



Unveiling the Public sector loan facility

preparation, application and assessment

Just Transition Platform (10 May 2022)

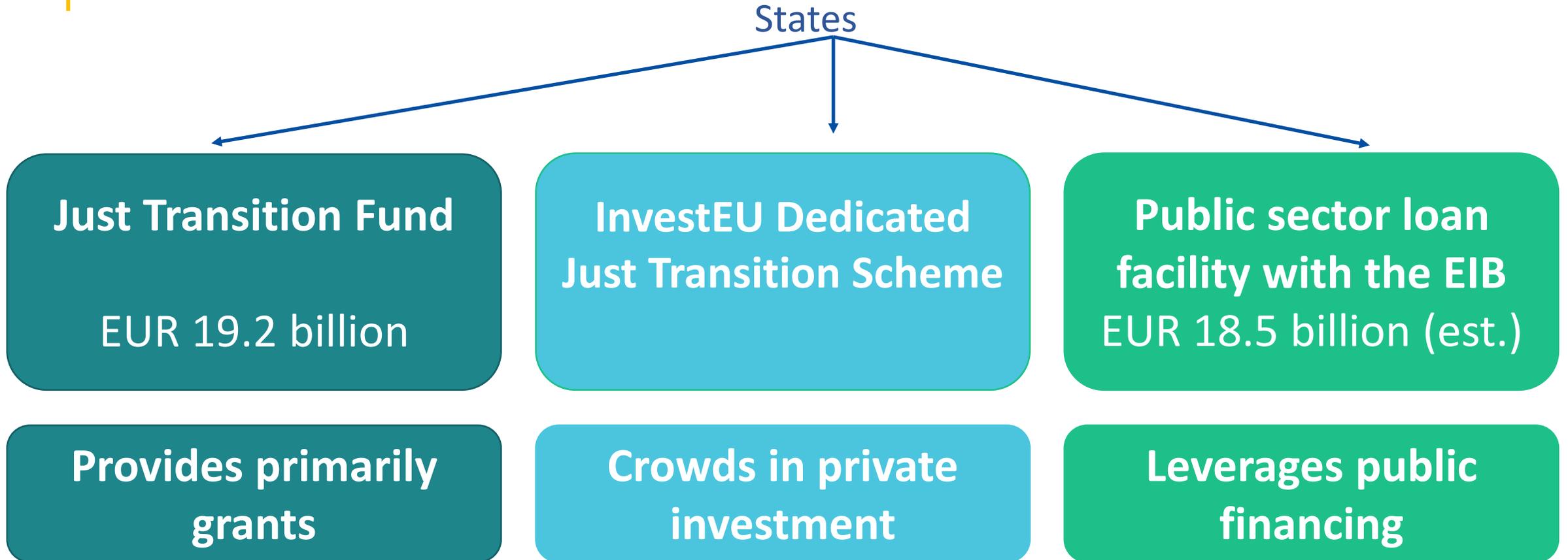
*DG REGIO.F1 Better Implementation and Closure
CINEA.B2 CEF Transport, ATM and JTM*

Summary of the presentation

- Context
- Key elements of the public sector loan facility and preparation of the launch
 - Main features of the public sector loan facility
 - Main features of the grant support
 - Key elements
- In practice: how to apply for support under the public sector loan facility
 - Who does what
 - Presentation of CINEA
 - Key documents
- Evaluation of the proposals and implementation of the facility

Just Transition Mechanism

to support and finance regions most exposed to transition challenges in all Member States



The JTM includes a governance framework centered on territorial just transition plans

Key elements of the public sector loan facility

Main features of the public sector loan facility

- **Nature:** Blending facility combining:
 - *Grants:* EUR 1.525 billion from Union resources
 - *Loans:* EUR 10 billion from EIB resources
- **Objective:** addresses development needs of the territories most affected by the climate transition
- **Beneficiaries:** Public sector entities (including private law bodies with a public service mission)
- **Access to the facility:** through open call for proposals, first call (with national shares) to be launched in 2022 provided that a sufficient number of Territorial just transition plans are adopted
- **Grant and loan components:** projects must be successfully assessed for the grant component (DG REGIO + CINEA) and the loan component (EIB)

