

# Questions asked and not answered during the webinar on JTF 25 February 2021, Webex

*Draft answers as of 22 March 2021*

Please note that the numbering of articles in the JTF Regulation is done according to the provisional common understanding, as agreed between the co-legislators in December 2020.

The questions are included under the agenda points, during which they were asked.

## I. JTF legislative framework

- 1. According to the JTF regulation, are the financial compensations for SMEs allowed, in a comparable way to art 34 of Regulation 508/2014<sup>1</sup>? The question concerns the permanent cessation of the energy peat activities.**

The JTF should support exclusively support the activities listed in article 4(2) of the JTF regulation. Financial compensations because of the permanent cessation of the energy related activities are not included in article 4(2) of the JTF Regulation and therefore not eligible.

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<sup>1</sup> Article 34 Permanent cessation of fishing activities

1. The EMFF may support measures for the permanent cessation of fishing activities only when that is achieved through the scrapping of fishing vessels and provided that:
  - (a) such scrapping is included in the operational programme referred to in Article 18; and
  - (b) the permanent cessation is foreseen as a tool of an action plan referred to in Article 22(4) of Regulation (EU) No 1380/2013 indicating that the fleet segment is not effectively balanced with the fishing opportunities available to that segment.
2. Support under paragraph 1 shall be granted to:
  - (a) owners of Union fishing vessels registered as active and which have carried out fishing activities at sea for at least 90 days per year during the last two calendar years preceding the date of submission of the application for support; or
  - (b) fishermen who have worked at sea for at least 90 days per year during the last two calendar years preceding the date of submission of the application for support, on board of a Union fishing vessel concerned by the permanent cessation.
3. The fishermen concerned shall effectively cease all fishing activities. The beneficiary shall provide proof of the effective cessation of fishing activities to the competent authority. The compensation shall be refunded on a pro rata temporis basis where the fisherman returns to a fishing activity within a period of less than two years from the date of submission of the application for support.
4. Support under this Article may be granted until 31 December 2017.
5. Support under this Article shall be paid only after the equivalent capacity has been permanently removed from the Union fishing fleet register and after the fishing licenses and authorizations have also been permanently withdrawn. The beneficiary shall be prohibited from registering a new fishing vessel within five years following the receipt of such support. The decrease in capacity as a result of the permanent cessation of fishing activities with public aid shall result in the permanent equivalent reduction of the fishing capacity ceilings set out in Annex II to Regulation (EU) No 1380/2013.
6. By way of derogation from paragraph 1, support may be granted for the permanent cessation of fishing activities without scrapping provided that the vessels retrofit for activities other than commercial fishing.  
In addition and with a view to preserving maritime heritage, support may be granted for the permanent cessation of fishing activities without scrapping in the case of traditional wooden vessels, provided that such vessels retain a land-based heritage function.

In essence, JTF support also aims at diversifying the economy, by creating alternative economic and job opportunities in the impacted territories. The payment of such compensation would not contribute to this objective.

**2. Can we have confirmation that there will be no need for a justification of participants' residence to benefit from social support operation, unlike what applies to the Youth Employment Initiative (YEI) 2014-20?**

For the participants in the Youth Employment Initiative 2014-2020, there is indeed a regulatory requirement for being a resident in the region, to which additional resources from the YEI were allocated (Article 16, ESF Regulation 2014 - 2020).

Recital 11 of the JTF Regulation clarifies the scope of article 4(2) (h-j) of the on activities related to upskilling and reskilling of workers and jobseekers, job-search assistance to jobseekers and active inclusion of jobseekers. According to this recital:

*'(...) All jobseekers having lost their job in sectors affected by the transition in the region covered by the territorial just transition plan, can be supported by the JTF, even if the dismissed workers are not residing in that region.'*

This means that workers in the sectors affected by the transition who are at risk of losing their job or have lost their job are eligible to participate in operations listed under the articles 4(2)(h-j) of the JTF Regulation. The eligibility will not be determined on the basis of the place of residence of a participant, but the fact that the participant works or has worked in the region in a sector affected by the transition and that the dismissal or the risk of jobs loss is linked to the transition process (as described in the relevant territorial just transition plan according to article 7(2) (a) of the JTF Regulation).

**3. Do you have any information from Member States related to transfers from ERFD/ESF towards JTF? Do Member States plan to do these transfers?**

REGIO is monitoring the Member States' plans in relation to possible ERDF/ESF+ transfers to the JTF. As of beginning of March 2021, four Member States have decided not to have any transfers. Three Member States indicated such a possibility in a preliminary way.

**4. Could the Commission clarify whether the eligible territories need to be determined based on NUTS 2016 or NUTS 2021 classification?**

Eligible territories correspond to NUTS 3 level regions or parts thereof. The last version of the JTF Regulation after the lawyer linguists' revision does not include the reference to any of the NUTS classifications. In this regard, the fact that the territory – if it actually corresponds to NUTS region, is consistent with NUTS 2016 or NUTS 2021, is irrelevant.

