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**REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND
THE COUNCIL**

**on the implementation of the public sector loan facility under the Just Transition
Mechanism in 2022, as referred in Article 16 of Regulation (EU) 2021/1229**

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1. INTRODUCTION AND PURPOSE OF THIS REPORT

In December 2019, the Commission set out a European Green Deal for the European Union and its citizens¹, recalling the Commission's commitment to tackling climate and environmental-related challenges and outlining the need for a transition conducted in a fair and inclusive way. The Commission detailed in January 2020 a Just Transition Mechanism as part of the European Green Deal Investment Plan², to make sure that no one and no region is left behind in the transition to a climate-neutral economy. The primary goal of the mechanism is to provide support to the most negatively affected regions and people and to help them alleviating the socio-economic costs of the transition. The Just Transition Mechanism consists of three pillars: the first pillar is the Just Transition Fund, the second pillar is a dedicated scheme under the InvestEU Programme, while the third pillar is the public sector loan facility (the Facility).

Under the Facility, loans (provided by the European Investment Bank as finance partner) will be combined with grants (provided by the Union) to support public sector entities with resources to meet the development needs in the transition towards a climate neutral economy.

The Facility will support projects that do not generate a sufficient stream of revenues to cover their investment costs and address the development needs of the territories identified in the Territorial just transition plans³. Supported investments will cover a wide range of development needs, from energy and transport infrastructure, district-heating networks, energy efficiency, as well as up- and re-skilling, training and social infrastructure, including social housing.

1.1. Legal and budgetary framework of the public sector loan facility under the Just Transition Mechanism

The Facility was established by Regulation (EU) 2021/1229 of the European Parliament and of the Council of 14 July 2021 on the public sector loan facility under the Just Transition Mechanism (hereafter the "PSLF Regulation").

The PSLF Regulation provides a total maximum budget of €1 525 million of Union support for the grant component of the Facility (including technical assistance and advisory support).

In addition, the European Investment Bank will provide up to €10 billion for the loan component of the Facility.

1.2. Scope of the 2022 Implementation Report

According to Article 16(3) of the PSLF Regulation, "*by 31 October of each calendar year, starting with 2022, the Commission shall issue a report on the implementation of the Facility. That report*

¹ Communication from the Commission – The European Green Deal – COM(2019) 640 final, 11.12.2019.

² Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions – Sustainable Europe Investment Plan-European Green Deal Investment Plan – COM(2020) 21 final, 14.1.2020.

³ As defined in Article 11 of Regulation (EU) 2021/1056 of the European Parliament and of the Council of 24 June 2021 establishing the Just Transition Fund (OJ L 231, 30.6.2021, p. 1).

shall provide information on the level of implementation of the Facility with respect to its objectives, conditions and performance indicators."

As detailed below, the publication of the first call for proposals under the Facility was subject to the completion of a number of preparatory steps including: the adoption of the financing decision (see point 2.1.1), the delegation of the implementation of the Facility to CINEA (see point 2.1.2), the signing of the administrative agreement with the finance partner (see point 2.1.3) and the establishment of the advisory support under the InvestEU Advisory Hub (see point 2.1.4). In addition, the publication of the first call for proposals was subject to the adoption of a sufficient number of Territorial just transitions plans, as these plans are required for potential applicants to identify relevant projects and submit their proposals.

On 16 June 2022, the Commission adopted the first Just Transition Fund programmes and related Territorial just transition plans for the 2021-2027 programming period⁴. This enabled the Commission to proceed with the publication of the first call for proposals under the Facility on 19 July 2022 with the first submission deadline occurring on 19 October 2022.

Therefore, the implementation of the Facility has only just started and there are only limited elements to report about.

Hence, this first report will focus on describing the main preparatory steps that led to publishing the first call for proposals and the features of the call.

In order to include in this report elements related to the actual implementation of the Facility, it was decided to finalise and issue this report only after the first submission deadline, hence the slight delay compared to the regulatory deadline set out in the PSLF Regulation.

2. REPORT ON THE IMPLEMENTATION OF THE FACILITY

2.1. Preparations of the publication of the first call for proposals under the Facility

2.1.1. Adoption of the financing decision

Pursuant to Article 14 of the PSLF Regulation (*Work programmes*), the Facility shall be implemented by work programmes established in accordance with Article 110 of the Financial Regulation and adopted by means of Commission implementing acts under comitology procedure.

The financing decision including the multi-annual work programme for the Facility for the 2021-2025 period received a positive opinion from the Committee for the Common Provisions Regulation Funds on 6 May 2022⁵ and was adopted on 17 June 2022.

