



JTP Groundwork

A guidebook for the application process
to the Public Sector Loan Facility (PSLF)
under the Just Transition Mechanism

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Aim and scope

The aim of this guidebook is to provide all necessary information on the grant and loan application processes for the Public Sector Loan Facility (PSLF). Thereby the guidebook provides an overview of the differences between the PSLF and Just Transition Fund (JTF) funding and step-by-step information on the PSLF grant application process.

Who is this guidebook for?

This guide is intended for public authorities or private bodies with a public sector mission, responsible for just transition implementation in their territory and looking to leverage the third pillar of the Just Transition Mechanism for project financing.

1 Introduction: Understanding the Public Sector Loan Facility

The **Just Transition Mechanism (JTM)** is a key component of the European Green Deal, designed to ensure that the transition to a climate-neutral economy happens in a fair and inclusive way. The primary goal of the JTM is to mitigate the socio-economic impacts of the transition, particularly in regions that are heavily dependent on carbon-intensive industries, such as coal mining.ⁱ

The JTM aims to mobilise around €55 billion over the period 2021-2027 to support the most affected regions.

It consists of three main pillars:

- **Just Transition Fund (JTF):** Provides grants to support economic diversification and reskilling of workers.
- **InvestEU "Just Transition" Scheme:** Mobilises private investments through budgetary guarantees.
- **Public Sector Loan Facility (PSLF):** Combines EU grants with loans from the European Investment Bank (EIB) to support public sector projects.ⁱ

Importance of the Public Sector Loan Facility (PSLF) for Just Transition Fund (JTF) Regions

The **Public Sector Loan Facility (PSLF)** is crucial for JTM regions as it provides the necessary financial support to address the social, environmental, and economic challenges arising from the transition to a climate-neutral economy.ⁱⁱ The PSLF offers a combination of grants from the EU budget and loans from the EIB, aiming to mobilise between €13.3 billion and €15.3 billion in public investments.

Key benefits of the PSLF include:

- **Supporting Public Sector Projects:** It helps fund projects that are essential for the transition, such as infrastructure modernization, renewable energy projects, and social infrastructure improvements;
- **Addressing Socio-Economic Challenges:** By providing financial support, the PSLF helps mitigate the negative impacts on employment and economic stability in regions heavily reliant on carbon-intensive industries;
- **Encouraging Sustainable Development:** The facility promotes investments that align with the EU's climate goals, ensuring that the transition is both environmentally sustainable and socially equitable.

This combination of grants and loans makes it easier for public sector entities in the most affected regions to undertake necessary projects, ensuring that no region is left behind in the transition to a greener economy.

Projects financed by the PSLF should be complementary with ongoing projects financed under the JTM and should demonstrate clearly how they contribute to the just transition in the territory. The PSLF is targeted specifically at helping public investment flow to projects supporting the just transition, while the JTF seeks to alleviate transition-related costs and harms. Overall, the activities supporting by the PSLF and JTF fall into the same areas. Geographically, however, the PSLF has a larger scope being available to all EU-27 member states as projects do not necessarily have to be located in territories identified in a Territorial Just Transition Plan. They are eligible as long as the project benefits those territories. Thereby, while the JTF and PSLF are complementary, they have clear differences that are summarised in Table 1.

Table 1 The differences between the PSLF and the JTF in a nutshellⁱⁱⁱ

| | Public Sector Loan Facility | Just Transition Fund |
|------------------------|--|--|
| Funding mechanism | Combination of grants and loans | Direct grants |
| Management mode | Direct management (funds managed by the Commission. Potential beneficiaries apply directly to Commission's call for proposals) | Shared management (funds managed by Member States. Potential beneficiaries apply to calls for proposals launched by Programme's Authorities) |
| Beneficiary | Public sector entities (public law body or private law body entrusted with a public service mission). | National, regional and local authorities located in a territory with an approved Territorial Just Transition Plan. |
| Budget | Grants up to EUR 1.312 billion from the EU budget, Loans up to EUR 6-8 billion from the European Investment Bank (EIB). | EUR 19.7 billion. |
| Main actions financed | Projects to be funded by public authorities but generating insufficient revenue streams to cover investment costs. | Projects alleviating local costs and harms of the just transition in JTF territories. |
| Project areas financed | <ul style="list-style-type: none"> • Sustainable energy, mobility and heating projects | <ul style="list-style-type: none"> • Investments in SMEs and new firms • Clean energy |

| | | |
|--|--|--|
| | <ul style="list-style-type: none"> • Environmental projects such as water and waste management, land and ecosystem restoration, biodiversity • Urban regeneration including social housing • Public research • Digitalisation • Social infrastructure, including upskilling/reskilling, training • Other | <ul style="list-style-type: none"> • Social development/aid: up/reskilling, jobseeker assistance • Transforming carbon-intensive installations |
|--|--|--|

2 Project financing – Interplay between grant and loan

To facilitate project financing, the PSLF combines grants up to EUR 1.312 billion from the EU budget with loans up to EUR 6-8 billion from the EIB. In addition, further mobilised resources, such as national grants, loans, or an applicant's own resources contribute to the project budget.^{iv} Figure 1 below outlines the grant and loan application process, including their interplay.

