

Press release – Parliament requests more support for regions to make energy transition a success



On Wednesday 16 September, MEPs adopted Parliament's position on the Commission proposal on the JTF with 417 votes in favour, 141 against and 138 abstentions.

Parliament insisted on a substantial increase in JTF resources from the EU budget for 2021-2027 (EUR 25 billion in 2018 prices compared to EUR 11 billion proposed by the Commission and the decrease to EUR 7,5 billion agreed by the European Council). This amount should be supplemented by EUR 32 billion in current prices, as proposed under the EU Recovery Instrument.

Moreover, MEPs confirmed key provisions outlined in the [draft recommendations](#) by the Regional Development Committee:

- Providing support to people, the economy and the environment,
- Creation of a "Green Rewarding Mechanism", allowing 18% of the total JTF resources to be allocated to member states that reduce their greenhouse gas emissions more quickly than others,
- A share of 1% of the total amount will be allocated for islands, and 1% for the outermost regions,
- A co-financing rate of up to 85% of costs for eligible projects across the EU,

- Possibility to transfer resources from other cohesion funds on a voluntary basis,
- Broadening the scope to include microenterprises, sustainable tourism, social infrastructure, universities and public research institutions, energy storage technologies, low-emission district heating, smart and sustainable mobility, digital innovation, including digital and precision farming, projects fighting energy poverty, as well as culture, education and community building,
- A derogation for investments in activities related to natural gas, for regions heavily reliant on the extraction and combustion of coal, lignite, oil shale or peat, if they qualify as “environmentally sustainable” in accordance with the [Taxonomy Regulation](#) and comply with six additional cumulative conditions,

In addition, only 50% of the national allocation will be available for countries which have not yet committed to a 2050 national target for climate neutrality, until such a target is adopted.

Quote

Rapporteur Manolis Kefalogiannis (EPP, GR) said: “The EU is aiming, as part of the European Green Deal, to socio-economically transform regions relying on fossil fuels and carbon-intensive industries. On 6 July, the Regional Development Committee successfully approved the draft report establishing the Just Transition Fund as a whole. The JTF will become a key component of the EU’s cohesion policy. We are now ready to kick off inter-institutional negotiations; at the same time, the JTF will be closely linked to the MFF 2021-2027 and the new Recovery Instrument (Next Generation EU).”

Next steps

Inter-institutional negotiations are expected to start as soon as possible, on all matters except for the financial envelope, which is to be agreed upon in parallel talks on the Multiannual Financial Framework (MFF).

Background

The Commission [published](#) in January a legislative proposal on the Just Transition Fund (JTF), the first legislative proposal implementing the priorities set out in the European Green Deal, followed in May by an [amended proposal](#) containing an increase of the Fund’s resources.

In order to ensure that negotiations with the Council can start as soon as possible, the [Regional Development Committee](#) requested that both the draft report and the mandate for negotiations be put to the EP plenary vote directly. According to [Rule 71](#), if Parliament as a whole were to reject a committee’s decision to enter into negotiations, the report could only be voted on during the following plenary session, thus delaying negotiations between Parliament, Council and the Commission.