The financing decision including the multi-annual work programme is publicly available:

- on the Commission's website for Cohesion policy: [Publication of Financing Decisions and Annual Work Programme - DG REGIO - Regional Policy - European Commission \(europa.eu\)](#)
- on the "Funding&Tenders portal", the entry point for participants in funding programmes by the European Commission: [2022_public_loan_facility_annex.pdf \(europa.eu\)](#)

⁴ [EU Cohesion Policy: €1.63 billion for a just climate and energy transition in Greece - Regional Policy - European Commission \(europa.eu\)](#)

⁵ [Comitology Register \(europa.eu\)](#)

2.1.2. Delegation of the implementation of the Facility to CINEA

The management of the Facility was delegated⁶ by the Commission's Directorate-General for Regional and Urban Policy (DG REGIO) to the European Climate Infrastructure and Environment Executive Agency (CINEA)⁷ and the final split of tasks was agreed through a Memorandum of Understanding signed on 5 September 2022.

CINEA is responsible for the implementation of specific tasks concerning the granting of Union financial aid and the implementation of the corresponding appropriations entered in the Union budget, under the supervision of DG REGIO acting as parent DG. DG REGIO remains in charge of the policy aspects and the final selection of the projects to be supported by the Facility.

2.1.3. Administrative agreement with the finance partner (European Investment Bank)

Pursuant to Article 8 of the PSLF Regulation (*Administrative agreement*), the Commission and the finance partner shall sign an administrative agreement, prior to the implementation of the Facility.

Following negotiations with the European Investment Bank, the administrative agreement between the Commission and the European Investment Bank entered into force on 1 September 2022.

2.1.4. Advisory support under the InvestEU Advisory Hub

Pursuant to Article 3 (*Objectives*) and Article 13 (*Advisory support services*) of the PSLF Regulation, advisory support should be provided (for the preparation, development and implementation of eligible projects) and implemented in indirect management, in accordance with the rules and implementation methods for the InvestEU Advisory Hub.

Up to €35 million shall be provided for advisory support activities, out of which at least €10 million shall support the administrative capacity of beneficiaries, in particular in the less developed regions.

The Commission and the European Investment Bank signed on 4 March 2022⁸ an advisory agreement in respect of the advisory activities and operational support to be implemented by the European Investment Bank under the InvestEU Advisory Hub in the period 2021-2024.

This agreement details and implements the advisory support in respect of the Facility. In practice, advisory support can be requested by potential beneficiaries through the InvestEU Advisory Hub's central entry point⁹.

The availability of the advisory support was widely disseminated as part of the communication activities supporting the publication of the first call for proposals under the Facility.

As of the time of drafting this report, there has been no request for support. However, the European Investment Bank has been advising potential beneficiaries with respect to potential projects under the Just Transition Mechanism through JASPERS¹⁰, Project Advisory Support and Advisory Services.

⁶ Commission Implementing Decision (EU) 2021/173 of 12 February 2021

⁷ [Public sector loan facility on CINEA's website](#)

⁸ [European Commission and EIB Group sign InvestEU agreements unlocking billions for investment across the European Union](#)

⁹ [InvestEU Advisory Hub \(europa.eu\)](#).

¹⁰ A joint Commission/EIB initiative providing advisory services ([About JASPERS \(eib.org\)](#))

2.1.5. *Horizontal principles*

Pursuant to Article 4 of the PSLF Regulation (*Horizontal principles*), the compliance with the horizontal principles shall be ensured when implementing the Facility.

This has been reflected in different ways in the documentation, in line with Commission practices. The compliance with the horizontal principles has been included in the text of the call for proposals as eligibility condition and as part of the award criteria. Consequently, the model of the application form includes dedicated questions on the compliance with these principles.

In addition, in accordance with its own rules, policies and procedures, the European Investment Bank also includes the compliance with these principles in its assessment of the loans to be provided by the European Investment Bank.

2.2. Start of the implementation of the Facility

2.2.1. *Establishing the parameters for the implementation of the Facility*

Pursuant to Article 7 of the PSLF Regulation (*Availability of resources*), the total of the grants awarded to eligible projects in a given Member State pursuant to the call for proposals published not later than 31 December 2025 shall not exceed the corresponding national share allocated to such Member State. These national shares are set out in Annex I to Regulation (EU) 2021/1056 of the European Parliament and of the Council¹¹ and in the financing decision including the multi-annual work programme.

The Commission decided to start the implementation of the Facility with a first multi-annual call for proposals. This call for proposals will be the only one published to cover the period 2022-2025. The entire national share of each Member State will be available under this first multi-annual call for proposals.

The Commission will publish a second multi-annual call for proposals to cover the period 2026-2027. This second call for proposals will have a budget consisting of any amount remaining available under each national share at the end of the first call for proposals and will award grants on a competitive basis at Union level.