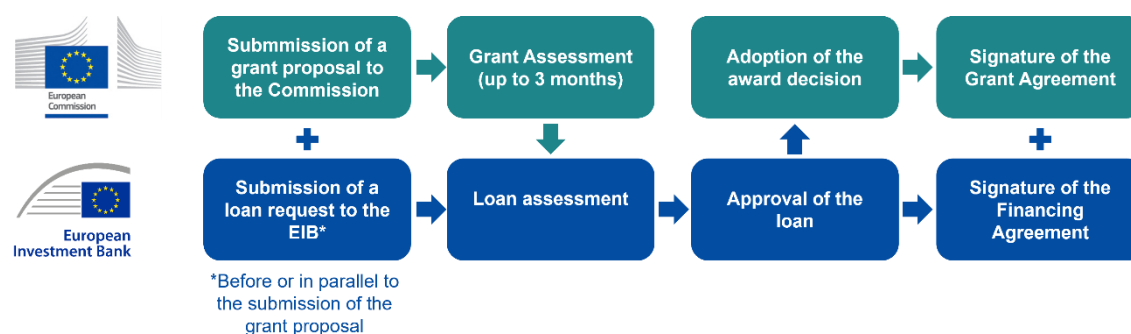


Figure 1 Overview of the grant and loan application processes

The loan

Applicants must request and successfully be awarded a loan from the EIB or one of its financial intermediaries. Requests for a loan can be submitted at any time and it is recommended to enter in contact with the EIB as early as possible.

Loans requested from the EIB must be at least EUR 12.5 million, except for those provided by financial intermediaries, which should be at least of EUR 1 million.¹ Typically, an EIB loan of EUR 12.5 million covers 50% of the total project costs, meaning the project should

¹ See a list of financial intermediaries per country here: <https://www.eib.org/intermediarieslist/search/index>

have a minimum cost of EUR 25 million. However, the EIB may choose to finance more than 50% of the project costs for initiatives in less developed and transition regions.^{2v}

Table 2 outlines the different loan types available to combine with a grant.^{vi}

Table 2 EIB loan types for the PSLF

| EIB investment loans | EIB Framework loans | Intermediated loans |
|--|---|--|
| Loan to typically finance large stand-alone investment projects. Project costs > EUR 25 million. | Loan to typically finance large investment programmes with several smaller projects in the same or different sectors. Programme costs > EUR 25 million. | Loans provided through local banks and institutions. Project costs range between EUR 1-12.5 million. |
| Provided by the EIB. | Provided by the EIB. | Provided by national EIB intermediaries. |

The grant

The grant awarded by the European Commission is calculated as a percentage of the loan and is 15% of the awarded loan or 25% of the awarded loan if the project concerns activities in a less developed region. Note that the grant awarded may be lower than the amount requested. To secure a PSLF grant, a project proposal application should be submitted under the [PSLF project call for proposals](#).

The next section outlines the necessary steps when preparing a grant application.

3 Preparing Your Grant Application

This section describes the steps applicants should take when preparing and submitting a grant application to the PSLF, including the preparation phase, drafting the application, required documentation, and submission.

1. Preparation Phase

- Inform about the application deadlines: The grant application deadlines follow a multiple cut-off model with a total of ten cut-off dates, starting in October 2022. The remaining deadlines are:
 - 15 April 2025 17:00:00 Brussels time
 - 11 September 2025 17:00:00 Brussels time
- Read Relevant Documents: Carefully read the [PSLF Regulation 2021/1229](#), the [multiannual work programme](#), the relevant call document ([standalone projects](#) or [framework loans](#)) and other information available on [CINEA's website](#), ensuring the project aligns with the call topic.
- Attend PSLF [Info Days](#) organised by CINEA.
- Verify Eligibility: Confirm your project meets admissibility and eligibility requirements (benefiting a TJTP, project duration, project not receiving additional support from other EU programs).

² Less developed regions are those with a GDP per inhabitant that is less than 75% of the EU average. Transition regions. Transition regions are those with a GDP per inhabitant that is between 75% and 100% of the EU average.

