



These are the high-priority amendments to the articles in Just Transition Fund Regulation prepared by NGOs. It is recommended that these are held as first priority positions in the negotiations.

Please note that our organizations campaign for a climate neutrality target by 2040 to be aligned with global temperature rise limit of 1.5°C and a 65% EU emissions reduction target by 2030.

Article 3

Article 3(1)

<i>Text proposed by the Commission (as amended on 28/05)</i>	<i>Amendment</i>
<p>1. The JTF shall support the Investment for jobs and growth goal in all Member States.</p>	<p>1. The JTF shall support the Investment for jobs and growth goal in all Member States <i>in full consistency with the EU objective to achieve climate-neutrality and a circular economy through a transition aligned with the commitments in the Paris Agreement to maintain temperatures below 1.5 degrees Celsius and with agreed Union objectives, while ensuring a Just Transition</i></p>

Article 3a (new)*

Article 3a (1) (new) - Resources from ERI

<i>Text proposed by the Commission (in May 2020 amended proposal)</i>	<i>Amendment</i>
<p>3.a 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.</p> <p>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.</p>	<p><i>3.a</i> 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.</p> <p><i>1(a) While resources can be used to implement measures referred to in Article 2 of Regulation [ERI], the measures implemented under the Just Transition Fund shall also not delay or impede the green and digital transitions consistent with a climate neutrality trajectory which limits global temperature increase to 1.5 degrees Celsius in line with the goals of the Paris Agreement.</i></p> <p><i>Specifically, the measures implemented will comply with the scope of measures outlined under</i></p>

	<p><i>Article 4 and necessary for the implementation of the Territorial Just Transition Plans referred to in Article 7, as well as the exclusion list in Article 5.</i></p>
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Justification

The Just Transition Fund should not be sued for activities which are outside its scope and which do not deliver the objectives and goals set out in the Territorial Just Transition Plans as such activities should represent the most efficient use of public money in a region for ensuring a just transition consistent with a timely transition to climate neutrality.

Article 3b (new)

<i>Text proposed by the Commission</i>	<i>Compromise Amendment</i>
3.b	<p><i>3.b Access to the JTF shall be conditional on the adoption of a national objective towards the achievement of the European Union objective of climate neutrality by 2040.</i></p>

Justification

Member States should not receive financing for a just transition to climate neutrality if they do not commit to that transition taking place.

Article 4

Article 4(1) - eligible actions

<i>Text proposed by the Commission</i>	<i>Amendment</i>
<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 territorial just transition plans established in accordance with Article 7.</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 territorial just transition plans established in accordance with Article 7.</p> <p><i>No activity shall substantially harm the environmental objectives of the Sustainable Finance Taxonomy as laid out in the Regulation (EU) 2020/... of the European Parliament and of the Council of... on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088. Where activities refer to environmental sustainability they shall meet the technical screening criteria of the EU taxonomy.</i></p>

Justification

The EU Sustainable Finance Taxonomy provides a clear and robust reference framework for assessing whether activities are sustainable and aligned with EU Environmental and Climate objectives. No EU money should be used on activities which could harm the achievement of those objectives. It should be applied as a standard to any investment under the Just Transition Fund, without prejudice to the investments excluded from the scope of the Regulation in Article 5.

Article 4

Article 4(2) - eligible actions

<i>Text proposed by the Commission</i>	<i>Amendment</i>
<p>2. ...</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.</p> <p><i>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></p>	<p>2. ...</p> <p>The JTF may support, in areas designated as assisted areas in accordance with points (a) and (c) of Article 107(3) of the TFEU <i>and in compliance with Union State aid rules as set out in Articles 107 and 108 TFEU</i>, 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, <i>shall be sustainable, must contribute to a Paris Agreement compliant trajectory to climate neutrality and cannot increase or maintain dependency on fossil fuels. They must also lead to a maintenance or increase in the net number of jobs, which must be of the same or higher quality and income level and which do not result from relocation.</i></p>

