

“Toward a just transition to a carbon-neutral future”



4 March 2020 - Lisbon



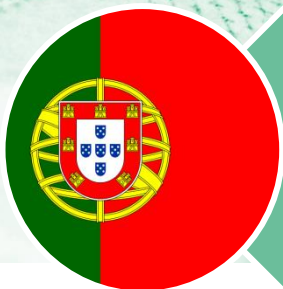
Structure of the Presentation



The European Green Deal and the Just Transition Mechanism



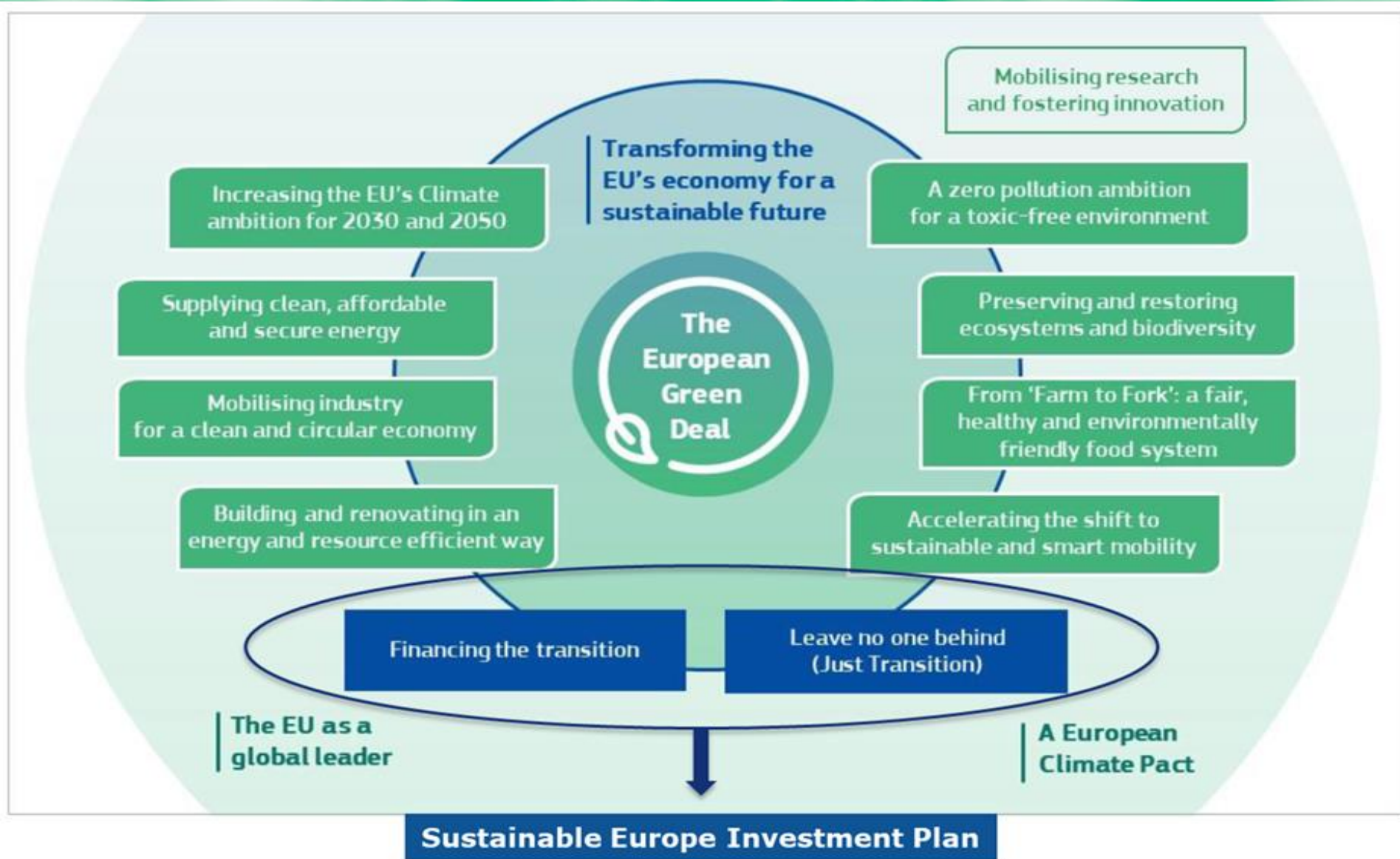
The Just Transition Fund



The Just Transition Fund in Portugal

The European Green Deal & the Just Transition Mechanism





Just Transition Mechanism at least **EUR 100 billion investments**



Just Transition Fund
to generate financing of
€30-50 billion

**InvestEU
Dedicated Just
Transition Scheme**
to mobilise up to
€45 billion investments

**Public sector loan
facility
with the EIB**
to mobilise
€25-30 billion investments

Provides primarily grants

**Crowds in private
investment**

Leverages public financing

The Just Transition Fund



Total financing capacity

Just Transition Fund resources : EUR 7.5 billion

Obligatory transfers from ERDF and/or ESF+ resources

- At least 1.5 times the JTF allocation and maximum 3 times
- Transfers cannot exceed 20% of ERDF or ESF+ national allocations
- As justified by territorial just transition plans
- Amounts transferred follow JTF rules

National co-financing

- Cohesion policy co-financing rates apply

Total financing capacity: *between EUR 30 and EUR 50 billions*

Allocation methodology

The methodology captures the transition challenges and their impact

- GHG emissions of industrial facilities in high carbon-intensive regions
- Employment in industry in high carbon intensive regions
- Employment in coal and lignite extraction activities
- Production of peat
