HR	97	72	169	0.97%
IT	535	401	937	5.35%
CY	53	39	92	0.53%
LV	100	75	174	1.00%
LT	142	107	249	1.42%
LU	5	4	8	0.05%
HU	136	102	237	1.36%
MT	12	9	21	0.12%
NL	324	243	567	3.24%
AT	71	53	124	0.71%
PL	2000	1500	3500	20.00%
PT	116	87	204	1.16%
RO	1112	834	1947	11.12%
SI	134	101	235	1.34%
SK	239	179	418	2.39%
FI	242	182	424	2.42%
SE	81	61	142	0.81%
EU 27	10 000	7 500	17 500	100.00%

Allocations in EUR million, 2018 prices and before deductions for technical assistance and administrative expenditure (totals may not tally due to roundings)

ANNEX II

TEMPLATE FOR TERRITORIAL JUST TRANSITION PLANS

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

Text field [12000]

Reference: Article 7(2)(a)

*1.1. Outline of the expected transition process towards **the Union's 2030 target for energy and climate set out to in Article 2(11) of Regulation (EU) 2018/1999 and climate-neutral economy by 2050**, 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*

Reference: Article 7(2)(b)

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

Reference: Article 3c

1.3. Identifying the outermost regions and islands with specific challenges within territories listed under Section 1.1 and the specific amounts allocated for these territories with corresponding justification

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

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

Reference: Article 7(2)(c)

Text field [12000]

Identification of economic activities and industrial sectors impacted, distinguishing:

- *declining sectors, expected to cease or significantly scale down their activities related to the transition, including a corresponding timeline;*
- *transforming sectors, expected to undergo a transformation of their activities, processes and outputs.*

For each of the two sectors:

- *expected job losses and requalification needs, taking into account skills forecasts;*
- *economic diversification potential and development opportunities.*

2.2. Development needs and objectives by 2030 in view of reaching climate neutrality by 2050

Reference: Article 7(2)(d)

Text field [6000]

- *Development needs to address the transition challenges;*
- *Objectives and results expected through implementing the JTF priority, **including the expected contribution in terms of job creation and preservation***

2.3. Consistency with other **relevant** national, regional or territorial strategies and plans

Reference: Article 7(2)(e)

Text field [6000]

- *Smart specialisation strategies;*
- *Territorial strategies referred to in Article 23 of Regulation (EU) [new CPR];*
- *Other regional or national development plans.*

2.4. Types of operations envisaged

Text field [12000]

Reference: Article 7(2)(g)

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

Reference: Article 7(2)(h)

To fill in only if support is provided to productive investments other than SMEs:

- an ~~exhaustive~~ **indicative** list of such operations and enterprises and for each of them a justification of the necessity of such support through a gap analysis demonstrating that the expected job losses would exceed the expected number of jobs created in the absence of this investment

Update or fill in this section through the revision of the TJTF, depending on the decision to provide such support

Reference: Article 7(2)(i);

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

Update or fill in this section through the revision of the TJTF, depending on the decision to provide such support

Reference: Article 7(2)(j)

- synergies and complementarities of the envisaged operations with other **relevant** programmes under the Investments for jobs and growth goal (supporting the transition process), other financing instruments (the Union Emissions Trading Modernisation Fund)

Reference: **Article 7(2)(k) and 7(5)**

- synergies and complementarities with planned support from the other pillars of the Just Transition Mechanism

- **sectors and areas envisaged to be supported under Pillars 2 and 3**

2.5. Programme-specific output or result indicators

Reference: Article 8(1)

To fill in only if programme-specific indicators are envisaged:

- justification for the necessity of programme-specific output or result indicators based on the types of operations envisaged

Table 1. Output indicators					
Specific objective	ID [5]	Indicator [255]	Measurement unit	Milestone (2024)	Target (2029)

Table 2. Result indicators								
Specific objective	ID [5]	Indicator [255]	Measurement unit	Baseline or reference value	Reference year	Target (2029)	Source of data [200]	Comments [200]

3. Governance mechanisms

Reference: Article 7(2)(f)

Text field [5000]

3.1. Partnership

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

- Outcome of public consultation.

3.2. Monitoring and evaluation

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

3.3. Coordination and monitoring body/bodies

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

ANNEX III

REGIONAL POLICY COMMON OUTPUT INDICATORS ('RCO') AND REGIONAL POLICY COMMON RESULT INDICATORS ('RCR')
FOR THE JUST TRANSITION FUND⁵¹

The exact wording of the indicators in this annex to be fully aligned with the indicators agreed under ERDF/CF.