Justification

There are many other EU funds which can be used for sustainable investments in ETS installations, such as the InvestEU, Innovation Fund and Modernisation Fund. Moreover, investment in fossil fuels, including the ‘incremental improvement’ of installation emission performance is inconsistent with a just transition, as it raises the overall costs of a transition by blocking investments which would allow regions to ‘leap-forward’ towards full climate neutrality. It also reinforces the lock-in of fossil fuel infrastructure and is illogical when considered in the context that the objective of the transition funds is to support the transition from fossil fuels and towards climate neutrality and a pollution-free economy. The Just Transition Fund should not finance carbon capture and storage projects, as no CCS project is

near achieving 100% emissions reductions and the rate of emissions capture is even lower in commercial projects.

All investments must be sustainable and should not detract from State Aid rules crucial for the efficient operation and stability of the Single Market.

Article 5

Article 5- Non-eligible actions

<i>Text proposed by the Commission</i>	<i>Compromise Amendment</i>
<p>5. The JTF shall not support:</p> <p>(a) the decommissioning or the construction of nuclear power stations;</p> <p>(b) the manufacturing, processing and marketing of tobacco and tobacco products;</p> <p>(c) undertakings in difficulty, as defined in Article 2(18) of Commission Regulation (EU) No 651/201416;</p> <p>(d) investment related to the production, processing, distribution, storage or combustion of fossil fuels;</p> <p>(e) investment in broadband infrastructure in areas in which there are at least two broadband networks of equivalent category.</p>	<p>5. The JTF shall not support:</p> <p>(a) the decommissioning, the construction <i>or any other form of investment in</i> of nuclear power stations, <i>as well as the management or storage of nuclear waste;</i></p> <p>(b) the manufacturing, processing and marketing of tobacco and tobacco products;</p> <p>(c) undertakings in difficulty, as defined in Article 2(18) of Commission Regulation (EU) No 651/201416;</p> <p>(d) investment related to the <i>exploration,</i> production, processing, distribution, storage, <i>transport, transmission</i> or combustion of fossil fuels;</p> <p>(e) investment in broadband infrastructure in areas in which there are at least two broadband networks of equivalent category.</p> <p><i>(f) investment in residual waste treatment facilities.</i></p> <p><i>Furthermore, no support shall be granted to operations where new fossil fuel extraction activities, or of peat production fields, including the re-opening of a temporarily decommissioned extraction facility are scheduled in the NUTS 2 region in</i></p>

	<p><i>which the territory falls, during the duration of the programme</i></p> <p><i>Within 3 months of the extension of the scope of Regulation (EU) 2020/... [Taxonomy Regulation] to cover activities that significantly harm environmental sustainability, the Commission shall propose the revision of this Article to ensure that the JTF does not support any activity that significantly harm environmental sustainability.</i></p>
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Justification

Investment in fossil fuels, including the ‘incremental improvement’ of installation emission performance is inconsistent with a just transition, as it raises the overall costs of a transition by blocking investments which would allow regions to ‘leap-forward’ towards full climate neutrality. It also reinforces the lock-in of fossil fuel infrastructure and is illogical when considered in the context that the objective of the transition funds is to support the transition from fossil fuels and towards climate neutrality and a pollution-free economy. The Just Transition Fund should not finance carbon capture and storage projects, as no CCS project is near achieving 100% emissions reductions and the rate of emissions capture is even lower in commercial projects. This is equally the case with gas infrastructure. Fossil gas has no role as a transitional fuel - it can even aggravate climate change more than coal due to methane emissions, which are 86 times more potent as greenhouse gas emissions than CO2. There is also little evidence it would create many jobs, especially at local level as compared to renewable investments.

