



## Recommendations

26 June 2020



### Draft Report of the REGI Committee on the Regulation establishing the Just Transition Fund

#### Proposal for a regulation of the European Parliament and of the Council establishing the Just Transition Fund

(COM(2020)0022 – C9-0007/2020 – 2020/0006(COD))

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Committee on Regional Development

Draft Amendments

In line with the EUROCHAMBRES position on the European Climate Law and our recommendations for a European economic recovery programme, to provide businesses, especially SMEs with the opportunity to drive the transition towards climate neutrality and in the context of the Covid-19 crisis, the Just Transition Fund should focus on the following:

- Job creation
- Support for structural change, i.e. diversification and reconversion of economies, in an economically, socially and environmentally sustainable manner
- Consistency with other plans, programmes, strategies & funds

Please find our recommendations on the draft report and the amendment proposals below.

AM	Article	Recommendation	Justification
3	Recital 10	<b>ENDORSE</b>	The transition towards a more sustainable economy entails costs for all types of companies. Established ones that want or need to change their business models, production methods etc need support as well.
6, 217, 218	Recital 12a (new)	<b>ENDORSE</b>	Taking into account the Covid-19 crisis we support a flexible approach to state aid in the context of the Just Transition Fund.
8, 222, 224	Recital 12b, c (new)	<b>ENDORSE</b>	We agree that all regions, regardless of their status, should have the possibility to address the structural changes due to the transition to a more sustainable economy.
238,239	Recital 13a, b (new)	<b>ENDORSE</b>	The additional administrative burden of the fund management and implementation for beneficiaries, especially for SMEs who need

			support in the transition, must be kept to a minimum
255	Recital 14a (new)	<b>ENDORSE</b>	We agree that there should be a comprehensive approach to structural change and adaptation and to ensure the consistency of different funding streams.
11, 270, 271, 274	Recital 15a, b (new)	<b>ENDORSE</b>	Technical assistance funds should be made available upon certain conditions in case there is a timing issue with the elaboration of the Territorial Just Transition Plans.
262	Recital 15	<b>ENDORSE</b>	Complementarity and synergies with all relevant EU programmes, including the other pillars of the Just Transition Mechanism should be made clear in the Just Transition Plans.
309	Art 2 Para 1	<b>ENDORSE</b>	Companies are the ones who will shoulder a large part of the sustainable transition and should therefore be explicitly mentioned under 'specific objective'.
321	Art 3 Para 1	<b>ENDORSE</b>	The proposal increases clarity.
350	Art 4 Para 1a (new)	<b>ENDORSE</b>	Especially in the context of the Covid-19 crisis, we support the aim of enhancing modernisation and diversification of local economies and the creation of jobs.
15, 355-360	Art 4 Para 2 Subpara 1 introductory part	<b>ENDORSE</b>	Depending on the region and the sector in question, the term 'exclusively' is too restrictive and may limit the potential measures.
362, 373	Art 4 Para 1 Subpara 1 a	<b>ENDORSE</b>	Especially in the context of the Covid-19 crisis we support the proposed focus on job creation.
382	Art 4 Para 2 Subpara 1 b	<b>ENDORSE</b>	The transition towards a more sustainable economy entails costs for all types of companies. Established ones that want or need to change their business models, production methods etc need support as well.
417, 418	Art 4 Para 2 Subpara 1 d a (new)	<b>ENDORSE</b>	Natural gas should not be discarded as a bridging technology to achieve significant short term greenhouse gas emission reductions.
427	Art 4 Para 2 Subpara 1 d b (new)	<b>ENDORSE</b>	District heating networks can significantly contribute to the decarbonisation of the heating system and should therefore be eligible for support.
428	Art 4 Para 2 Subpara 1 d c (new)	<b>ENDORSE</b>	Security of energy supply is paramount for businesses of all sizes and in all sectors to achieve the climate objectives.
434	Art 4 Para 2 Subpara 1 e	<b>ENDORSE</b>	The proposal increases clarity.
445	Art 4 Para 2 Subpara 1 f	<b>ENDORSE</b>	Financial support should be in line and consistent with well-established legislative principles, such as the 'polluter-pays-principle' to avoid market distortions.
461	Art 4 Para 2 Subpara 1 g a (new)	<b>ENDORSE</b>	The varying economic relevance of sectors across the regions in transition should be taken into due account. The sustainable transition of sectors of particularly high importance should be supported.
473, 477	Art 4 Para 2 Subpara 1 g b, d (new)	<b>ENDORSE</b>	The decarbonisation of transport is a crucial element to achieve the EU climate goals.