Main features of the public sector loan facility

- **Eligible sectors:** very broad list of eligible sectors in the regulation BUT projects must relate to a sector listed in an adopted TJTP
- **Geographical scope:** projects must benefit a territory identified in an adopted TJTP (even if not located in such territory)
- **Budget allocation:** National shares until December 2025 (according to JTF allocation)
- **Advisory support:** EUR 35 million available for advisory support including 10 million for administrative capacity of beneficiary (notably in less developed regions)
 - Already possible to apply for support on InvestEU Advisory Hub website:

https://investeu.europa.eu/what-investeu-programme/investeu-advisory-hub_en

Main features of the grant support

- **Multi-annual call for proposals** : Call will be published in summer 2022 and will run until end 2025 with 3 cut-off dates per year
- **Financing not linked to costs (FR)**: the grant is a percentage of the loan provided by EIB
 - Grants cannot be disbursed before the EIB financing agreement is signed
- **Maximum grant rate**: 15% - increased to 25% in less developed regions
- **Minimum EIB loan amount**: EUR 12.5 million
 - Minimum grant : EUR 1.8 / 3.1 million (less developed regions)
 - Minimum individual projects of at least EUR 25 million – loan schemes needed for smaller projects
 - Effective grant rate / investment cost is low (in average 5 to 6 %)

Key elements: Territorial just transition plans

- **For the PSLF, TJTPs should include:**
 - *"synergies and complementarities with planned support from the other pillars of the Just Transition Mechanism"*
 - *sectors and thematic areas envisaged to be supported under the other pillars"*
- **Applications must refer to an adopted TJTP**
- **Key recommendations for Member States and regional authorities:**
 - Include a reasonably detailed list of sectors to be supported by the public sector loan facility
 - Do not exclude the use of the public sector loan facility
 - Projects do not need to be individually identified in the plans

Key elements: Loan schemes (1)

- **Minimum loan amount according to EIB's lending policy: 12.5 MEUR**
- Smaller scale projects can be supported through loan schemes (known as "framework loans" for the EIB)
- In a loan scheme, the applicant requests a loan to finance several projects which may not be defined at the time of request. The global amount requested is above 12.5 MEUR whereas the individual projects vary in size.
- In practice, the applicant identifies the projects or types of projects that it intends to support. The exact projects are defined together with the finance partner following the signature of the grant and loan agreements.

Key elements: Loan schemes (2)

- Applicants will have the possibility to submit proposals linked to an:
 - EIB Framework loan: one applicant intends to finance its own set of projects; or
 - EIB Coordinated framework loan: one applicant will act as coordinator in order to finance a set of projects benefitting other beneficiaries (with the possibility to finance its own projects as well)
- If acting as coordinator, applicants will need to apply for "financial support to third parties" in their application form (as explained in the Call)
- **The framework loan should be appraised by the EIB **before** submitting a proposal to the Commission**

Key elements: Financial intermediaries

Under certain conditions, applicants can receive the loan component through an EIB financial intermediary:

- **Loan between EIB and the financial intermediary:** there has to be an upstream loan between the EIB and the financial intermediary
- **Confirmation from the EIB during the assessment:** the EIB will still be consulted as part of the assessment process
- **Proposals still submitted by applicant:** no financial intermediary can directly apply for support under the facility
- **No framework loans:** only individual projects can be submitted if the loan component is to be provided by an intermediary

In practice: how to apply for funding

EC and EIB: who does what

- The **European Commission** (DG REGIO and CINEA) is responsible for the **grant component** of the facility
 - Adoption of work programmes
 - Call launch and evaluation process of the grant component
 - Assessment of award and prioritization criteria
 - Award decisions and grant agreements through eGrants
 - Monitoring of the grant agreements
- The **European Investment Bank** is responsible for the **loan component** of the facility
 - Assessment of applications in respect of the loan component
 - Preparation and execution of financing agreements
 - Monitoring of loan component

DG REGIO and CINEA working together

DG REGIO defines the policy:

- Defines strategy, objectives and priority areas/work programmes
- Selects project for co-financing
- Makes programme decisions
- Evaluates the programme and the Agency's performance

CINEA turns policy into action:

- Manages the project lifecycle:
 - Organises calls for proposals and external evaluations
 - Monitors technical/financial implementation of projects
 - Manages communication actions (Info Days, website, publications)
- Provides feedback to policy making