Article 7

Article 7(1) - Territorial Just Transition Plans

<i>Text proposed by the Commission</i>	<i>Compromise Amendment</i>
<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 Commission Regulation (EC) No 868/201417 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 <i>in</i> fossil fuel production and use and the transformation needs of the production processes of <i>industrial</i> facilities with the highest greenhouse gas intensity.</p>	<p>1. Member States shall prepare <i>and publish</i> 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 Commission Regulation (EC) No 2016/2066 or parts thereof, in accordance with the template set out in Annex II. <i>These plans shall be prepared in accordance with the Partnership Principle and the process defined in Article 6 of EU Regulation .../... [new CPR].</i></p> <p>...</p> <p><i>The territorial just transition plan must be aligned with the climate neutrality objective for 2040 and with the intermediate targets for 2030, as well as relevant strategic documents and should include a concrete phase-out plan for coal and other greenhouse gas-intensive activities where relevant.</i></p>

Article 7

Article 7(2) - Territorial Just Transition Plans

<i>Text proposed by the Commission</i>	<i>Compromise Amendment</i>
<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 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>...</p> <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 territories;</p> <p>...</p> <p>(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 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</i></p>	<p>2. A territorial just transition plan shall contain the following elements:</p> <p>(a) description of the transition process at national and regional level towards <i>the attainment of the Union’s 2030 target for climate set out in Article 2(11) of Regulation (EU) 2018/1999, as well as</i> a climate-neutral <i>and circular</i> economy <i>by 2040,</i> including a <i>detailed and precise</i> timeline for key transition steps, <i>with milestones for the phasing out of fossil fuel dependent activities and overall fossil-fuel phase-out and installation decommissioning dates, to include a coal phase-out by 2030 where coal is used;</i> which are consistent with the <i>objectives</i> of the National Energy and Climate Plan (‘NECP’, <i>any European Commission recommendations, the related Long Term Strategy, and with the EU Climate Law [2020/...];</i></p> <p>...</p> <p>(c) an assessment of the transition challenges <i>and opportunities</i> faced by the most negatively affected territories <i>and sectors,</i> including the social, economic, and environmental impact of the transition to a climate-neutral and pollution-free economy, identifying the potential number of affected jobs and job losses, the development needs and objectives, <i>and taking into account the unemployment rate and population loss over the last 10 years,</i> to be reached by 2030 linked to the <i>transformation of energy and carbon intensive industry and agriculture consistent with achieving climate neutrality in line with an objective of limiting global heating to 1.5 degrees C, with the timeline for the transition away from fossil fuel use,</i> the closure</p>

<p><i>for the protection of a significant number of jobs;</i></p> <p>(j) synergies and complementarities with other Union programmes and pillars of the Just Transition Mechanism to address identified development needs.</p>	<p>of greenhouse gas-intensive activities in those territories, and the challenges regarding energy poverty;</p> <p>...</p> <p>(f) a description of the governance mechanisms in accordance with the Partnership Principle, consisting of the partnership arrangements, a list of partners, the monitoring and evaluation measures planned and the responsible bodies;</p> <p>...</p>
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Please note that the deletion of (i) is contingent on the deletion of the reference to ETS installations in the eligible actions under Article 4.

Article 7

Article 7(3) - Territorial Just Transition Plans

Text proposed by the Commission	Compromise Amendment
<p>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].</p>	<p>3. The preparation, monitoring and implementation of territorial just transition plans shall involve the meaningful, inclusive and accessible participation of social partners and civil society organisations, and other relevant partners in accordance with Article [6] of Regulation (EU) [new CPR], and, to the extent relevant to its role under the other pillars of the JTM, the implementing partners and financing partners, as applicable.</p>

Article 7

Article 7(4)(a), 4(b) and 4(c) New - Territorial Just Transition Plans

<i>Text proposed by the Commission</i>	<i>Compromise Amendment</i>
<p>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. 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].</p>	<p>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. 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].</p> <p><i>4 a. Territorial just transition plans shall be consistent with the objective of limiting the global temperature increase to 1.5°C above pre-industrial levels and of halting and reversing biodiversity loss by 2030. Investments under the plan shall not lead to environmentally harmful lock-in effects, in particular carbon intensive lock-in effects. The plan shall offer opportunities to further strengthen resilient local economies, local supply chains and localisation efforts.</i></p> <p><i>4. b 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.</i></p> <p><i>4. c The territorial just transition plans shall exclude any investment in fossil fuel infrastructure or applications.</i></p>