2.2.2. *Publication of the first call for proposals under the Facility*

As accessing funding under the Facility is conditional to the existence of an approved Territorial just transition plan, it was decided to publish the first call for proposals only after the adoption of a sufficient number of Territorial just transition plans.

On 16 June 2022, the Commission adopted the first Just Transition Fund programmes and related Territorial just transition plans for the 2021-2027 programming period.

This enabled the Commission to proceed with the publication of the first call for proposals under the Facility on 19 July 2022. The first submission deadline occurred on 19 October 2022, and it will be followed by three submission deadlines per calendar year (in January, April and September 2023, 2024 and 2025), as explained in the table below.

¹¹ Regulation (EU) 2021/1056 of the European Parliament and of the Council of 24 June 2021 establishing the Just Transition Fund (OJ L 231, 30.6.2021, p. 1).

Timetable and deadlines (indicative)					
Call opening:	19 July 2022				
Deadline for submission:	1 st cut-off date	2 nd cut-off date	3 rd cut-off date	4 th cut-off date	5 th cut-off date
	<u>19 October 2022</u> <u>17:00 CET</u> <u>(Brussels)</u>	<u>19 January 2023</u> <u>17:00 CET</u> <u>(Brussels)</u>	<u>19 April 2023</u> <u>17:00 CET</u> <u>(Brussels)</u>	<u>20 September 2023</u> <u>17:00 CET</u> <u>(Brussels)</u>	<u>17 January 2024</u> <u>17:00 CET</u> <u>(Brussels)</u>
Evaluation:	October 2022-January 2023	January-April 2023	April 2023-July 2023	September-December 2023	January-April 2024
Information on evaluation results:	January 2023	April 2023	July 2023	December 2023	April 2024
GA signature:	April 2023-June 2024	June 2023-September 2024	October 2023-December 2024	March 2024-April 2025	June 2024-September 2025

	6 th cut-off date	7 th cut-off date	8 th cut-off date	9 th cut-off date	10 th cut-off date
Deadline for submission:	<u>17 April 2024</u> <u>17:00 CET</u> <u>(Brussels)</u>	<u>19 September 2024</u> <u>17:00 CET</u> <u>(Brussels)</u>	<u>16 January 2025</u> <u>17:00 CET</u> <u>(Brussels)</u>	<u>15 April 2025</u> <u>17:00 CET</u> <u>(Brussels)</u>	<u>11 September 2025</u> <u>17:00 CET</u> <u>(Brussels)</u>
Evaluation:	April 2024-July 2024	September-December 2024	January-April 2025	April 2025-July 2025	September-December 2025
Information on evaluation results:	July 2024	December 2024	April 2025	July 2025	December 2025
GA signature:	October 2024-December 2025	March 2025-April 2026	June 2025-September 2026	October 2025-December 2026	March 2026-April 2027

Following the publication of the first call, additional Territorial just transition plans were adopted. At the time of the first submission deadline, 16 Territorial just transition plans were adopted for territories located in Austria, Czechia, Cyprus, Estonia, France, Germany, Greece, and Sweden.

In total, around 70 Territorial just transition plans are expected to be adopted by the first quarter of 2023¹².

2.2.3. Availability of the call for proposals and initial communication activities

The call for proposals is published and accessible on the Commission's Funding&Tenders portal¹³. Information can also be found by potential applicants on the Just Transition Platform¹⁴ and on CINEA's website¹⁵. The publication of the first call for proposals under the Facility was also disseminated by other usual means (see Section 3.2) including in a joint Commission-EIB press release and the social media.

¹² For updated map with adopted TJTPs access: [Info-geo - Just Transition Fund \(europa.eu\)](https://info-geo.europa.eu/)

¹³ [Funding & tenders \(europa.eu\)](https://funding-tenders.europa.eu/)

¹⁴ [Just Transition platform - Regional Policy - European Commission \(europa.eu\)](https://just-transition-platform.europa.eu/)

¹⁵ [CINEA - Investment areas \(europa.eu\)](https://cinea.europa.eu/)

In addition, the Commission, CINEA and the European Investment Bank organised a dedicated "Info Day" on 14 September 2022. During this event, the policy aspects of the Facility and the procedures to request a grant from the Commission and a loan from the European Investment Bank were explained in detail and potential applicants' questions were answered. The event was recorded and the link to the replay is available to any potential applicant on the Facility's webpage of CINEA's website¹⁶.

A dedicated session on the advisory support available was also organised (including with regard to the Facility) under the InvestEU Advisory Hub.

Two other dedicated information sessions have been held on 21 September 2022 within the EU Energy Sustainable Week and on 11 October 2022 within the European Week of Regions and Cities.

Together these sessions were attended by approximately 300 participants.

