

Just Transition Fund 2021-2027

The EU Regulation 2021/1056 of the European Parliament and the EU Council of 24 June 2021 established the Just Transition Fund. The JTF contributes to the single specific objective of enabling regions and individuals to address the social, employment, economic and environmental impacts of the transition to the Union's 2030 energy and climate goals and a climate-neutral economy by 2050, based on the Paris Agreement.



Scope of support

The JTF shall support the following activities:

- productive investments in SMEs, including micro-enterprises and start-ups, aimed at diversification, modernisation and economic conversion;
- investments in business start-ups, including through business incubators and advisory services, leading to job creation;
- investments in research and innovation, including by universities and public research organisations, and promotion of the transfer of advanced technologies;
- investments in technology deployment and affordable clean energy systems and infrastructure, including energy storage technologies, and reduction of greenhouse gas emissions;
- investments in renewable energy in accordance with Directive (EU) 2018/2001 of the European Parliament and of the Council, including the sustainability criteria set out therein, and in energy efficiency, also with a view to reducing energy poverty;
- investments in smart and sustainable local mobility, including decarbonisation of the local transport sector and related infrastructure;
- rehabilitation and modernisation of district heating networks, in order to improve the energy efficiency of district heating systems, and investments in heat production, provided that heat production facilities are powered exclusively by renewable energy sources;
- investments in digitisation, digital innovation and digital connectivity;
- investments in remediation and decontamination of brownfield sites and land rehabilitation projects, and also, where necessary, in green infrastructure and projects for conversion to other land uses, taking into account the polluter pays principle;
- investments in enhancing the circular economy, including through waste prevention and reduction, resource efficiency, reuse, repair and recycling;
- development and retraining of vocational skills of workers and job-seekers;
- job-search assistance;
- active inclusion of job seekers;
- technical assistance;
- other activities in the areas of education and social inclusion, including, where duly justified, investment in infrastructure for training centres, childcare and elderly care facilities, as identified in the territorial plans for a just transition in accordance with Article 11.

The JTF resources shall be programmed for the categories of regions in which the territories concerned are located, on the basis of the territorial plans for a just transition approved by the Commission in the context of a programme or programme modification. The programmed resources take the form of one or more specific programmes or one or more priorities within programmes.

The co-financing rate applicable to the region in which the territory or territories identified in the territorial plans for just transition are located for the priority or priorities of the JTF shall not exceed:

- 85% for less developed regions;
- 70% for transition regions;
- 50% for more developed regions;

Territorial plans for a just transition

Member States shall draw up, together with the relevant local and regional authorities of the territories concerned, one or more territorial plans for a just transition covering one or more of the territories concerned corresponding to NUTS level 3 regions, or parts thereof, in accordance with the model set out in Annex II. These territories shall be those most affected by the economic and social effects of the transition, in particular with regard to the expected adaptation of workers or expected job losses in the production and use of fossil fuels as well as the transformation needs of the production processes of industrial installations with the highest greenhouse gas intensity.

A territorial plan for a just transition contains the following elements:

a description of the national transition process towards a climate-neutral economy, including a timetable of the main steps of the transition towards the Union's 2030 energy and climate targets and towards a climate-neutral economy of the Union by 2050 that are consistent with the latest version of the integrated national energy and climate plan;

a justification of why these territories have been identified as those most affected by the transition process, to be supported by the JTF;

an assessment of the transition challenges faced by the most affected territories identified, including the social, economic and environmental effects of the transition to a climate-neutral economy of the Union by 2050, identifying the potential number of jobs affected and potential job losses, depopulation risks and development needs and targets to be achieved by 2030 and related to the transformation or closure of greenhouse gas-intensive activities in those territories;

a description of the expected contribution of JTF support to address the social, demographic, economic, health and environmental impacts of the transition to a climate-neutral economy in the Union by 2050, including the expected contribution in terms of job creation and retention;

assessment of its consistency with another relevant national, regional or territorial strategies and plans;

description of the governance arrangements consisting of the partnership agreements, the planned monitoring and evaluation measures and the responsible bodies;

a description of the type of operations envisaged and the contribution they are expected to make to mitigating the effects of transition where support is to be provided for productive investments in enterprises other than SMEs, an indicative list of the operations and enterprises to be supported and the justification of the need for such support demonstrating through a gap analysis that, in the absence of the investment, the expected employment losses would exceed the expected number of jobs created;

where support is to be provided for investments aimed at achieving a reduction of greenhouse gas emissions from activities listed in Annex I to Directive 2003/87/EC, a list of the operations to be supported and a justification demonstrating that they contribute to the transition to a climate neutral economy and result in a substantial reduction of greenhouse gas emissions, leading to a significant improvement compared to the relevant benchmarks established for free allocation under Directive 2003/87/EC, and provided that these operations are necessary to protect a significant number of jobs;

indication of synergies and complementarities with other relevant Union programmes to address identified development needs;

indication of synergies and complementarities with planned support from the other pillars of the fair transition mechanism.

Budget

The JTF resources for the Investment for Jobs and Growth goal that are available for budgetary commitments for the period 2021-2027 amount to 7,5 billion euros. The measures referred to in Article 1(2) of Regulation (EU) 2020/2094 are implemented under this Regulation with an amount of 10 billion euros. The total budget is, therefore: **17 500 000 000 euros**.

Links

Just Transition Fund (https://ec.europa.eu/info/funding-tenders/find-funding/eu-funding-programmes/just-transition-fund_en)

Regulation (EU) 2021/1060 of the European Parliament and of the Council of 24 June 2021 (<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32021R1060>)

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BUDGET

€ 17 500 000 000

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