



EU Just Transition Fund Frequently Asked Questions

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Frequently Asked Questions about the EU Just Transition Fund

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1. What is the EU Just Transition Fund and what is its objective?

The EU Just Transition Fund (EU JTF) is a brand-new fund created under the 2021-2027 EU programming round. It operates under the framework of EU Cohesion Policy and is being rolled out across all Member States of the EU.

The EU JTF is designed to assist communities across Europe to meet the challenges of the green transition in an effective and fair manner ensuring that nobody is left behind. The Fund's single specific objective is to mitigate the adverse effects of the climate transition by supporting the regions and communities in Europe that are most negatively affected by the transition to climate neutrality.

In essence, the EU JTF aims to address employment, economic, social, and environmental impacts that come with the shift away from carbon-intense activities. In Ireland, the territory supported by the Fund will focus on the areas where there have been **direct impacts from the move away from peat production and electricity generation from peat**.

2. What are the funding priorities for the EU JTF?

The EU JTF will focus on the Midlands, where regions and communities have been most impacted by the move away from fossil fuels as Ireland transitions from using peat for energy generation.

The EU Just Transition Fund in Ireland will focus on three priority areas of investment. These are:

- Diversification of the local economy
- Restoration of degraded peatlands and regeneration of industrial heritage assets
- Smart and sustainable local mobility

These priorities will complement each other in addressing employment, economic, social and environmental impacts from the cessation of peat production for energy generation.

3. How much funding is available to Ireland in this fund and who is funding it?

Up to €169 million will be available from the EU Just Transition Fund in Ireland. Ireland will receive up to €84.5 million from the European Union over the period to 2027, with the Government of Ireland matching this funding through Exchequer resources.







4. How long will it run for?

With the adoption of the Territorial Just Transition Plan and the accompanying Programme for Ireland by the European Commission in December 2022, the EU Just Transition Fund will begin rolling out operational activities in early 2023. The programme will run until the end of 2027.

5. Is the EU JTF the same as the National Just Transition Fund?

The EU Just Transition Fund is a new fund from the European Union. While there may be some similarities in priorities and types of activities between the two funds, EU JTF eligibility criteria and priorities are different from the National Just Transition Fund. Although the underlying objective of both is to mitigate the negative impacts of the transition to a climate neutral economy on the Midlands is the same, there is a designated Territory (See No.6 below) and specific rules governing the EU Just Transition Fund.

The Department of the Environment, Climate and Communications has finalised funding agreements with all successful projects under the <u>National Just Transition Fund</u> 2020. The Department is supporting 56 projects, which includes 16 projects which started project delivery in September 2020 and 40 larger value projects which started project delivery from June 2021. The national Fund is providing €22.1 million in grant funding to the projects. These projects will bring €15 million in additional funding to the region and support an estimated 178 direct and 999 indirect jobs, as reported by the grantees.

6. Where is the Just Transition territory?

The Just Transition Fund is designed to target areas that are most negatively affected by the transition towards climate neutrality. Several evidence-based assessments have identified certain counties and municipal districts in the wider Midlands as being the most negatively affected in Ireland by the closure of peat-reliant power stations. This territory will therefore be the target area of the EU JTF.

The territory will contain the counties and municipal districts listed in the table below. A map of the territory is available on euf-unds.ie/home/our-funds/just-transition-fund/ and emra.ie/eu-jtf/.

| County | Municipal districts covered |
|-----------|-----------------------------|
| Laois | All |
| Westmeath | All |
| Offaly | All |
| Longford | All |
| Roscommon | All |
| Galway | G2 Ballinasloe |
| Tipperary | T2 Carrick on Suir |
| | T5 Thurles |
| Kildare | K1 Athy |
| | K4 Clane - Maynooth |







7. Why was this territory chosen?

The designation of the EU JTF Territory was based on the recommendations of two objective and evidence-based assessments undertaken by independent consultants for the European Commission and the Department of the Environment, Climate and Communications (DECC) respectively. The first analysis, funded under the European Commission's Structural Reform Support Programme (SRSP) applied a county-level analytical methodology to identify the most affected territory and recommended the inclusion of the four Midlands NUTS 3 counties (Offaly, Laois, Longford, Westmeath) as well as county Roscommon. DECC subsequently commissioned an additional analysis – based on robust and appropriately weighted indicators and the examination of qualitative and quantitative data – to consider the impact of the transition at the sub-county level in the wider Midlands and to give due consideration to the possible inclusion of sub-county units that adjoin the 'most affected' territory identified in the SRSP process. On the basis of this analysis, five Municipal Districts (MDs) from three adjoining counties were added to the Territorial designation – Ballinasloe (Co. Galway), Athy and Clane-Maynooth (Co. Kildare) and Carrick on-Suir and Thurles (Co. Tipperary).

