EUROPEAN
COMMISSION

Brussels, 28.5.2020
COM(2020) 460 final

2020/0006 (COD)

Amended proposal for a

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

establishing the Just Transition Fund

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EXPLANATORY MEMORANDUM

1. CONTEXT OF THE PROPOSAL

• Reasons for and objectives of the proposal

On 14 January 2020, the European Commission adopted its legislative proposal[1] establishing the Just Transition Fund, together with a proposal[2] to amend its legislative proposal on the Common Provisions Regulation.

In line with the objective of achieving EU climate neutrality by 2050 in an effective and fair manner, the Just Transition Fund aims at alleviating the economic, environmental and social cost of the transition towards climate neutrality, for the benefit of the territories that are most negatively affected by the transition. The Fund's support is focused on economic reconversion measures, reskilling of affected workers and job seeking assistance.

The Coronavirus disease outbreak ("COVID-19") has prompted many governments to introduce unprecedented measures to contain the pandemic. This in turn has led to a sharp decline in the level of output in many economies with severe social consequences. It will pose significant challenges for public finances and debt management in the years to come, which in turn may limit public investment necessary for the economic recovery.

In addition, national and regional capacities to address the effects of the crisis differ between Member States and regions due to the diverse economic structures and fiscal positions. If left unaddressed, such differences may result in an asymmetric recovery and lead to increased regional disparities, which in turn can undermine the Internal Market, the financial stability of the Eurozone and our Union as a whole.

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

In this context, investments in the green transition must be accelerated to create the conditions for Europe's long-term growth and resilience of the European economy to future shocks. This should be fully reflected in the future programmes and investment priorities. Accelerating the move out of fossil fuel extraction and carbon-intensive activities through targeted support for economic diversification and creation of new economic opportunities and jobs has enormous potential to get Europe's economy growing. Enabling regions and citizens to successfully address the transition towards a climate-neutral economy must be at the forefront of our efforts.

It is therefore proposed that additional resources of EUR 35 613 048 000 (in current prices) are made available for the Just Transition Fund. Of these additional resources, EUR 2 810 048 000 should come from budget appropriations, bringing the level of the programme under the next MFF to EUR 11 270 459 000; these should be allocated in the course of the ongoing negotiations at the level of the European Council. The remaining additional resources of EUR 32 803 000 000 will cover the period from 2021 to 2024 and will constitute external assigned revenue stemming from the European Recovery Instrument.

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[1] COM(2020) 22 final.
[2] COM(2020) 23 final.

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

By way of derogation from the rules applicable to external assigned revenue set out in the Financial Regulation, these additional resources shall follow the applicable rules set out in the CPR once they are assigned to programmes, including CPR rules on commitments and decommitments.

In order to preserve the capacity of Member States and regions to use their cohesion policy resources to support economic, social and territorial cohesion, the additional resources from the European Recovery Instrument will not require transfers from national allocations under the European Regional Development Fund and the European Social Fund plus.

- **Consistency with other Union instruments**

The support provided through the Just Transition Fund is complemented by a dedicated just transition scheme under InvestEU. It will support a wider scope of investments, notably by contributing to the transition through providing support to low-carbon and climate-resilient activities, such as renewable investments and energy efficiency schemes. This scheme will also be able to deploy financing for energy and transport infrastructure, including gas infrastructure and district heating, but also decarbonisation projects, economic diversification of the regions and social infrastructure.

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

Synergies and complementarities between the three pillars will be ensured through the territorial just transition plans, where development needs of the most impacted territories stemming from the climate transition will be identified.

2. LEGAL BASIS, SUBSIDIARITY AND PROPORTIONALITY

- **Legal basis**

EU action is justified by Article 174, paragraph 1, TFEU: 'The Union shall develop and pursue its actions leading to the strengthening of its economic, social and territorial cohesion. In particular, the Union shall aim at reducing disparities between the levels of development of the various regions and the backwardness of the least favoured regions'.

To provide for the setup of the Just Transition Fund, it is necessary to base the proposal on Article 175 TFEU, which explicitly calls on the Union to support the achievement of the objectives set out in Article 174 by the action it takes through the Structural Funds, the EIB and the other existing Financial Instruments.

