

JUST TRANSITION MECHANISM



Pillar 2 & 3

Kick-off Event – Just Transition in Megalopoli, Greece

21 April 2023, Filip Chraska, DG REGIO/F1



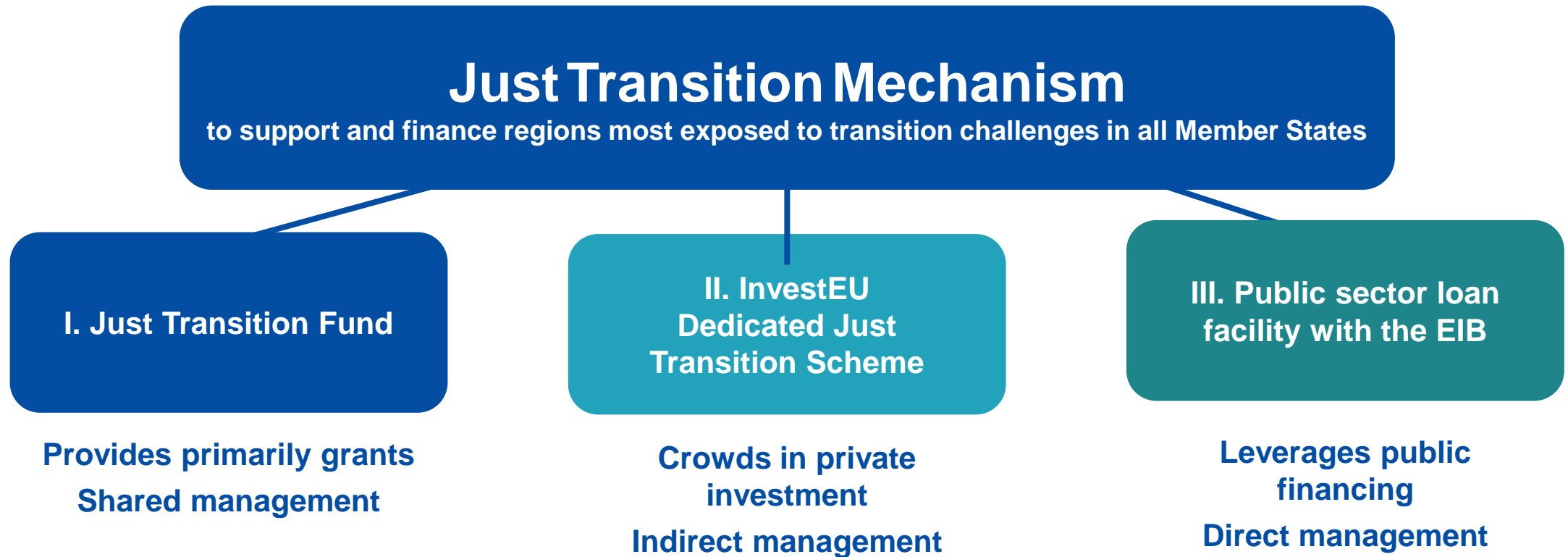
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European
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Regional and
urban Policy