The purpose is to define the territory in a granular manner. The territory should correctly identified, possibly with the help of a map.

**5. Can enterprises under difficulty access the JTF for reconversion and requalification of employees?**

Support to undertaking in difficulties, as defined in Article 2(18) of Commission Regulation (EU) No 651/2014, is ineligible, pursuant to Article 5(c) of the JTF Regulation, unless authorised under temporary State aid rules established to address exceptional circumstances or under de minimis aid to support investments reducing energy costs in the context of the energy transition process.

**6. What is the eligibility end date for the expenditure financed by NGEU? Is it 31.12.2024?**

There is no eligibility end date for expenditure financed by NGEU. Expenditure is reimbursed pursuant to available budgetary commitments. Payments under NGEU should nonetheless be made by 31 December 2026.

## V. JTF programming: inclusion of JTF in templates for Partnership Agreement and Programmes (including template for TJTPs) and the adoption of TJTP as part of the programmes

**7. What is meant by governance and partnership for the specific territory (section 3 of the Territorial Just Transition Plan)?**

This section echoes the provisions of Article 7(2)(f) of the JTF Regulation related to a description of partners involved in the preparation and monitoring of the territorial just transition plans and of mechanisms for monitoring, evaluating and managing the plans to ensure that the plans will effectively meet their assigned social, environmental and economic objectives. In accordance with recital (14) JTF, Article 6 of the new CPR on the application of the partnership principle applies to JTF as well. In other words, the elaboration and implementation of the territorial just transition plans should comply with Article 6 of the CPR as well as the European code of conduct on partnership, as set out in Commission Delegated Regulation (EU) No 240/2014. The latter remains effective and applicable to the 2021-2027 period.

**8. Is it possible to include the entire county as a region that benefits from the funds provided through the JTF? The context is as follows: 70% of the county's economy is based or related to Oltenia Energy Complex, but the actual location of the coal regions is on the center and south-east of the county. We have a tradition as "the heart" of Romania's energy system. Thus, we would like to maintain that**

**tradition, but making it “the green heart” of Romania’s energy system, based on the fact that the entire county has between 20 and 80 GW of solar power potential. The problem is that most of the available terrain is NOT located in the most affected areas. So, the idea is to become the first “green county” in Romania by the end of 2030, and, also, maintain it as the main power supplier for the country’s energy system. We are talking about relating almost every part of the industries developed in the county to solar power production. We already have propositions of projects that indicate this approach in the private sector.**

Negotiations on the identification of eligible territories should be carried out with the competent geographical unit. These territories should be the most negatively affected based on the economic and social impacts resulting from the transition, in particular with regard to expected adaptation of workers or job losses in fossil fuel production and use and the transformation needs of the production processes of industrial facilities with the highest greenhouse gas intensity, as per article 7(1) JTF. According to the same article, the most affected territories (one or more) need to correspond to NUTS3 level or lower.

Investment supported by the JTF can nevertheless be located outside the territories identified in the territorial just transition plan, provided they benefit these territories. As per article 7(2) (d) JTF, the JTF support should contribute to addressing the social, demographic, economic, health and environmental impacts of the transition to a climate-neutral economy by 2050, including the expected contribution in terms of job creation and preservation. If an operation does not pursue such an objective, it cannot be financed from the JTF.

In this respect, the question seems to highlight some misunderstanding, confusing the territorial area hit by the closure of coal activities, which should benefit from JTF support for its reconversion and the deployment of renewable, solar, energy which should be primarily supported by ERDF.

**9. In Just Transition Plans, please could you explain us in more detail what exactly you mean when you refer to specific requirements for large enterprises?**

Eligibility requirements for productive investments in large enterprises are detailed in Articles 4(2), JTF: such investments should contribute to the transition to a climate-neutral economy of the Union by 2050 and to related environmental targets and JTF support should be necessary for job creation in the identified territory. Such investments should also not lead to relocation, as required under Article 60 of CPR. Article 7(2)(h) JTF requires further a gap analysis demonstrating that the expected job losses would exceed the expected number of jobs created in the absence of the investment. In other words, it should be demonstrated that classical support to SME creation and

development will not suffice to offset the job losses, requiring in turn to support productive investments in large enterprises.

- 10. Is a strategic environmental assessment (SEA) (Directive 2001/42/EC) needed for the JTF? If so, is it needed on the level of the TJTP or on the programme level (e.g. regional OP ERDF with JTF axis) or both? When do the results of the SEA have to be ready in the process?**

When a Strategic Environmental Assessment is conducted for a programme, it needs to cover the programme in its entirety, including annexes such as the TJTP(s).