Article 175, paragraph 3, TFEU also provides that ‘if specific actions prove necessary outside the Funds and without prejudice to the measures decided upon within the framework of the other Union policies, such actions may be adopted by the European Parliament and the Council acting in accordance with the ordinary legislative procedure and after consulting the European Economic and Social Committee and the Committee of the Regions’.

It is also necessary to base the proposal on Article 322(1)(a) TFEU in view of enabling targeted derogations from the Financial Regulation.

- **Subsidiarity and proportionality**

In accordance with Article 4(2) TFEU, the Union has shared competence with Member States in the area of economic, social and territorial cohesion as well as of certain aspects of social policy. It also has competence to carry out actions to support, coordinate or supplement the actions of the Member States in the area of education and vocational training as well as industry (Article 6 TFEU).

The implementation of the Just Transition Fund under shared management is underpinned by the subsidiarity principle. Under shared management, the Commission delegates strategic programming and implementation tasks to Member States and regions. Thus, Union action is limited to what is necessary to achieve the Union objectives as laid down in the Treaties.

Shared management aims to ensure that decisions are taken as closely as possible to the citizens and that EU-level action is justified in light of the possibilities and specificities at national, regional or local level. Shared management brings Europe closer to its citizens and connects local needs with European objectives. Moreover, it increases ownership of EU objectives, as Member States and the Commission share decision-making power and responsibility and jointly co-finance the programmes.

- **Choice of the instrument**

Cohesion policy is the appropriate framework for the Just Transition Fund, as it is the main EU policy to address structural changes in Europe's regions. It provides financial support for investments in a wide range of areas that contribute to jobs and growth, working in partnership with actors on the ground.

It also provides for an integrated place-based approach, which ensures synergies and coherence between investments supported under the Just Transition Fund and those supported under the mainstream cohesion policy programmes. This will accelerate the economic development and reconversion of the concerned regions.

In addition, it ensures ownership by Member States and regions. This is critical in the context of the Just Transition Fund, which needs to be anchored in tailor-made territorial transition strategies, encompassing in a comprehensive manner the numerous social, environmental and economic challenges raised by the transition.

Under cohesion policy, the choice of instrument is a Regulation of the European Parliament and of the Council in accordance with the ordinary legislative procedure as set out in Article 175, paragraph 3, of the Treaty.

3. RESULTS OF EX-POST EVALUATIONS, STAKEHOLDER CONSULTATIONS AND IMPACT ASSESSMENTS

- **Ex-post evaluations/fitness checks of existing legislation**

N/A

- **Stakeholder consultations**

There was no consultation of external stakeholders. However, the proposal echoes the discussions held with the Member States and the European Parliament over recent weeks, in the context of the negotiations on the proposal establishing the Just Transition Fund.

Both the draft report of the rapporteur of the REGI committee and the opinion of the BUDG committee had in particular suggested a substantial increase of the JTF budget.

- **Collection and use of expertise**

N/A

- **Impact assessment**

The impact assessment[3] carried out to prepare the proposal for a Regulation of the European Parliament and of the Council on the European Regional Development Fund and on the Cohesion Fund[4] had supported the objectives and the main features of the Just Transition Fund.

The proposed modifications on the JTF proposal take into account the increased challenges territories face in light of the recent COVID-19 pandemic. Apart from the increased resources, changes are limited and do not modify the architecture and the cornerstones of the initial proposal. A self-standing impact assessment was therefore not carried out.

- **Regulatory fitness and simplification**

N/A

- **Fundamental rights**

N/A

4. BUDGETARY IMPLICATIONS

The additional resources from budget appropriations under the MFF 2021-2027 will lead to additional commitments in the years 2021-2027 and payments in the years 2022-2027 and post 2027.

The additional resources financed under the European Recovery Instrument proposal will lead to additional commitments in the years 2021, 2022 and 2023 and 2024 as well as payments in the years 2021 to 2027, based on external assigned revenues.