Just Transition Mechanism

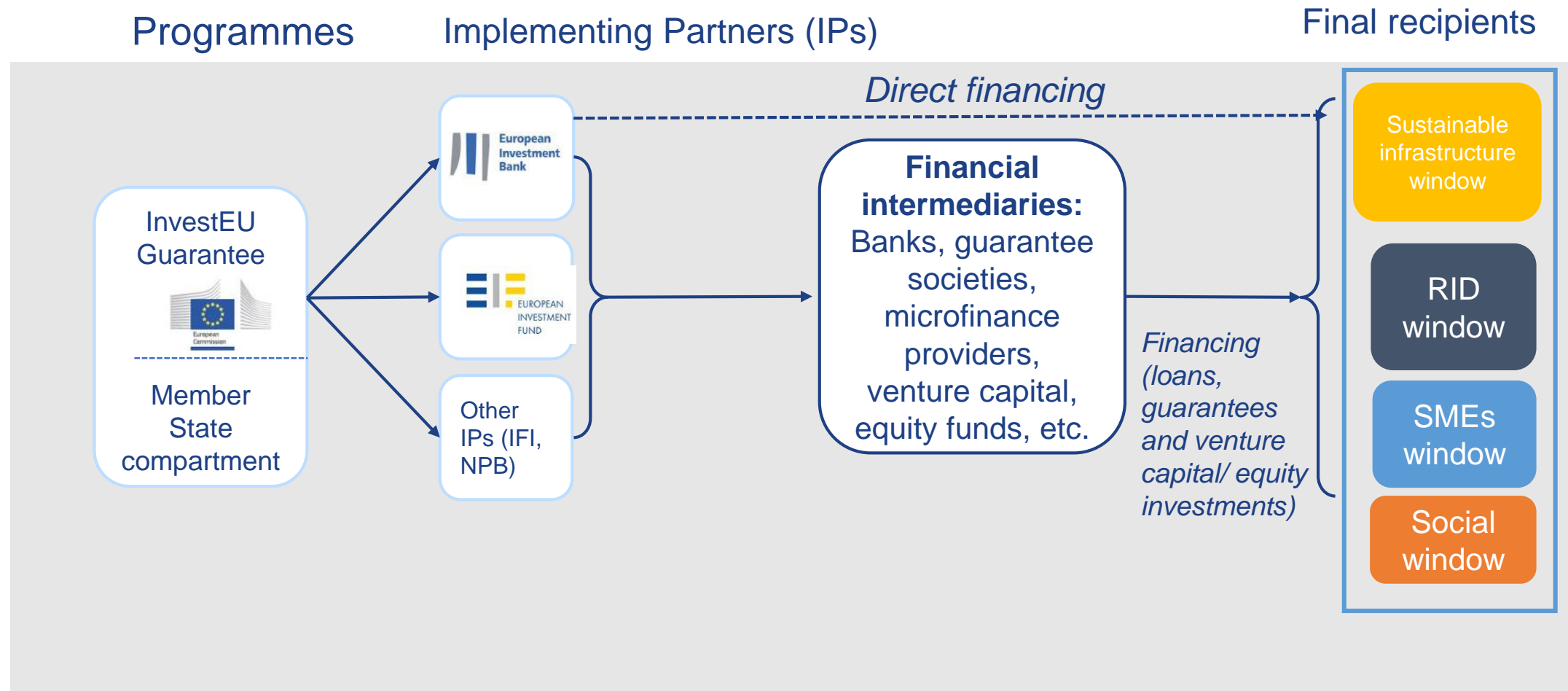




InvestEU Just Transition Scheme

Second pillar of the Just Transition Mechanism

How does the InvestEU programme work?



Pillar II - InvestEU Just Transition Scheme

What:

- **A dedicated just transition scheme** (InvestEU JTS) will be implemented through InvestEU financial products.
- The use of InvestEU will remain **demand driven** and will depend on the project pipelines of the different Implementing Partners

Where:

- Projects in territories with **an approved territorial just transition plans** will be eligible for the InvestEU JTS.
- Projects not located in JT regions can benefit from the scheme **if funding of the project is key** to the development of JT region
- Funding in sectors and activities **as set out in the relevant TJTP.**

Implementation



- The InvestEU JTS **can be implemented through any of the four InvestEU policy windows**
- The Commission will provide a **budgetary guarantee** to Implementing partners to provide financing directly or indirectly to project promoters
- Incentives may be offered via more **advantageous risk sharing arrangements** (e.g. increased EU guarantee coverage, lower remuneration of the EU guarantee, lower administrative costs) to Implementing Partners to deploy a **JTS scheme**. **Dedicated advisory support** may also be possible.

InvestEU eligibility areas example

- ✓ Development of the energy sector
- ✓ Development of sustainable transport
- ✓ Environment and resources
- ✓ Climate change actions
- ✓ Finance of R&I
- ✓ Social investment and skills
- ✓ Development of digital connectivity infrastructures and deployment and scaling-up of digital technologies and services
- ✓ Other infrastructure (tourism, offshore, defence, space)
- ✓ Finance for SMEs and small mid-cap companies

The TJTP of Megapoli envisages potential Pillar II investments in SME finance and in all key sectors of the transition

