



AECM position on the Just Transition Fund

Guarantee institutions welcome the European Commission's proposal for the Just Transition Fund (JTF), primarily aimed at providing grants to support most affected EU territories and workers in their transition to a climate-neutral economy.

As laid down in the Commission's communication on the [European Green Deal](#), published on 11 December 2019, we find it important to put a stronger focus on environmental protection. We consider the JTF to be the right tool to provide tailored finance to the most affected territories and help them, in a targeted way, to operate the changes towards the transition into a net-zero carbon economy.

AECM further values that the proposal on the JTF includes EUR 7.5 billion of "fresh money" coming on top of the current proposal for the next Multiannual Financial Framework (MFF), and would like to stress that **the resources from the JTF should complement the resources available under the cohesion policy, and under no circumstances, the JTF should be financed from the envelope provided for the European Structural and Investment Funds (ESIF).**

If the Commission's initial proposal on 2021-2027 MFF is not increased or if it is reduced, the amount dedicated to the JTF will automatically reduce the funds devoted to other regional policies. As a result, the JTF risks to undermine the European Structural and Investment Funds and will bring little added value.

Furthermore, we highly value the inclusion of the JTF within the framework of the cohesion policy. This way the territorial just transition plans will have to comply with the same rules as the other ESIF, including the Partnership Principle and therefore the local and regional authorities will be involved when determining which territories will benefit from the JTF.

We also welcome the fact that the JTF will provide support to all Member States, irrespective of the stage of their transition process. **Territories and regions that have already started their transition process should, under no circumstances be excluded**, provided that coal mining is still taking place.

Referring to the geographical scope of the JTF, we find Commission's proposal to offer support to the territories that correspond to NUTS3-level data a real step forward in

cohesion policy. This choice will allow the support to be delivered in a targeted way to the most affected territories.

Yet, referring to the allocation method, i.e. the carbon intensity of the country's NUTS2 regions, **we suggest using NUTS3-level data instead of NUTS2-level data** in order to ensure that all territories in need of help receive financial support.

Regarding the complementary support from the ERDF and ESF+, we presume that the mandatory transfer worth between 1.5 and 3 times the JTF allocation, will limit cohesion policy's other objectives.

Finally, we appreciate that the European Commission proposes flexibility on sectorial State aid rules, in order to facilitate the use of national financial support for projects that are in line with just transition goals. We would like to emphasise that **the future State aid rules should give sufficient flexibility to national, regional and local governments to support businesses affected by the move away from coal** and mitigate the threat of job losses.

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About us

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