5. OTHER ELEMENTS

- **Detailed explanation of the specific provisions of the proposal**

The proposed amendments to the JTF proposal focus on the following elements:

- Increase of resources through additional budgetary appropriations and external assigned revenues
- No obligation to complement these additional resources financed under the European Recovery Instrument with transfers from ERDF and ESF+
- Amendment of Annex I in view of adapting it to the higher level of resources proposed

[3] SWD(2018) 282 final.
[4] COM(2018) 372 final.

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Amended proposal for a

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Commission proposal COM(2020) 22 is amended as follows:

1. the preamble is amended as follows:

    (a) The first paragraph is replaced by the following:

    "Having regard to the Treaty on the Functioning of the European Union, and in particular the third paragraph of Article 175 and Article 322(1)(a) thereof,"

    (b) A new sixth paragraph is inserted:

    "Having regard to the opinion of the Court of Auditors[5],";

2. the following recital (8a) is inserted:

    "(8a) 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 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.";

3. the following recital (9a) is inserted:

    "(9a) 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 [ERI].";

4. Article 3, paragraph 2, is replaced with the following:

    "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 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.

    0.35% of the amount referred to in the first subparagraph shall be allocated to technical assistance at the initiative of the Commission."

5. the following Article 3a is inserted:

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[5] OJ C , , p.

“Article 3a

Resources from the European Union Recovery Instrument

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).

   This amount shall be considered other resources as referred to in Article 3(2) and shall constitute external assigned revenues in accordance with Article 21(5) of Regulation (EU, Euratom) 2018/1046.

   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:

   – 2021: EUR 7 954 600 000;

   – 2022: EUR 8 114 600 000;

   – 2023: EUR 8 276 600 000;

   – 2024: EUR 8 441 600 000.

   In addition, EUR 15 600 000 in current prices shall be made available for administrative expenditure from the resources referred to in the first subparagraph.

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.

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.

4. By way of derogation from Article [21a] of Regulation (EU) [new CPR] the amount referred to in paragraph 1 shall not require complementary support from the ERDF or the ESF+.

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.”;

6. Article 6(2) is replaced by the following:

   “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 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.”;

7. Annex I is amended in accordance with the Annex to this proposal.

Done at Brussels,

For the European Parliament *The President*	*For the Council* *The President*

LEGISLATIVE FINANCIAL STATEMENT

1. FRAMEWORK OF THE PROPOSAL/INITIATIVE

1.1. Title of the proposal/initiative

Amended proposal for a Regulation of the European Parliament and of the Council establishing the Just Transition Fund

1.2. Policy area(s) concerned *(Programme cluster)*

9 Environment and Climate action (2021-2027)

1.3. The proposal/initiative relates to:

☐ a new action

☐ a new action following a pilot project/preparatory action[6]

X **the extension of an existing action**

☐ a merger or redirection of one or more actions towards another/a new action

1.4. Grounds for the proposal/initiative

1.4.1. *Requirement(s) to be met in the short or long term including a detailed timeline for* roll-out of the implementation of the initiative

It is proposed to amend the proposal for the Regulation establishing the Just Transition Fund to ensure that the necessary investments in the green transition are accelerated to create the conditions for Europe's long-term growth and resilience of the European economy to future shocks. It is therefore proposed that additional resources of EUR 35 613 048 000 (in current prices) are made available for the Just Transition Fund. Of these additional resources, EUR 2 810 048 000 in current prices should come from budget appropriations, bringing the level of the programme under the next MFF to EUR 11 270 459 000; these should be allocated in the course of the ongoing negotiations at the level of the European Council. The remaining additional resources of EUR 32 803 000 000 will cover the period from 2021 to 2024 and will constitute external assigned revenue stemming from the European Recovery Instrument.

1.4.2. Added value of Union involvement (it may result from different factors, e.g. coordination gains, legal certainty, greater effectiveness or complementarities). For the purposes of this point 'added value of Union involvement' is the value resulting from Union intervention which is additional to the value that would have been otherwise created by Member States alone.

In line with the objective of achieving EU climate neutrality by 2050 in an effective and fair manner, the Just Transition Fund aims at alleviating the economic, environmental and social cost of the transition towards climate neutrality, for the benefit of the territories that are most negatively affected by the transition. The Fund's support is focused on economic reconversion measures, reskilling of affected workers and job seeking assistance.