Relationship with Pillars I and III

- Support under the three Pillars of JTM cannot be combined, in particular:
 - In line with requirements of the Financial Regulation and the Common Provisions Regulation, combinations at fund level between JTF and JTS is not allowed.
 - Financing under the InvestEU JTS cannot be combined with the public sector loan facility (pillar 3), except for advisory support.
 - Combination at project level is possible, provided that support does not cover the same cost.
- It is not possible for a territory to solely benefit from pillars 2 and 3 without being supported by the JTF under pillar 1 but the territory can still benefit from InvestEU outside the JTS scheme

InvestEU Pillar II example

Solar Park in Western Macedonia

- New 230MWp capacity solar farms in Kozani in the Western Macedonia Just Transition region for PPC
- EUR 28.5mn EIB loan is backed by an EU budget guarantee under the InvestEU programme
- Part of an EUR 102.4 overall Project Finance together with Eurobank and National Bank of Greece
- Public Power Corporation - PPC is the leading company, for generation and supply of electricity in Greece



How to apply for financing?

- Project promoters should apply directly to implementing partners who will offer tailor-made financing solutions based on the financial products supported by the EU guarantee.
- Link to financing options: https://investeu.europa.eu/what-investeu-programme/investeu-fund/how-get-financing_en
- Check the EIB's website for financing opportunities: <https://www.eib.org/en/products/mandates-partnerships/investeu/>
- You can also submit your project to the [InvestEU Portal](#)

In case of questions please contact

REGIO-B3-FINANCIAL-INSTRUMENTS@ec.europa.eu



Main features of the public sector loan facility

PSLF is a blending facility

GRANT (total EUR 1.5 bln)	LOAN (total EUR 10 bln)
DG REGIO	EIB
<ul style="list-style-type: none"> Adopts financing decisions/work programmes Evaluates proposals in respect of the grant (jointly with CINEA) and chairs the evaluation committee Provides policy guidance 	<ul style="list-style-type: none"> Evaluates the applications in respect of the loan Prepares and manages the financing agreements Monitors the loan
CINEA	
<ul style="list-style-type: none"> Organises the call and evaluates proposals in respect of the grant (jointly with DG REGIO) Adopts the award decision and signs grant agreements Monitors technical/financial implementation of projects Manages communication actions (jointly with DG REGIO) 	

Up to EUR **10** billion of loans by the European Investment Bank

Approx. EUR **7** billion of additional mobilised resources

10

7

Up to EUR **1.5** billion of grants by the European Commission

1.5

18.5

To mobilise EUR **18.5** billion of public investments

Eligible areas identified in the Megalopoli TJTP

Public investments that do not generate a sufficient revenue stream:

- transport energy infrastructure,
- electricity networks,
- green mobility,
- energy efficiency,
- renewable energy resources

Projects enhancing the economic diversification of affected territories by the transition is complementary to the JTF

- new road rail projects
- renovation of existing roads
- infrastructure/water networks
- irrigation



Main features of the public sector loan facility

Beneficiaries

Public sector entities (including private law bodies with a public service mission)



Financing not linked to costs

The grant is a percentage of the loan - 15% or 25% in less developed regions
*Grants cannot be disbursed before the EIB financing agreement is signed

Budget

National shares until end of 2025
EUR 62.97 reserved for Greece
2026: remaining budget available to all EU beneficiaries



Geographical scope

Projects must benefit a territory identified in an adopted TJTP (even if not located in such territory)

*Consult [Inforegio - Just Transition Fund \(europa.eu\)](https://inforegio.eu)



Advisory support

EUR 35 million

*Apply for advisory support here: [InvestEU Advisory Hub](https://investeu.advisoryhub.eu) website)

Project budget

Minimum EIB loan amount:

- EUR 12.5 million

Minimum grant:

- The grant is a percentage of the loan - 15%, or 25% in less developed regions
- EUR 1.8, or 3.1 million in less developed regions

Effective grant rate / investment cost:

- 5-6% on average

Minimum budget of individual projects:

- EUR 25 million – loan schemes (framework loans) possible for smaller projects

**Combination with resources from other EU programmes not possible
(Modernisation Fund possible)**





How to apply for an EU grant?