480, 482	Art 4 Para 2 Subpara 1 h	<b>ENDORSE</b>	Re-skilling and training of job-seekers should also be supported. The proposal increases clarity.
502	Art 4 Para 2 Subpara 1 i	<b>ENDORSE</b>	It is not only important to invest in start-ups but also to actively support those who want to create new businesses.
509, 510, 520, 521	Art 4 Para 2 Subpara 1 j a , k a (new)	<b>ENDORSE</b>	The regional and local authorities, businesses and relevant stakeholders are in the best position to develop measures towards achieving the goals of the Just Transition Plans. Conditional upon approval by the Commission, funding opportunities should therefore be open not only for the measures listed previously.
526	Art 4 Para 2 Subpara 1 a (new)	<b>ENDORSE</b>	The transition towards a more sustainable economy entails costs for all types of companies. Established ones that want or need to change their business models, production methods etc need support as well.
531	Art 4 Para 2 Subpara 2	<b>ENDORSE</b>	Especially in the context of the Covid-19 crisis we support the proposed focus on job creation.
564	Art 5 Para 1 c	<b>ENDORSE</b>	Especially in the context of the Covid-19 crisis there needs to be a certain flexibility with regards to state aid rules. E.g. if necessary, recent simplifications could be maintained for specific investments. Nonetheless, state aid rules should still be applied in order to avoid market distortions.
569, 571, 572	Art 5 Para 1 d	<b>ENDORSE</b>	We agree with limiting the investment in fossil fuel technology. However, certain types, such as natural gas should not be discarded as a bridging technology to achieve significant short term greenhouse gas emission reductions.
645	Art 7 Para 1	<b>ENDORSE</b>	All relevant stakeholders should be involved in the elaboration of the Just Transition Plans. In addition, it must be ensured that they are consistent with other relevant strategies and plans.
689, 690, 691	Art 7 Para 2 b	<b>ENDORSE</b>	In addition to the regions concerned, an overview of the sectors and/or economic activities hardest hit by the transition would certainly be useful for a targeted and effective use of European funds.
727, 729	Art 7 Para 2 h	<b>ENDORSE</b>	In our opinion, a non-exhaustive list of non-SME beneficiaries that can be reviewed at a later stage is sufficient for the envisaged control and monitoring.
734, 735	Art 7 Para 2 i	<b>ENDORSE</b>	In our opinion, a non-exhaustive list is sufficient for the envisaged control and monitoring.
773	Art 8 Para 2	<b>ENDORSE</b>	There should be a certain flexibility, including with regards to the revision of targets.
785, 786, 787	Art 8 a (new)	<b>ENDORSE</b>	We support the idea of a Just Transition Platform to ensure trans-regional consistency of plans and to enable a structured exchange of best practices etc.

780-783	Art 8 Para 4	<b>ENDORSE</b>	Adaptations to the list of indicators in Annex III should not be changeable via a delegated act because they constitute an essential element of the regulation.
45	Draft leg resolution Para 1	<b>REJECT</b>	We support the establishment of the Just Transition Fund as part of a Just Transition Mechanism.
47	Recital 1	<b>REJECT</b>	We support the target of climate neutrality by 2050.
55	Recital 1 a (new)	<b>REJECT</b>	We are committed to a free market economy and we are convinced and firmly believe that within the right legislative framework it is the best economic model to produce the desired outcomes.
59	Recital 2	<b>REJECT</b>	We support the target of climate neutrality by 2050.
92	Recital 4	<b>REJECT</b>	We support the target of climate neutrality by 2050.
133	Recital 7	<b>REJECT</b>	We support the target of climate neutrality by 2050.
164, 170, 174	Recital 10	<b>REJECT</b>	We support the target of climate neutrality by 2050.
216	Recital 12 a (new)	<b>REJECT</b>	We support the target of climate neutrality by 2050.
242, 243, 254	Recital 14	<b>REJECT</b>	We support the target of climate neutrality by 2050.
257, 268	Recital 15	<b>REJECT</b>	We support the target of climate neutrality by 2050.
299, 301, 311	Art 2 Para 1	<b>REJECT</b>	We support the target of climate neutrality by 2050.
317, 320	Art 3 Para 1	<b>REJECT</b>	We support the target of climate neutrality by 2050.
361	Art 4 Para 2 Subpara 1 a	<b>REJECT</b>	In order for the transition to succeed for all, productive investments in SMEs in order to enhance structural change in local economies (i.e. diversification, reconversion and job creation) should be one of the top priorities of the Just Transition Fund.
379	Art 4 Para 2 Subpara 1 b	<b>REJECT</b>	In order for the transition to succeed for all, productive investments in the creation of new firms (eventually leading to the creation of new jobs) should be one of the top priorities of the Just Transition Fund.
390	Art 4 Para 2 Subpara 1 c	<b>REJECT</b>	Investment in research and innovation and technology transfer is a key factor for a competitive economy. It should therefore be supported by the Just Transition Fund.
392	Art 4 Para 2 Subpara 1 c	<b>REJECT</b>	Some of the technologies needed for a successful transition to a more sustainable economy may involve fossil fuels such as natural gas and should therefore not be ruled out altogether.
430	Art 4 Para 2 Subpara 1 e	<b>REJECT</b>	Digital tools can be a decisive factor in the development of new technologies including in the field of climate and environment. In addition, increased digitalisation opens new business opportunities and adds to the