[6] As referred to in Article 58(2)(a) or (b) of the Financial Regulation.

The Coronavirus disease outbreak ("COVID-19") has prompted many governments to introduce unprecedented measures to contain the pandemic. This in turn has led to a sharp decline in the level of output in many economies with severe social consequences. It will pose significant challenges for public finances and debt management in the years to come, which in turn may limit public investment necessary for the economic recovery.

In addition, national and regional capacities to address the effects of the crisis differ between Member States and regions due to the diverse economic structures and fiscal positions. If left unaddressed, such differences may result in an asymmetric recovery and lead to increased regional disparities, which in turn can undermine the Internal Market, the financial stability of the Eurozone and our Union as a whole.

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

1.4.3. Lessons learned from similar experiences in the past

1.4.4. Compatibility and possible synergy with other appropriate instruments

The support provided through the Just Transition Fund is complemented by a dedicated just transition scheme under InvestEU. It will support a wider scope of investments, notably by contributing to the transition through providing support to low-carbon and climate-resilient activities, such as renewable investments and energy efficiency schemes. This scheme will also be able to deploy financing for energy and transport infrastructure, including gas infrastructure and district heating, but also decarbonisation projects, economic diversification of the regions and social infrastructure.

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

Synergies and complementarities between the three pillars will be ensured through the territorial just transition plans, where development needs of the most impacted territories stemming from the climate transition will be identified.

The proposal is limited to targeted amendments necessary for the purposes of establishing rules making available the additional resources and governing their implementation. The proposal is consistent with the Common Provisions Regulation. The measures are consistent with the Commission’s proposal for a Recovery Fund.

The additional amounts will be distributed among Member States reflecting their capacity to finance the necessary investments to cope with the transition towards climate neutrality in accordance with the methodology set out in Annex I of the proposed Just Transition Fund Regulation. In order to preserve the capacity of Member States and regions to use their cohesion policy resources to support economic, social and territorial cohesion, the additional resources from the European Recovery Instrument will not require transfers from national allocations under the European Regional Development Fund and the European Social Fund +.

1.5. Duration and financial impact

X **limited duration**

☐ in effect from [DD/MM]YYYY to [DD/MM]YYYY

X Financial impact from 2021 to 2027 for commitment appropriations and from 2021 to 2027 for payment appropriations.

☐ **unlimited duration**

Implementation with a start-up period from 2021 onwards,

followed by full-scale operation.

1.6. Management mode(s) planned[7]

X **Direct management** by the Commission (for 0.35% of the allocation related to technical assistance)

X by its departments, including by its staff in the Union delegations;

☐ by the executive agencies

X **Shared management** with the Member States

☐ **Indirect management** by entrusting budget implementation tasks to:

☐ third countries or the bodies they have designated;

☐ international organisations and their agencies (to be specified);

☐ the EIB and the European Investment Fund;

☐ bodies referred to in Articles 70 and 71 of the Financial Regulation;

☐ public law bodies;

☐ bodies governed by private law with a public service mission to the extent that they provide adequate financial guarantees;

☐ bodies governed by the private law of a Member State that are entrusted with the implementation of a public-private partnership and that provide adequate financial guarantees;

☐ persons entrusted with the implementation of specific actions in the CFSP pursuant to Title V of the TEU, and identified in the relevant basic act.

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7 Details of management modes and references to the Financial Regulation may be found on the BudgWeb site: https://myintracomm.ec.europa.eu/budgweb/EN/man/budgmanag/Pages/budgmanag.aspx

2. MANAGEMENT MEASURES

2.1. Monitoring and reporting rules

Specify frequency and conditions.

The proposal is a limited to and targeted at setting out the necessary rules to be followed to make the additional resources available. Those rules do not go beyond what is necessary to make additional resources available and sets out the rules applicable for the implementation of those resources.

2.2. Management and control system(s)

The proposal is limited to and targeted at setting out the necessary rules to be followed to make the additional resources available. Those rules do not go beyond what is necessary to make additional resources available and sets out the rules applicable for the implementation of those resources.