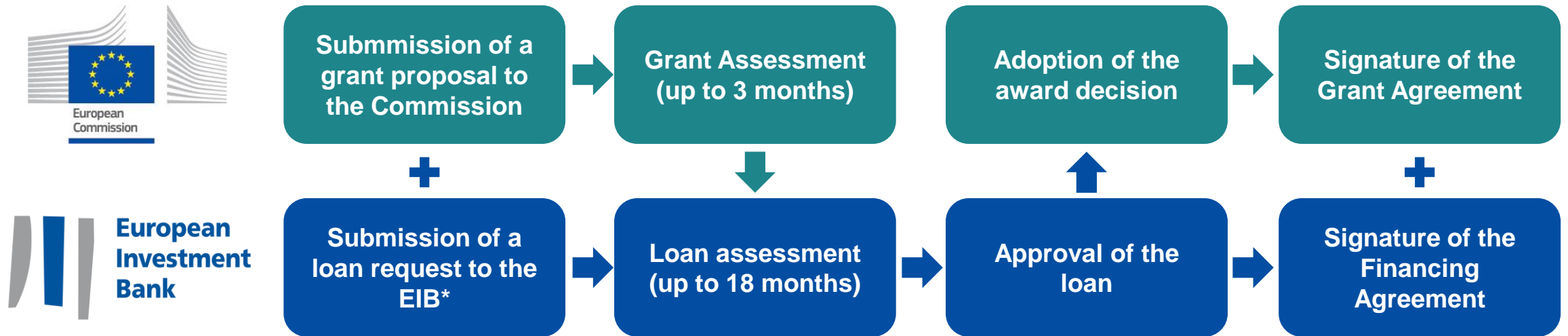
Call for proposals

Multi-annual call for proposals was published in 2022 with 3 submission deadlines per year until end 2025

Submission deadlines				
1st cut-off date	2nd cut-off date	3rd cut-off date	4th cut-off date	5th cut-off date
19 October 2022 17:00 CET (Brussels)	19 January 2023 17:00 CET (Brussels)	19 April 2023 17:00 CET (Brussels)	20 September 2023 17:00 CET (Brussels)	17 January 2024 17:00 CET (Brussels)
6th cut-off date	7th cut-off date	8th cut-off date	9th cut-off date	10th cut-off date
17 April 2024 17:00 CET (Brussels)	19 September 2024 17:00 CET (Brussels)	16 January 2025 17:00 CET (Brussels)	15 April 2025 17:00 CET (Brussels)	11 September 2025 17:00 CET (Brussels)

*The requests for loans can be submitted at any time.

Application process



*Before or in parallel to the submission of the grant proposal

Grant assessment

Admissibility and eligibility	Award criteria	Prioritisation criteria
<ul style="list-style-type: none">Proposals must be complete and submitted before the call deadline.Applicants must be public law bodies (or private law bodies with a public mission) established in the EU.Projects must benefit a territory covered by a TJTP and not generate sufficient revenues to cover the investment costs.Applicants must secure an EIB loan.	<ol style="list-style-type: none">1. Relevance and impact The proposed project should match the themes, priorities and objectives of the call, and contribute to the development needs and priorities described in the relevant TJTP.2. Quality The soundness and readiness of the proposed project as well as the financial capacity of the applicant will be assessed under this criterion.	<p>Bonus points will be given to:</p> <ol style="list-style-type: none">Projects located in less developed regions, as per CPR RegulationProjects contributing directly to the achievement of the EU's climate and energy targets and the objective of climate neutralityProjects promoted by applicants that have adopted decarbonisation plans

Successful applicants will be invited for the preparation of the Grant Agreement.

*For more details, please read carefully the [Call Document](#) or watch the recording of our [first Info Day](#) held on 14/09/2022.

Way forward

- ✓ Make use of the advisory services provided by the InvestEU Advisory Hub
 - Free of charge
 - All stages of the project cycle
- ✓ Liaise with the EIB as soon as possible
- ✓ Consider the three possible EIB products (individual, framework, intermediated loans)
- ✓ EC and CINEA cannot be consulted on individual projects



Useful information

For general information

- [Regulation 2021/1229](#)
- [Just Transition Platform](#)
- [CINEA website](#)
- Recording of PSLF [Info Days](#)

EIB

- [Regional development & cohesion \(eib.org\)](#)
- [EIB helpdesk](#)

Call for proposals

- CINEA-JTM-PSLF@ec.europa.eu
- [Funding & Tender Opportunities Portal](#)
- [Call FAQ](#)

Advisory support

- [InvestEU Advisory Hub](#)



Questions and Answers

Thank you



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