- Production of oil shale

Corrections applied : fairness and effectiveness

- *Capping: ensures fair distribution and guarantees meaningful support*
 - National allocation cannot exceed EUR 2 billion
 - Aid intensity (over the whole period) at least equal to EUR 6
- *Corrections related to GNI per capita : ensures an appropriate concentration of resources on the less developed Member States*

Built on latest statistics available

Scope of support of the JTF (1)

The JTF shall exclusively support the following activities:

- (a) productive investments in **SMEs**
- (b) investments in the creation of **new firms**
- (c) investments in **research and innovation activities**
- (d) **digitalisation and digital connectivity**;
- (e) clean energy, **greenhouse gas emission reduction, energy efficiency** and **renewable energy**;
- (f) **regeneration and decontamination of sites, land restoration** and repurposing projects;
- (g) investments in enhancing the **circular economy**
- (h) **upskilling and reskilling** of workers;
- (i) **job-search assistance** to jobseekers;
- (j) **active inclusion** of jobseekers;
- (k) **technical assistance**.

Scope of support of the JTF (2)

Limited additional eligibility – to be justified in territorial just transition plans

- **Productive investments in large enterprises:** if needed to offset job losses
- **Investments reducing GHG emissions from ETS activities:** if needed to preserve jobs

Exclusions, inter alia:

- **Investment related to the production, processing, distribution, storage or combustion of fossil fuels**