2.3. Measures to prevent fraud and irregularities

Specify existing or envisaged prevention and protection measures, e.g. from the Anti-Fraud Strategy.

The proposal is limited to and targeted at setting out the necessary rules to be followed to make the additional resources available. Those rules do not go beyond what is necessary to make additional resources available and sets out the rules applicable for the implementation of those resources.

3. ESTIMATED FINANCIAL IMPACT OF THE PROPOSAL/INITIATIVE

3.1. Heading of the multiannual financial framework and new expenditure budget line(s) proposed

Heading of multiannual financial framework	Budget line	Type of expenditure	Contribution			
		Diff./Non-diff.[8]	from EFTA countries[9]	from candidate countries[10]	from third countries	within the meaning of Article [21(2)(b)] of the Financial Regulation
3	09 01 02 Support expenditure for the "Just Transition Fund (JTF)"	Non-diff.	NO	NO	NO	NO
3	09 03 02 Just Transition Fund (JTF) — Operational technical assistance	Diff.	NO	NO	NO	NO
3	09 03 03 – JTF financed from ERI	Diff.	NO	NO	NO	NO

8 Diff. = Differentiated appropriations / Non-diff. = Non-differentiated appropriations.
9 EFTA: European Free Trade Association.
10 Candidate countries and, where applicable, potential candidates from the Western Balkans.

3.2. Estimated impact on expenditure

3.2.1. Summary of estimated impact on expenditure

EUR million (to three decimal places)

Heading of multiannual financial framework	3	

The proposal will lead to additional commitments in the years 2021 to 2027 as well as payments in the years 2021 to 2027 and post-2027.

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

The remaining additional resources will cover the period from 2021 to 2024 and will constitute external assigned revenue stemming from the European Recovery Instrument based on external assigned revenues. The amounts available as external assigned revenues are within the meaning of Article 21(5) of the Financial Regulation stemming from the borrowing operations of the Union as set out in Regulation (EU) XXX/XX (ERI regulation). Out of the external assigned revenues, up to EUR 15 600 000 may be dedicated to administrative expenditure, including external staff costs.

The indicative breakdown of the appropriations financed under the MFF 2021-2027 is as follows:

			2021	2022	2023	2024	2025	2026	2027	Post 2027	TOTAL
Operational appropriations	Commitments	(1)	416,600	413,025	408,037	402,684	396,953	390,832	381,917		**2 810,048**
	Payments	(2)		60,055	343,229	444,024	343,665	409,011	461,055	749,008	**2 810,048**
TOTAL appropriations	Commitments	=1+3	416,600	413,025	408,037	402,684	396,953	390,832	381,917		**2 810,048**
	Payments	=2+3		60,055	343,229	444,024	343,665	409,011	461,055	749,008	**2 810,048**

The indicative breakdown of the expenditure from external assigned revenue is as follows:

			2021	2022	2023	2024	2025	2026	2027	TOTAL

Operational expenditure financed from ERI external assigned revenues	Commitments	(1)	7 954, 600	8 114, 600	**8 276, 600**	**8 441, 600**				**32 787, 400**
	Payments	(2)	**7 310, 645**	**7 726, 658**	**7 212, 000**	**6 294, 109**	**4 243, 988**			**32 787, 400**
Administrative support expenditure financed from ERI external assigned revenues	Commitments = Payments	(3)	**2, 400**	**2, 400**	**2, 400**	**2, 400**	**2, 000**	**2, 000**	**2, 000**	**15, 600**
Total expenditure financed from ERI external assigned revenues	Commitments	=1+3	**7 957, 000**	**8 117, 000**	**8 279, 000**	**8 444,0 00**	**2, 000**	**2, 000**	**2, 000**	**32 803, 000**
	Payments	=2+3	**7 313, 045**	**7 729, 058**	**7 214, 400**	**6 296, 509**	**4 245, 988**	**2, 000**	**2, 000**	**32 803, 000**

Heading of multiannual financial framework	7	‘Administrative expenditure’

EUR million (to three decimal places)