- Budget Check: Ensure there is enough budget available in the national envelope by checking the dedicated CINEA's [webpage](#).
- Budget Calculation: Calculate the project budget, ensuring it doesn't generate sufficient revenues to cover investment costs.
- EIB Loan: Contact the EIB to apply for a loan and start the appraisal process.
- No Double Funding: Ensure the project does not receive support from other EU programmes for the same activity.
- Partnerships: Build strong partnerships for project management and implementation.
- Identify potential weaknesses: Carefully read the award criteria to identify any potential weaknesses in your proposal and address them before submission.
- Advisory Support: Request free advisory support from the [InvestEU Advisory Hub](#) if needed.

2. Drafting the Application

Part A of the Proposal covers the administrative information, to be filled out on the application portal:

- Administrative Information: Fill in administrative details about the applicant organizations, including future coordinator, beneficiaries, affiliated entities, associated partners, and a summarised budget for the proposal.
- General Information: Indicate acronym, year, cutoff number, country, topic, project, proposal title, and project duration. An abstract of up to 2,000 characters must also be provided and mandatory declarations must be filled in.
- Participants: Identify the coordinator and other participants, providing their contact information.
- Budget: Indicate the requested grant amount per participant.
- Validation: Click on the "validate form" button to check for errors or warnings. Resolve any errors before submission. Save and exit the form to upload Part B and additional documents.

Part B of the proposal covers the technical information of the proposal with the following sections:

- Part I - Relevance and Impact: Demonstrate the connection between project needs, objectives, activities, and expected outcomes. Explain the project's relevance to the TJTP and its alignment with the call for proposals. Describe the intended social, economic and environmental impacts of the project; the complementarities with past activities and other EU projects; and potential for cross-border application and cooperation.
- Part II - Quality: Outline the approach and methodology. Describe the project's readiness and technical maturity, budget planning, loan request, roles of participants, organizational structure (including key staff CVs), project management plan, and risk management plan. Tasks and resources should be structured into work packages, and the plan's visibility and post-funding sustainability should be described.
- Part III - Work Plan: Structure the work plan into coherent work packages with objectives, activities, participants, milestones, and deliverables. Create a detailed list of activities, an estimated budget, and a project timeline.

- Part IV - Other: Indicate any potential ethics issues and appropriate mitigation measures, compliance with EU values, and describe how gender mainstreaming will be ensured.
- Part V – Declarations: Make the required declarations. Annex or reference the decarbonisation plan, if applicable, and list past projects. There is additional information for private bodies to include at this stage.

With Part B, the following annexes are required:

- The Financial Information File is a downloadable Excel file to be filled in with the following information: Details of the requested grant, other funding received, investment costs, OPEX, revenues etc. of the project. Explain assumptions for operating costs and revenues over the reference period, using real discount rates and constant prices. The financial analysis sheet will show the results of the financial analysis.
- A Simplified Business Plan must also be provided: Describe the needs the project aims to address, the entities or persons benefiting from the project, other providers addressing the same needs, and the goods and/or services to be delivered. Provide too breakdowns and explanations of the investment and operational costs, including a reference period. Also explain here why the PSLE grant is necessary and describe financial constraints.
- Annual activity reports, list of previous projects, proof of public service mission (if a private applicant), and a decarbonisation plan if applicable.

Part C of the Proposal requires the detailing of Key Performance Indicators of the project:

- Performance Indicators: Including location, type of project, sector(s) of the project, loan provider, loan amount in euros, applicable environmental impacts, greenhouse gas emission savings, number of jobs created, private financing mobilised without EIB loan, and public financing mobilized without EU grant.

3. Required Documentation

The following documents are required at submission:

- Application Form Part A (contains administrative information about the participants and the summarised budget for the project)
- Application Form Part B (contains the technical description of the project)
- Mandatory annexes and supporting documents:
 - Detailed budget table/calculator ('financial information file')
 - CVs (standard) of core project team
 - Activity reports of last year (not needed for public bodies)
 - List of previous projects (key projects for the last 4 years) (template available in Part B)
 - Simplified business plan
 - For bodies governed by private law: proof of public service mission (entrustment act or other)
 - Decarbonisation plan (if available)

4. Submission

- Submission system: Proposals must be submitted digitally using the [Funding and Tenders Portal Submission System](#) of the EC. This requires an EU login account and registration of organisation in the participant register.
- Formatting: Use the guidance and templates available in the submission system, ensure the proposal is coherent and sections do not contradict each other, and respect the page limit (Part B: max 100 pages, business plan: max 10 pages).
- Upload Documents: Upload the required documents of the application including, the financial information file, standard CVs of the core project team, annual activity reports (not needed for public bodies), list of previous projects, simplified business plan, proof of public service mission for bodies governed by private law, decarbonisation plan (if available), and other annexes.
- Confirmation Email: Ensure you receive a confirmation email upon submission.
- Technical Issues: If you encounter any technical issues, read the portal guidance or contact the portal helpdesk at EC-FUNDING-TENDER-SERVICE-DESK@ec.europa.eu.