How to apply: through CINEA



- **CINEA - Climate, Infrastructure and Environment Executive Agency** started its operations on 1 April 2021
- CINEA plays a key role in supporting the **EU Green Deal** through the efficient and effective implementation of its delegated programmes:
 - Connecting Europe Facility
 - Horizon Europe
 - Innovation Fund
 - LIFE
 - EU Renewable Energy Financing Mechanism
 - EU Maritime, Fisheries and Aquaculture Fund
 - Public Sector Loan Facility

CINEA in a nutshell



> **58 billion** for the period
2021-2027



> **500 staff** by 2027



from 2800+ projects
managed in October 2021
to > **4500 projects** by 2027

- **Expertise** at the service of **beneficiaries** in managing the complete lifecycle of projects
- Exploitation of **synergies** and dynamic ways to work **across programmes**
- **Policy feedback** as an essential part of funding activities

How to apply: process

- **Online application only**
- The call for proposals will be accessible through CINEA's website or directly on the Funding & Tenders portal
 - https://cinea.ec.europa.eu/just-transition-mechanism_en
 - <https://ec.europa.eu/info/funding-tenders/opportunities/portal/screen/home>
- Key steps
 - Locate the call for proposals
 - Create an EU Login account and register your organisation in the participant register
 - Submit the proposal

How to apply: useful information

- The call for proposal will contain links to all relevant information needed for a successful application (admissibility, eligibility, evaluation and award criteria, etc.)
- Detailed (hands-on) information will be provided on the programme-specific **Info Day** (date to be announced)
- Additional guidance video to new applicants on the F&T portal
<https://ec.europa.eu/research/participants/docs/h2020-funding-guide/other/event210527.htm>
- **Online manual**
All relevant information in one place from application through evaluation to implementation.
<https://webgate.ec.europa.eu/funding-tenders-opportunities/display/OM/Online+Manual>
- Advisory support is already available through the INVEST EU Advisory Hub.
https://europa.eu/investeu/investeu-advisory-hub_en
- Just Transition Mechanism and Just Transition Platform websites
https://ec.europa.eu/info/strategy/priorities-2019-2024/european-green-deal/finance-and-green-deal/just-transition-mechanism_en
https://ec.europa.eu/info/strategy/priorities-2019-2024/european-green-deal/finance-and-green-deal/just-transition-mechanism/just-transition-platform_en

Evaluation of the proposals

Assessment: sequence of approval

- Launch of the call for proposals by the Commission (with regular cut-off dates)
- **If framework loan:** preparation and approval of an EIB framework loan before submission
- Submission of the proposals by the project promoters
- **Submission + 15 days:** Assessment of the proposals by the Commission against the admissibility and eligibility requirements
- **Submission + 3 months:** Assessment of the proposals by the Commission against the selection, exclusion, award and prioritisation criteria (including the compliance with the relevant TJTP)
- **Submission + maximum 18 months:** Assessment of the proposals by the EIB
- Award decisions and finalisation of the grant agreements by the Commission
- Finalisation and signature of the financing agreements by the EIB

Assessment: Eligibility criteria

- **Eligible applicants:** 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.
- **Main eligibility criteria:**
 - Benefit territories identified in a previously approved Territorial just transition plan (even if they are not located in those territories);
 - No support under any other Union programmes;
 - Do not generate a sufficient stream of own revenues to cover investment costs; and
 - Secured a loan from the finance partner under the facility (assessed at the end)

Assessment: Award criteria

- **Relevance and impact:** including
 - the extent to which proposed project matches the themes and priorities and objectives of the call for proposals;
 - their contribution to the development needs and priorities described in the relevant territorial just transition plan; and
 - the environmental impact (including do no significant harm principle)
- **Quality:** including
 - Soundness of the implementation plan of the proposed projects, both from the technical and financial point of view,
 - the 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,
 - the status of the contracting procedures and of the necessary permits.

Assessment: Prioritization criteria

During the assessment, 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 Union's climate and energy targets and the objective of climate neutrality;
- projects promoted by public entities having endorsed decarbonisation plan

Disclaimer

- Elements related to Loan Schemes, Financial intermediaries, and sequence of approval are still **under discussion with financing partner.**

Thank you



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