2.3. Results following the first submission deadline

The first submission deadline occurred on 19 October 2022; three applications have been received, out of which one is admissible/eligible and is going through the evaluation process.

This low number was expected as (i) only a limited number of Territorial just transition plans had been adopted, this being a pre-condition (i.e. eligibility condition) to submit a proposal, and (ii) potential applicants need time to familiarise themselves with the Facility and prepare proposals.

The Commission will continue working on raising the awareness around the Facility for the upcoming submission deadlines in order to increase the number of applications.

3. COMMUNICATION ACTIVITIES

3.1. Administrative agreement with the finance partner (European Investment Bank)

Following the signature of the administrative agreement with the European Investment Bank, press releases were issued by the Commission¹⁷ and the EIB¹⁸.

3.2. Publication of the first call for proposals

The Commission ensured a wide communication effort around the publication of the first call for proposals by issuing press releases from Commission services¹⁹ and CINEA²⁰ and including a daily news item on the Commission's press corner²¹.

Video messages were recorded by both the Commissioner in charge of Regional and Urban Policy²² and the Vice-President of the European Investment Bank²³.

¹⁶ [2022 JTM PSLF Call Info Day \(europa.eu\)](https://ec.europa.eu/regional_policy/en/newsroom/news/2022/09/09-07-2022-commission-and-european-investment-bank-unlock-up-to-eur10-billion-to-support-public-investments-in-the-territories-in-transition-towards-a-climate-neutral-economy)

¹⁷ https://ec.europa.eu/regional_policy/en/newsroom/news/2022/09/09-07-2022-commission-and-european-investment-bank-unlock-up-to-eur10-billion-to-support-public-investments-in-the-territories-in-transition-towards-a-climate-neutral-economy

¹⁸ <https://www.eib.org/en/press/all/2022-346-just-transition-eib-to-provide-up-to-eur10-billion-in-support-of-regions-most-affected-by-the-shift-away-from-fossil-fuels>

¹⁹ https://ec.europa.eu/regional_policy/en/newsroom/news/2022/07/19-07-2022-commission-publishes-the-first-call-for-proposals-for-a-public-sector-loan-facility

²⁰ https://cinea.ec.europa.eu/news-events/news/just-transition-mechanism-european-commission-publishes-first-calls-proposals-public-sector-loan-2022-07-19_en

²¹ https://ec.europa.eu/commission/presscorner/detail/en/mex_22_4612

²² https://ec.europa.eu/commission/presscorner/detail/en/SPEECH_22_4621 -

<https://audiovisual.ec.europa.eu/en/video/I-228334?lg=EN>

²³ <https://drive.google.com/file/d/1TR4M9jojHWmfw4BLIeTEqfEXAg46cmmP/view?usp=sharing>

3.3. Frequently asked questions (FAQs)

Questions raised during the communication events are published on CINEA's website as reference for the participants. The Commission has also published approximately 40 selected FAQs on the Funding&Tenders portal.

A dedicated functional mailbox was created by CINEA to answer further incoming questions of potential beneficiaries.

3.4. 2022 communication events

10 May 2022: Session during the Just Transition Platform²⁴

14 September 2022: Info Day organised by CINEA, Commission and the EIB²⁵

21 September 2022: Session during the European Sustainable Energy Week (extended programme)²⁶

11 October 2022: Session during the European Week of Regions and Cities²⁷

8-11 November 2022: "One-to-EU" meetings during the Ecomondo event²⁸

Dedicated sessions have also been organised on request by Member States (Slovenia in March and France in October).

4. NEXT STEPS

The Commission will continue working on the evaluation and the selection of proposals after each submission deadline in cooperation with CINEA (see table in point 2.2.2.).

The Commission in coordination with CINEA and the European Investment Bank will keep raising the awareness around the Facility in order to promote it and to show its potential. This will be done by, among others, organising bilateral meetings with Member States and regions with Territorial just transition plans, preparing dedicated presentations for relevant Commission's monitoring committees and participating in relevant events, giving an opportunity to present the Facility. Overall, the Commission will take up any opportunity to promote the Facility and reach out to a broad audience of potentially interested stakeholders.

In addition, the Agency will organise info days linked to the 2023 cut-off dates.

²⁴ [Just Transition platform - Regional Policy - European Commission \(europa.eu\)](#)

²⁵ [2022 JTM PSLF Call Info Day - Streaming Service of the European Commission \(europa.eu\)](#)

²⁶ [EUSEW: How you can make use of the public sector loan facility under the Just Transition Mechanism \(europa.eu\)](#)

²⁷ [EWRC: How you can make use of the public sector loan facility under the Just Transition Mechanism](#)

²⁸ [Ecomondo the event for the ecological transition - Ecomondo 2022](#)