4 Grant evaluation and assessment criteria

Following the timely grant proposal submission, an evaluation committee assesses all applications. The proposals are first checked for formal requirements, i.e. for admissibility and eligibility criteria.

Those proposals that fulfil the admissibility and eligibility criteria will be evaluated against the operational capacity and award criteria, before they are ranked according to their scores. Applicants may receive additional points based on certain prioritisation criteria. Figure 2 below outlines the criteria categories.^{vii}



Figure 2 Grant assessment criteria

Admissibility and eligibility criteria

The evaluation of the grant application first focuses on assessing the admissibility and eligibility criteria and applicants should ensure that there is no doubt about these in their application. In the following, these criteria are listed:

- Applicants must be legal entities established in a Member State as a public law body, or as a body governed by private law entrusted with a public service mission;
 - Beneficiaries and affiliated entities must register in the [Participant Register](#) before submitting the proposal and must be validated by the Central Validation Service (REA Validation). To complete the validation, the beneficiary will be requested to upload documents demonstrating the legal status and origin
 - Consult section 6 of the [call document](#) for more information on eligible applicants and specific cases.
- Proposals must be located in or benefit a territory covered by an approved Territorial Just Transition Plan;

- Projects must not generate sufficient streams of revenues to cover the investment costs;
- Applicants must secure an EIB loan;
- Projects must not receive funding from any other EU programme.

Proposals that pass the admissibility and eligibility assessment move to the next stage of the evaluation and are assessed against the award criteria.

Award criteria

The award criteria assess the proposal based on its relevance and impact, as well as the quality of the application.

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.

Concretely, the proposal should demonstrate:

- A clear presentation of the project, its location, its significance and impact, how does it help pursue just transition;
- Extent to which proposed project matches the themes and priorities and objectives of the call for proposals - addressing the social, economic, environmental challenges of the transition, economic diversification, EU energy and climate targets;
- Contribution to the development needs and priorities described in the relevant Territorial Just Transition Plan;
- Consideration of the environmental impact (project objectives and project implementation);
- Consideration of horizontal principles: accessibility for people with handicap, gender equality.

Quality

In addition, the proposal should substantiate the soundness and readiness of the proposed project. Moreover, the financial capacity of the applicant will be assessed under this criterion.

Thereby, the assessment focuses on the following:

- Soundness of the implementation plan of the proposed projects, both from the technical and financial point of view;
- State of preparation of the proposed project and its readiness and ability to start by the proposed date and to be completed by the proposed end date;
- Status of the contracting procedures and of the necessary permits.

Priorisation criteria

Bonus points will be given to:

- Projects located in less developed regions, as defined in Article 108(2) of CPR Regulation;
- Projects contributing directly to the achievement of the EU's climate and energy targets and the objective of climate;
- Projects promoted by applicants that have adopted decarbonisation plans.

5 Resources and Support

For additional information beyond this guidebook, visit the following documents and online resources:

- [Online Manual](#) EU Funding Programmes 2021-2027
- [Portal FAQ](#) (for general questions)
- [Support for applicants](#)
- [Call for proposals](#)

Additionally, support can be provided through the following contacts:

- For individual questions on the Portal Submission System, please contact the [IT Helpdesk](#).
- Non-IT related questions should be sent to the following email address: CINEA-JTM-PSLF@ec.europa.eu.
- Make sure to clearly indicate the reference of the call and topic to which your question relates.

Disclaimer

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- i [The Just Transition Mechanism: making sure no one is left behind](#)
 - ii [About the Public Sector Loan Facility \(Just Transition Mechanism\)](#)
 - iii [Just Transition Mechanism - Performance](#)
 - iv [Support for applicants](#)
 - v [Regional development and cohesion - EU regions who need it the most](#)
 - vi Interplay between the grant and loan components of the Public Sector Loan Facility of the Just Transition Mechanism. Available here: https://cinea.ec.europa.eu/publications/interplay-between-grant-and-loan-components-public-sector-loan-facility-under-just-transition_en
 - vii Call for proposals. Just Transition Mechanism. Public Sector Loan Facility JTM-2022-2025-JTM. Available here : https://ec.europa.eu/info/funding-tenders/opportunities/docs/2021-2027/jtm/wp-call/2022/call-fiche_jtm-2022-2025-pslf_en.pdf