			resilience of an economy. Investments in digitalisation should therefore not be ruled out.
21	Art 4 Para 2 Subpara 1 i	<b>REJECT</b>	In our opinion the funds should be used primarily for productive investments.
527	Art 4 Para 2 Subpara 2	<b>REJECT</b>	We support the target of climate neutrality by 2050.
538, 539, 540	Art 4 Para 2 Subpara 3	<b>REJECT</b>	If approved by the Commission and complementary to other funding programmes, we do not see why investments in sectors covered by the ETS should be exempted from the Just Transition Fund.
551	Art 5 Para 1 a a (new)	<b>REJECT</b>	If approved by the Commission and complementary to other funding programmes, we do not see why investments in sectors covered by the ETS should be exempted from the Just Transition Fund.
24, 553-560	Art 5 Para 1 c	<b>REJECT</b>	Especially in the context of the Covid-19 crisis there needs to be a certain flexibility with regards to state aid rules. E.g. if necessary, recent simplifications could be maintained for specific investments. Nonetheless, state aid rules should still be applied in order to avoid market distortions.
25, 565	Art 5 Para 1 d	<b>REJECT</b>	We agree with limiting the investment in fossil fuel technology. However, certain types, such as natural gas should not be discarded as a bridging technology to achieve significant short term greenhouse gas emission reductions.
587	Art 5 Para 1 e	<b>REJECT</b>	Digital infrastructure can be a decisive factor in the development of new technologies including in the field of climate and environment. In addition, increased digitalisation opens new business opportunities and adds to the resilience of an economy. Investments in digitalisation should therefore not be ruled out.
592, 593, 594	Art 5 Para 1 e a (new)	<b>REJECT</b>	Residual waste treatment, especially energy and heat recovery from waste should not be ruled out. It can be an economically and environmentally viable option for certain regions such as islands and remote areas.
608	Art 6 Para 1 Subpara 2	<b>REJECT</b>	We support the target of climate neutrality by 2050.
618	Art 6 Para 1 Subpara 2 a (new)	<b>REJECT</b>	We support the target of climate neutrality by 2050.
675	Art 7 Para 2 a	<b>REJECT</b>	We agree with the Commission's proposal for this point. We consider a timeline with key steps as well as consistency with the National Climate and Energy Plans as a useful element to assess a Just Transition Plan.
676, 677, 679	Art 7 Para 2 a	<b>REJECT</b>	We support the target of climate neutrality by 2050 and support the Commission's proposal for this point.
713, 714	Art 7 Para 2 e	<b>REJECT</b>	Consistency with other plans is an essential requirement of a Just Transition Plan in our

			point of view and should be explicitly stated in the regulation.
731, 732, 733	Art 7 Para 2 i	<b>REJECT</b>	If approved by the Commission and complementary to other funding programmes, we do not see why investments in sectors covered by the ETS should be exempted from the Just Transition Fund. We support changes to the Commission's proposal (see AM 734, 735)
766	Art 7 Para 4 a (new)	<b>REJECT</b>	We agree with limiting the investment in fossil fuel technology. However, certain types, such as natural gas should not be discarded as a bridging technology to achieve significant short term greenhouse gas emission reductions.

*EUROCHAMBRES – The Association of European Chambers of Commerce and Industry represents over 20 million enterprises in Europe – 93% of which are SMEs – through members in 43 countries and a European network of 1700 regional and local Chambers.*

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