		2021	2022	2023	2024	2025	2026	2027	***Post 2027***	TOTAL
Human resources		1, 500	1, 500	1, 500	1,500	1,500	1,500	**1,500**		**10,500**
Other administrative expenditure										
TOTAL appropriations under HEADING 7 of the multiannual financial framework	(Total commitments = Total payments)	**1,500**	**1,500**	**1,500**	**1,500**	**1,500**	**1,500**	**1,500**		**10,500**

3.2.2. *Summary of estimated impact on appropriations of an administrative nature*

☐ The proposal/initiative does not require the use of appropriations of an administrative nature

X The proposal/initiative requires the use of appropriations of an administrative nature, as explained below:

EUR million (to three decimal places)

Years	2021	2022	2023	2024	2025	2026	2027	TOTAL
HEADING 7 of the multiannual financial framework								
Human resources	1,500	1,500	1,500	1,500	1,500	**1,500**	**1,500**	**10,500**
Other administrative expenditure								
Subtotal HEADING 7 of the multiannual financial framework								
Outside HEADING 7 of the multiannual financial framework								
Human resources	2,400	2,400	2,400	2,400	2,000	**2,000**	**2,000**	**15,600**
Other expenditure of an administrative nature								
Subtotal outside HEADING 7 of the multiannual financial framework	2,400	2,400	2,400	2,400	2,000	**2,000**	**2,000**	**15,600**
TOTAL	**3,900**	3,900	3,900	**3,900**	**3,500**	**3,500**	**3,500**	**26,100**

The appropriations required for human resources and other expenditure of an administrative nature will be met by appropriations from the DG that are already assigned to management of the action and/or have been redeployed within the DG, together if necessary with any additional allocation which may be granted to the managing DG under the annual allocation procedure and in the light of budgetary constraints.

3.2.2.1. Estimated requirements of human resources

☐ The proposal/initiative does not require the use of human resources.

X The proposal/initiative requires the use of human resources, as explained below:

Estimate to be expressed in full time equivalent units

Years		2021	2022	2023	2024	2025	2026	2027
Headquarters and Commission's Representation Offices		10	10	10	10	10	10	10
Delegations								
Research								
Financed from HEADING 7 of the multiannual financial framework	- at Headquarters							
	- in Delegations							
Financed from the envelope of the programme [11]	- at Headquarters							
	- in Delegations							
Research								
Other (assigned revenue)		30	30	30	30	25	25	25
TOTAL		**40**	**40**	**40**	**40**	**35**	**35**	**35**

The human resources required will be met by staff from the DG who are already assigned to management of the action and/or have been redeployed within the DG, together if necessary with any additional allocation which may be granted to the managing DG under the annual allocation procedure and in the light of budgetary constraints. Additional staff will be only external staff and will be financed solely from assigned revenues

Description of tasks to be carried out:

Officials and temporary staff	
External staff	Contract agents for supporting the negotiation of the new programmes, monitoring the implementation, including audit and financial management, participation in the closure process of the programmes

11 Sub-ceiling for external staff covered by operational appropriations (former 'BA' lines).

3.3. Estimated impact on revenue

X The proposal/initiative has no financial impact on revenue.

☐ The proposal/initiative has the following financial impact:

– ☐ on own resources

– ☐ on other revenue

please indicate, if the revenue is assigned to expenditure lines ☐

EUR million (to three decimal places)

Budget revenue line:	Impact of the proposal/initiative						
	2021	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**
Article ………….							

For assigned revenue, specify the budget expenditure line(s) affected.

[…]

Other remarks (e.g. method/formula used for calculating the impact on revenue or any other information).

[…]

EUROPEAN
COMMISSION

Brussels, 28.5.2020
COM(2020) 460 final

ANNEX

ANNEX

to the

Amended proposal for a

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

establishing the Just Transition Fund

ANNEX

“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 Council[1] 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 facilites 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 8 billion per Member State are redistributed proportionally to the allocations of all other Member States. The Member States shares are recalculated accordingly;

(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 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.

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[1] 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).

The amounts to ensure the minimum aid intensity are deducted proportionnally 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.”.