8. Who can apply to the fund?

A range of initiatives will be supported and a number of funding calls will be run during the lifetime of the Fund which will be open to different types of organisations. Ultimate beneficiaries will include a range of organisations including micro-enterprises and SMEs, research institutions, local authorities, local community organisations, as well as others.

Keep an eye on our social media and website <u>www.emra.ie</u> for updates and upcoming funding calls.







9. What is the Just Transition Mechanism?

The EU Just Transition Fund is one of three pillars of the **Just Transition Mechanism** under the European Green Deal. Investments under the Just Transition Fund may be complemented by a combination of grants and loans to private sector entities from the EU's **InvestEU** instrument (Pillar 2) or through a specific **Public Sector Loan Facility** managed by the European Investment Bank (Pillar 3). Proposed investments in larger projects may be better suited to seeking support from these pillars, particularly if sponsored by larger private sector entities or by public bodies.

Under Pillar 2, there is a dedicated **InvestEU** Advisory Hub which provides support and technical assistance around the InvestEU facility. Pillar 2 will provide around €1.8 billion from the EU budget to the InvestEU Programme and is expected to mobilise €45 billion in mostly private sector investments across the EU. It could, for example, include projects for decarbonisation, economic diversification of the regions, energy, transport and social infrastructure. The InvestEU Just Transition Scheme may enable investments in a wider range of projects than the Just Transition Fund.

Under Pillar 3, a new Public Sector Loan Facility (PSLF) will combine €1.5bn of grants financed from the EU budget with €10bn of loans from the European Investment Bank. The PSLF aims to provide subsidised financing to public sector projects for the benefit of the regions concerned, targeting projects which do not generate revenue and would otherwise not get financed. For example, investments in energy and transport infrastructure, district heating networks, renovation or insulation of buildings, environmental infrastructure for smart waste and water management, transition to a circular economy, land and ecosystem restoration and decontamination, up-skilling and re-skilling and training, and social infrastructure including care facilities and social housing. The minimum PSLF loan amount is EUR 15million, however smaller projects can be supported through loan schemes. If you are availing of support under the other Just Transition Pillars, you cannot apply for support under Pillar 3.

Read more about the <u>Just Transition Mechanism</u>.

10. What other countries have a similar fund?

All EU Member States of the European Union have their own Just Transition Fund programmes, targeting specific territories and industries that are relevant to their own contexts.

Ireland is not the only EU country where the Just Transition Fund focuses on the transition away from peat. Similar plans are being prepared in <u>Finland and Latvia</u>.







11. What is the difference between the Plan and the Programme?

The Territorial Just Transition Plan is a document that provides the overarching strategy and policy framework for the application of the EU Just Transition Fund in the Member State. The Plan also sets out sectors and thematic areas envisaged to be supported under the three pillars of the Just Transition Mechanism (see details above).

The Just Transition Fund Programme provides the framework of activities which will be supported through the Fund within the parameters of the Territorial Just Transition Plan and the governing EU Regulation (2021/1056).

12. Who will manage the Fund and who will be involved in its delivery?

The Department of the Environment, Climate and Communications (DECC) is the Government department with policy responsibility for the EUJTF, looking after governance and oversight for the Fund, as Member State.

As the Managing Authority, the Eastern and Midland Regional Assembly (EMRA) will have overall responsibility for the implementation, management, monitoring and evaluation of the programme. EMRA will work closely with DECC and relevant partners to manage and execute activities under the Fund.

13. What other funding is available for climate action and the region?

The EU Just Transition Fund is part of a much wider policy and financial European and national framework and will operate alongside a number of other available financial resources. The JTF is only one of the EU cohesion policy funds and must complement these, ensuring a cohesive approach and preventing duplication of funding.

Many other EU funds are supporting important projects in the region with specific objectives. This includes:

- European Recovery and Resilience Facility
- European Regional Development Fund
- European Social Fund
- EU LIFE Programme
- EU Innovation Fund

Information on these funds can be found on eufunds.ie/home/our-funds/.







14. Who can I contact if I have any questions?

Eastern and Midland Regional Assembly will have overall responsibility for the implementation, management, monitoring and evaluation of the programme, as the Managing Authority of the EU Just Transition Fund.

Email us your questions at: eujtf@emra.ie

Phone number (EMRA office): +353 (0) 1 8074482

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