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ANNEX I

<i>Text proposed by the Commission</i>	<i>Amendment</i>
<p>For each Member State, the financial envelope is determined in accordance with the following steps:</p> <p>(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:</p> <p>(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 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%),</p>	<p>For each Member State, the financial envelope is determined in accordance with the following steps:</p> <p>(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:</p> <p>(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 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 25%),</p>

<p>(ii) employment in mining of coal and lignite (weighting 25%),</p> <p>(iii) employment in industry in the NUTS level 2 regions taken into account for the purposes of point (i) (weighting 25%),</p> <p>(iv) production of peat (weighting 0.95%)</p> <p>(v) production of oil shale (0.05%)</p>	<p>(ii) employment in mining of coal and lignite (weighting 25%),</p> <p>(iii) The speed with which the Member States commit to reducing their greenhouse gas emissions from coal or lignite, as reflected in the respective 2030 National Energy and Climate Plans (weighting 20%)</p> <p>(iv) employment in industry in the NUTS level 2 regions taken into account for the purposes of point (i) (weighting 25%),</p> <p>(v) production of peat (weighting 0.95%)</p> <p>(vi) production of oil shale (0.05%)</p> <p>(viii) The unemployment rate in 2019 in regions where coal or lignite is mined or combusted (4%)</p>
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ANNEX II

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

Point 1.1 - table

<i>Text proposed by the Commission</i>	<i>Amendment</i>
<p>Reference: Article 7(2)(a)</p> <p>1.1. Outline of the expected transition process towards a climate-neutral economy, 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</p>	<p>Reference: Article 7(2)(a)</p> <p>1.1. Outline of the expected transition process towards a climate-neutral and circular economy in line with the Union and Member States commitment to limit the increase in global temperature below to 1.5°C, the the objectives of the National Energy and Climate Plans and other existing transition plans with a timeline for ceasing activities such as all activities related to coal and lignite mining fossil fuels-based electricity production</p>

3. Governance mechanisms

<i>Text proposed by the Commission</i>	<i>Amendment</i>
<p>Reference: Article 7(2)(f)</p> <ul style="list-style-type: none"> - Arrangements for involvement of partners in the preparation, implementation, monitoring and evaluation of the territorial just transition plan; - Outcome of public consultation. 	<p>Reference: Article 7(2)(f)</p> <ul style="list-style-type: none"> - Arrangements for involvement of partners in the preparation, implementation, monitoring and evaluation of the territorial just transition plan, <i>including which civil society organisations will be involved and how community representatives are consulted and engaged proactively in the programming process. Consultation and engagement should take place both before and after programming documents are developed;</i>; - Outcome of public consultation <i>and how contributions from partners have been taken into account when finalising the plan;</i> - <i>List of partners</i>



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Recital 2a (NEW)

<i>Text proposed by the Commission</i>	<i>Amendment</i>
(2a)	2a) <i>The transition to climate-neutrality is a long-term process that can expand beyond political or budgetary cycles. A solid governance framework is essential and should include the involvement of citizens and stakeholders concerned in the transformation process and in decision making. This participatory approach and continued dialogue should be applied throughout all stages, including for the preparation of a long-term development strategy and the set-up of a monitoring and evaluation scheme.</i>

Recital 5a (NEW)

<i>Text proposed by the Commission</i>	<i>Amendment</i>
	<p><i>(5a) The transition to a climate-neutral and sustainable society is one of the most important common objectives of the EU, where the shared efforts of all Member States are essential to achieve it. As such, access to the JTF should be conditional on the adoption of a national objective towards the achievement of the objective of a climate neutral and pollution-free European Union by 2050, as well as the intermediate targets for 2030 and 2040.</i></p>