- 11. Please explain what it means that the split between ESF+ and ERDF-like types of investments are to be avoided? What exactly is meant by “the split”?**

The territorial and integrated focus of the JTF needs to be anchored in the territorial just transition plans, encompassing comprehensively the numerous social, environmental and economic challenges raised by the transition process. Selected types of operations should address these challenges in a comprehensive manner and the need for complementing ERDF+ like investments (e.g. R&D, business support, energy efficiency etc) with necessary investments in social capital should be adequately taken into account. Member States should reflect the integrated nature of the JTF by avoiding as much as possible the split of resources between traditional ESF+ and ERDF programmes. The JTF priority in the programme should encompass all planned types of investments per territory (more priorities could be established in case of a higher allocation) without the need to draw funding for integrated projects from different programmes / priorities and possibly under different calls.

- 12. When can we expect new proposals in state aid rules - the promised "green bonus" for JTF projects?**

State aid rules, both under regional aid guidelines (RAG) and sectoral guidelines pertinent for the JTF are currently being revised and should entail mechanisms to facilitate the achievement of the European Green Deal's objectives and the implementation of the JTF. The revised guidelines should be adopted by the end of 2021.

- 13. It might be an idea to start a growing ‘frequently asked question’ document on JTF on the site.**

All the information provided during the webinar can be accessed on InfoRegio: [https://ec.europa.eu/regional\\_policy/en/conferences/2021-2027-technical-seminars/just-transition-fund](https://ec.europa.eu/regional_policy/en/conferences/2021-2027-technical-seminars/just-transition-fund)

Just Transition Platform website already includes a question function link: [https://ec.europa.eu/info/strategy/priorities-2019-2024/european-green-deal/actions-being-taken-eu/just-transition-mechanism/just-transition-platform\\_en](https://ec.europa.eu/info/strategy/priorities-2019-2024/european-green-deal/actions-being-taken-eu/just-transition-mechanism/just-transition-platform_en)).

Q&A interpretation network run by ESIF DGs can be used in case Member States have questions that require interpretation of legal provisions. In this case, questions should be sent to a responsible geographical des in DG REGIO or DG EMPL.

The Commission is also considering a JTF policy paper, to be published.

**14. What is the link to the webinar's follow-up page on InfoRegio?**

[https://ec.europa.eu/regional\\_policy/en/conferences/2021-2027-technical-seminars/just-transition-fund](https://ec.europa.eu/regional_policy/en/conferences/2021-2027-technical-seminars/just-transition-fund)

## Other questions

**15. Can you describe us more in detail how do you mean sustainability of jobs created within support of JTF? Is there any time limit for how long these jobs should be sustainable?**

The JTF regulation does not entail any reference to sustainable jobs, although the JTF should obviously aim at creating long-term, sustainable jobs. This objective should be pursued by the managing authorities while avoiding cumbersome administrative requirements for beneficiaries.

**16. Both RES and clean energy storage seem to be eligible under JTF. This is in the right direction as there is no transition from fossil fuels possible without scaling up RES and energy storage. At the same time RES and storage, especially the conversion of existing power plants to clean energy storage facilities will safeguard existing jobs. Please, provide an indicative list of eligible RES and energy storage infrastructure under JTF.**

The JTF does not aim per se at financing RES and energy storage investments, which rather fall under the scope of the ERDF. Such investments would only be supported by the JTF when they offer economic and job opportunities alleviating the social and economic costs of climate transition in the impacted territories. The type of investments should therefore be assessed on a tailored basis, with regard to the investment outlooks in the eligible territories.

**17. The presentations stressed that the plan needs to be accompanied by a programme – can I check what exactly is meant by the ‘programme’. For example, if we decided to establish the JTF as a priority under ERDF, in this case would the ERDF be the programme? What is then meant by the operation – are these the specific activities which would be funded by the JTF?**

The plan should be submitted to the Commission with the corresponding cohesion policy programme (supported by JTF resources) for adoption or a request for its modification, in line with article 17(7) CPR. For example, if a Member State decides to establish the JTF as a priority under a cohesion policy programme, the plan should indeed be submitted as annex to this programme - the plan will have to be uploaded via a dedicated module in SFC and will have to be linked to the corresponding programme(s).

If the question on the definition of 'operation' refers to slide 65 of the presentation, please note that this definition is provided under article 2(3) CPR:

*(a) a project, contract, action or group of projects selected under the programmes concerned;*

*(b) in the context of financial instruments, a programme contribution to a financial instrument and the subsequent financial support provided to final recipients by that financial instrument;*

In the context of the presentation, the operation meant indeed project, action or group of projects that would be financed from the JTF.

**18. Is there a timeline for when the Commission expects/needs to have received the TJTP and Programme by?**

Pursuant to article 16(2) CPR 2020-2027, Member States should submit their cohesion policy programmes no later than three months after the submission of the Partnership Agreement. If the plan is not yet mature and a Member State needs more time to finalise it, the plan can also be submitted after the programme is adopted, as part of a request for its amendment, in line with article 17(7) CPR.