



Brussels, 12.8.2020
C(2020) 5455 final

COMMISSION DECISION

of 12.8.2020

on the financing in the field of Energy for 2020 of the extension of the Preparatory Action *Establishing comprehensive support for coal and carbon intensive regions in transition* and amending Commission Decision C(2018)1179 of 1 March 2018

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on the financing in the field of Energy for 2020 of the extension of the Preparatory Action *Establishing comprehensive support for coal and carbon intensive regions in transition* and amending Commission Decision C(2018)1179 of 1 March 2018

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012¹, and in particular Articles 58(2)(b) and 58(4) and Article 110 thereof,

Whereas:

- (1) In order to ensure the implementation of a preparatory action in the field of energy *Establishing comprehensive support for coal and carbon intensive regions in transition* (the ‘Preparatory Action’), it is necessary to adopt an annual financing decision for 2020. Article 110 of Regulation (EU, Euratom) 2018/1046 (‘the Financial Regulation’) establishes detailed rules on financing decisions
- (2) The Preparatory Action was adopted under the 2018 Union budget by means of Commission Decision of 1 March 2018 to finance one new Pilot Project and two new Preparatory Actions in the field of Energy².
- (3) In accordance with Commission Decision of 1 March 2018, the 2018 appropriations were implemented through procurement..
- (4) Subsequent to the adoption of the Commission Decision of 1 March 2018, implementation of the Preparatory Action proceeded under indirect management, in addition to the procurement actions, with additional funding not provided for in that Decision.
- (5) Therefore, it is necessary to amend the Commission Decision of 1 March 2018 to reflect the additional funding and that, pursuant to Article 62(1)(c) of the Financial Regulation, indirect management is to be used for implementing part of the Preparatory Action.
- (6) Pursuant to Article 62(1)(c) of the Financial Regulation, indirect management is also to be used for implementing part of the Preparatory Action in 2020.
- (7) The Commission is to ensure a level of protection of the financial interests of the Union with regard to entities and persons entrusted with the implementation of Union funds by indirect management as provided for in Article 154(3) of the Financial Regulation. To that end, such entities and persons are to be subject to an assessment of

¹ OJ L 193, 30.7.2018,p.1.

² C(2018)1179 final.

their systems and procedures in accordance with Article 154(4) of the Financial Regulation and, if necessary, to appropriate supervisory measures in accordance with Article 154(5) of the Financial Regulation before a contribution agreement can be signed.

- (8) It is necessary to allow for the payment of interest due for late payment on the basis of Article 116(5) of the Financial Regulation.
- (9) In order to allow for flexibility in the implementation of the Preparatory Action, it is appropriate to allow changes which should not be considered substantial for the purposes of Article 110(5) of the Financial Regulation,

HAS DECIDED AS FOLLOWS:

Article 1

Preparatory Action - Establishing comprehensive support for coal and carbon-intensive regions in transition

The annual financing decision for the implementation of the Preparatory Action in 2020, as set out in Annex I, is adopted.

Article 2

Union contribution

The maximum Union contribution for the implementation of the Preparatory Action for 2020 is set at EUR 18 000 000, and shall be financed from the appropriations entered in the following line of the general budget of the Union: 32 02 77 12 Preparatory Action – Establishing comprehensive support for coal and carbon-intensive regions in transition.

The appropriations provided for in the first paragraph may also cover interest due for late payment.

Article 3

Methods of implementation and entrusted entities or persons

The implementation of the actions carried out by way of indirect management, as set out in Annex I, may be entrusted to the entities or persons referred to in that Annex.

Article 4

Amendment to the Decision of 1 March 2018

Commission Decision C(2018)1179 of 1 March 2018 is amended as follows:

Article 2 is replaced by the following:

"Article 2

Union contribution

The maximum Union contribution for the implementation of the Pilot Project and of the Preparatory Actions in the field of Energy for 2018, as set out in the Annex, is EUR 5 100 000, and shall be financed from the appropriations entered in the following lines of the general budget of the Union:

32 027711 *Pilot Project - Feasibility study for distributed ledger technology applied to the European energy market*: EUR 400 000;

32 027712 *Preparatory Action - Establishing comprehensive support for coal and carbon-intensive regions in transition*: EUR 3 400 000;

32 027713 *Preparatory Action - Toolkits for Coal platform dialogue participants to develop and accompany local transition strategies*: EUR 1 300 000.

The appropriations provided for in the first paragraph may also cover interest due for late payment.";

a new Article 2a is inserted as follows:

"Article 2a

Methods of implementation and entrusted entities or persons

The implementation of the actions carried out by way of indirect management, as set out in Annex 2, may be entrusted to the entities or persons referred to in that Annex.";

Annex 2 is amended in accordance with Annex II to this Decision.