Programming process

Country reports and Annexes D



**Territorial just
transition plans**



Programmes with JTF support

**2020 Semester and review in
2024**
taking into account revised
NECPs

Identification of territoires
at national level

Needs and investment
For each territory

Adoption by Commission
Decision

The Just Transition Fund in Portugal

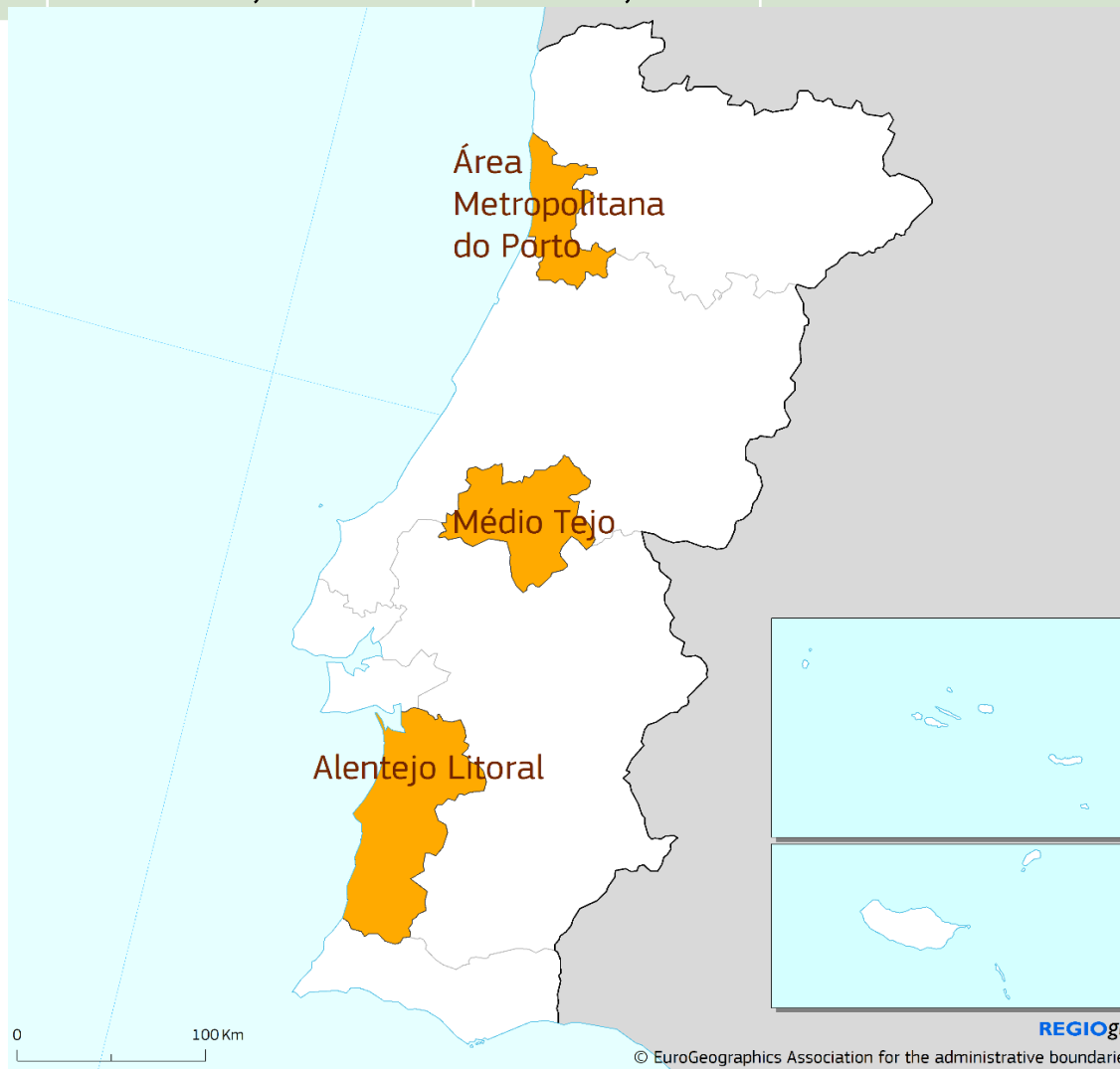


Allocation of the Just Transition Fund

Portugal



Portugal share in JTF	Aid intensity per capita (eur) (entire period)	Allocation (EUR million)	JTF resources mobilised (EUR million)	JTM – all pillars incl. JTF (EUR million)
1.1%	7,7	79,2	300-500	1058



Priority investment areas in Portugal

Preliminary Commission analysis



- **Locations and industries identified in PT Annex D:**
 - 1) **Sines** (Alentejo Litoral) and **Pego** (Médio Tejo)
 - 2) **Matosinhos** (Metropolitan Area of Porto)
- **The two remaining coal-fired power plants are:**
 - By far, **the biggest GHG emitters in Portugal**, all sectors included (around 18% of PT GHG)
 - To be **closed down** (Pego by 2021 and Sines by 2023)
 - **Around 650 jobs at stake**
- **Other highly polluting industries of manufacture of refined petroleum products and other carbon-intensive industries**
 - **The refining sector** is responsible for approximately **6% of Portugal's total emissions**.

JTF priorities in Portugal



- To make the economies of these regions more modern and competitive and alleviate the social costs of the transition, the JTF could support:
 - affordable **clean energy, energy efficiency** and **renewable energy**;
 - creation of **new firms**;
 - **research** and **innovation activities**;
 - enhancement of **circular economy**;
 - support to **SMEs** and **start-ups**;
 - **regeneration** and **decontamination** of sites and land restoration;
 - **upskilling** and **reskilling** of workers; **job-search assistance** and **active inclusion**.
- **Smart specialisation strategies** to be taken into account



**THANK YOU FOR YOUR
ATTENTION**

Pacto Ecológico Europeu

À procura de ser o primeiro continente neutro do ponto de vista climático