This is a sub-list of the ERDF/CF list with the exception of the indicators in bold.

Outputs	Results
RCO01 - Enterprises supported (of which: micro, small, medium, large) RCO 02 - Enterprises supported by grants RCO 03 - Enterprises supported by financial instruments RCO 04 - Enterprises with non-financial support RCO 05 - Start-ups supported RCO 10 - Enterprises cooperating with research institutions RCO 120 – Enterprises supported to achieve the reduction of greenhouse-gas emissions from activities listed in Annex I to Directive 2003/87/EC	RCR01 - Jobs created in supported entities RCR 02 - Private investments matching public support (of which: grants, financial instruments) RCR 03 – SMEs introducing product or process innovation RCR 04 - SMEs introducing marketing or organisational innovation RCR 05 - SMEs innovating in-house RCR 06 - Patent applications submitted to European Patent Office RCR 29 – Estimated greenhouse-gas emissions from activities listed in Annex I to Directive 2003/87/EC in supported enterprises
RCO 13 - Digital services and products developed for enterprises	RCR 11 - Users of new public digital services and applications RCR 12 - Users of new digital products, services and applications developed by enterprises

⁵¹ For presentational reasons, indicators are grouped to provide for easier matching with the indicators included in other cohesion policy fund-specific regulations.

RCO 15 - Capacity of incubation created	RCR 17 - 3-year-old enterprises surviving in the market RCR 18 - SMEs using incubator services one year after the incubator creation
RCO 101 – SMEs investing in skills development	RCR 97 – Apprenticeships supported in SMEs RCR 98 – SMEs staff completing Continuing Vocational Education and Training (CVET) (by type of skill: technical, management, entrepreneurship, green, other)
RCO 18 – Dwellings with improved energy performance RCO 19 - Public buildings with improved energy performance	RCR 26 - Annual primary energy consumption (of which: dwellings, public buildings, enterprises, other) RCR 29 – Estimated greenhouse gas emissions
RCO 22 - Additional production capacity for renewable energy (of which: electricity, thermal)	RCR 31 - Total renewable energy produced (of which: electricity, thermal) RCR 32 – Renewable energy: Capacity connected to the grid (operational)
RCO 34 - Additional capacity for waste recycling	RCR 46 - Population served by waste recycling facilities and small waste management systems RCR 47 - Waste recycled RCR 48 - Recycled waste used as raw materials RCR 49 - Waste recovered
RCO 60 - Cities and towns with new or modernised digitised urban transport systems	RCR 62 - Annual users of new or modernised public transport

<p>RCO 38 - Surface area of rehabilitated land supported RCO 39 - Systems for monitoring air pollution installed</p>	<p>RRCR 50 - Population benefiting from measures for air quality RRCR 52 - Rehabilitated land used for green areas, social housing, economic or community activities</p>
<p>for participants^{52,53}. RCO 200- unemployed, including long-term unemployed, RCO 201 - long-term unemployed, RCO 202 - inactive, RCO 203 - employed, including self-employed, RCO 204 - below 30 years of age, RCO 205 - above 54 years of age, RCO 206 - with lower secondary education or less (ISCED 0-2), RCO 207 - with upper secondary (ISCED 3) or post-secondary education (ISCED 4), RCO 208 - with tertiary education (ISCED 5 to 8), RCO 209 - total number of participants⁵⁴</p>	<p>for participants⁵⁵. RRCR 200 - participants engaged in job searching upon leaving, RRCR 201 - participants in education or training upon leaving, RRCR 202 - participants gaining a qualification upon leaving, RRCR 203 - participants in employment, including self-employment, upon leaving.</p>

⁵² All output and result indicators related to participants are to be reported.

⁵³ All personal data are to be broken down by gender (male/female – non-binary). Where certain results are not possible, it is not necessary to collect and report data for those result indicators. When data are collected from registers, Member States do not need to align with commonly agreed definitions and may use national definitions.

⁵⁴ To be calculated automatically on the basis of the common output indicators relating to employment status.

⁵⁵ All personal data are to be broken down by gender. Where certain results are not possible, it is not necessary to collect and report data for those result indicators. When data are collected from registers, Member States do not need to align with commonly agreed definitions and may use national definitions.