Article 5

Flexibility clause

Cumulated changes to the allocations to specific actions not exceeding 20% of the maximum Union contribution set out in Article 2 of this Decision shall not be considered to be substantial for the purposes of Article 110(5) of the Financial Regulation, where those changes do not affect the nature of the actions. The increase of the maximum Union contribution set out in Article 2 of this Decision shall not exceed 20%.

The authorising officer responsible may apply the changes referred to in the first paragraph in accordance with the principles of sound financial management and proportionality.

Done at Brussels, 12.8.2020

For the Commission
Kadri SIMSON
Member of the Commission

CERTIFIED COPY
Secretary-General,

Ilze JUHANSONE
EUROPEAN COMMISSION

ANNEX I

EN

1. *Introduction*

On the basis of the objectives given in the 2020 budget remarks, the implementation of the Preparatory Action in the field of Energy and the budget breakdown for 2020 shall be as follows:

Legal basis

Articles 58(2)(b) and 58(4) of the Financial Regulation (FR).

Preparatory Action (PA) – *Establishing comprehensive support for coal and carbon-intensive regions in transition*: EUR 18 000 000

Budget line(s)

32 027712

Objectives pursued and expected results

As part of the Clean Energy for All Europeans Package, the Commission announced a host of measures to "facilitate the clean energy transition". This included a commitment to assist coal mining regions: "examine how to better support the transition in coal and carbon-intensive regions. To this end, it will work in partnership with the actors of these regions, provide guidance, in particular for the access to and use of available funds and programmes, and encourage exchange of good practices, including discussions on industrial roadmaps and re-skilling needs, through targeted platforms".

In addition, the Preparatory Action is fully in line with, and could therefore usefully contribute to the activities envisaged by the Commission to support coal regions in transition including structural change, financing and technology development, as well as best practice sharing. From that perspective it outlines a comprehensive approach to the challenge of transition in coal and carbon intensive regions.

2. *Procurement*

The overall budgetary allocation reserved for procurement is EUR 4 000 000.

General description of the contracts envisaged (*study / technical assistance / evaluation / survey / IT / communication services/etc.*)

Study / technical assistance /survey

Extension of the on-going service contracts as per article 172 FR and/or other contracts:

- **Secretariat of the Platform for Western Balkans and Ukraine**, dealing with logistical aspects of the academy, platform meetings and other;
- **Twinning facility for EU coal regions**: supporting cross-border cooperation, providing reimbursement of costs for travel, etc.

Implementation

DG ENER

3. *Actions implemented in indirect management*

Implementing entity

Implementation will be entrusted to the European Investment Bank (EIB).

The EIB has been selected based on its expertise in the area of Just Transition in Coal Regions and in coal industry restructuring outside and inside the European Union, in particular in the Western Balkans.

In this context, the action is to create a facility that, based on the JASPERS instrument (the Joint Assistance to Support Projects in European Regions), provides technical assistance to energy projects in coal regions in transition and helps to develop good, mature projects to be implemented under the Just Transition Fund (JTF).

A technical assistance partnership with other qualified partners may be established pursuant to Article 154 of the Financial Regulation.
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ANNEX II

EN

Annex 2 to Commission Decision C(2018)1179 of 1 March 2018 is replaced by the following:

"ANNEX 2

1. Introduction

Preparatory Action: Establishing comprehensive support for coal and carbon-intensive regions in transition

Legal basis

Articles 58(2)(b) of the Financial Regulation (FR).

Preparatory Action (PA) – *Establishing comprehensive support for coal and carbon-intensive regions in transition:*

Budget line(s)

32 027712

Objectives pursued and expected results

As part of the Clean Energy for All Europeans Package, the Commission announced a host of measures to "facilitate the clean energy transition". This included a commitment to assist coal mining regions: "examine how to better support the transition in coal and carbon-intensive regions. To this end, it will work in partnership with the actors of these regions, provide guidance, in particular for the access to and use of available funds and programmes, and encourage exchange of good practices, including discussions on industrial roadmaps and re-skilling needs, through targeted platforms".

In addition, the Preparatory Action is fully in line with, and could therefore usefully contribute to the activities envisaged by the Commission to support coal regions in transition including structural change, financing and technology development, as well as best practice sharing. From that perspective it outlines a comprehensive approach to the challenge of transition in coal and carbon intensive regions.

2. Procurement

The overall budgetary allocation reserved for procurement is EUR 1 700 000.

General description of the contracts envisaged (*study / technical assistance / evaluation / survey / IT / communication services/etc.*)

Direct Contract - Study / technical assistance /survey

Implementation

3. Actions implemented in indirect management

Implementing entity

Implementation via a Trust fund established with the World Bank (WB) in order to provide technical assistance to three Polish regions for the delivery of transition plans.

The WB is a privileged partner because it has been operating in the coal and carbon-intensive regions for a long time and has teams of experts already established in the regions.

The nature and the objective of the Preparatory Action are not affected.

A technical assistance partnership with other qualified partners may be established pursuant to Article 154 of the Financial Regulation.

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