Recital 7

<i>Text proposed by the Commission</i>	<i>Amendment</i>
<p>(7) The resources from the JTF should complement the resources available under cohesion policy.</p>	<p>(7) The resources from the JTF <i>cannot deliver the transition to climate neutrality on its own. The JTF should therefore be</i> complemented by the resources available under <i>other funds, including</i> cohesion policy <i>which should be deployed in alignment with the objectives of a just transition to climate neutrality for all towards a fully renewable-based, highly resource and energy-efficient climate-neutral and circular economy, aimed at achieving net zero GHG emissions by 2040. Furthermore, investments made should be additional to those that would have been undertaken in the absence of the JTF.</i></p>

Recital 9

<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><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 regions, municipalities and cities have direct access to the JTF resources to be made available to them according to their objective needs.</i></p>
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Recital 10

<i>Text proposed by the Commission</i>	<i>Amendment</i>
<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 and environmental priorities of the Union. The list of investments should include those that 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</p>	<p><i>(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, social and environmental priorities of the Union. The list of investments should prioritise those that support people, communities and local economies and are sustainable in the medium and long-term, taking into account all the objectives of the Green Deal and of the European Pillar of Social Rights. The projects financed should contribute to the achievement of net zero GHG emissions in the Union by 2040 and a climate-neutral, pollution-free and circular economy by 2050 at the latest. For declining sectors, such as energy production based on coal, lignite, peat, gas, oil and oil shale or extraction activities for fossil fuels, support should be linked to the adoption of a clear binding date for the phasing out of the activity and the corresponding reduction in the employment level. For farming sectors and regions with high greenhouse gas</i></p>

<p>with the EU 2030 climate objectives and EU climate neutrality by 2050 while maintaining and enhancing 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, 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><i>emission levels, support should focus on assisting farmers in their transition such as from intensive animal based to plant based protein production. 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 2050 while maintaining and enhancing employment and avoiding environmental degradation. Particular attention should also be given to applying the polluter pays principle, the energy efficiency first principle and to supporting activities which maximise community benefits, such as support to renewable energy communities and renewable energy self-consumers, as well as those enhancing innovation and research in advanced and sustainable technologies, as well as in the fields of digitalisation and connectivity, provided that such measures enhance the creation of green and sustainable jobs, help mitigate the negative side effects of a transition towards, accelerate and contribute to a climate-neutral, pollution-free and circular economy by 2050 at the latest.</i></p>
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Recital 12

<i>Text proposed by the Commission</i>	<i>Amendment</i>
<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</p>	<p><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</i></p>

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 Council 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.

*or immaterial assets of enterprises in view of producing goods and services thereby contributing to gross-capital formation and employment. **Productive investment should be environmentally sustainable and should therefore comply with the criteria set out in Regulation (EU) 2020/...[Taxonomy Regulation].** 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. Any such investment should be justified accordingly in the relevant territorial just transition plan, **should be sustainable and should be consistent with the polluter pays principle and the energy efficiency first principle. Consistent with the Regulation and exclusions from the scope, these investments should not be made in fossil fuel installations.** 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.*

Recital 12a (NEW)

<i>Text proposed by the Commission</i>	<i>Amendment</i>
	<i>(12a) In accordance with the polluter pays principle, prevention and remediation of environmental damage should be ensured.</i>

	<p><i>Although it could be difficult, in particular for old mining and industrial sites, to identify each polluter's contribution to the damage or, for companies, to have the ability to bear the remediation costs, fossil fuel companies should be held responsible for the damage done.</i></p>
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Recital 14

<i>Text proposed by the Commission</i>	<i>Compromise Amendment</i>
<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 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>(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 and pollution-free economy before 2050. A legally binding date for phasing-out of coal enshrined in national law should be a precondition for receiving funding from the JTF. The phase-out date should be 2030 at the latest and built on public discourse and as broad as possible consent. In that regard, Member States should prepare, in cooperation with the relevant stakeholders and supported by the Commission, territorial just transition plans, detailing the transition process, consistently 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>