



EUROPEAN COMMISSION

*Brussels, 10.8.2020  
C(2020) 5510 final*

*Dear President,*

*The Commission would like to thank the Senat for its Opinion on the proposal for a Regulation of the European Parliament and of the Council on the public sector loan facility under the Just Transition Mechanism {COM(2020) 453 final}.*

*The public sector loan facility constitutes one of the three pillars of the Just Transition Mechanism, which aims at providing targeted support to the territories the most negatively impacted by the transition towards climate neutrality. The public sector loan facility will focus on public investments that will not generate sufficient streams of revenue to cover investment costs without the Union support.*

*The Commission takes note of the concerns expressed by the Senat on the proposed transfer of European Regional Development Fund and European Social Fund plus resources to the Just Transition Fund. Such transfers are ruled by Article 21a of the amended proposal for Common Provisions Regulation {COM(2020) 23 final} and Article 6(2) of the amended proposal establishing the Just Transition Fund {COM(2020) 460 final} and do not fall under the competence of the proposal for a public sector loan facility.*

*These transfers aim at maximising the impact of the Just Transition Fund, at the benefit of the territories the most negatively impacted by the transition towards climate neutrality. The Commission has nonetheless proposed that these transfers do not apply to the additional resources under the Just Transition Fund stemming from the European Union Recovery Instrument.*

*The Commission is convinced that the proposal for a public sector loan facility provides a solid basis for the negotiations to come.*

*Mr Robert-Marius CAZANCIUC  
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*The Commission hopes that these comments address the issues raised by the Senat and looks forward to continuing the political dialogue in the future.*

*Yours faithfully,*

*Nicolas Schmit  
Member of the Commission*