



Council of the European Union
General Secretariat

**Interinstitutional files:
2020/0100(COD)**

Brussels, 13 April 2021

WK 4925/2021 INIT

LIMITE

**ECOFIN
CLIMA
REGIO
FIN**

**ENV
ENER
COMPET
CADREFIN
CODEC**

This is a paper intended for a specific community of recipients. Handling and further distribution are under the sole responsibility of community members.

WORKING DOCUMENT

From:	General Secretariat of the Council
To:	Working Party of Financial Counsellors
Subject:	PSLF - Presentation by the Presidency on the state of play

Delegations will find attached the presentation by the Presidency on the state of play of the Public Sector Loan Facility Regulation given at the Financial Counsellors Working Party on 13 April 2021.

PUBLIC

Public Sector Loan Facility

- Preparation of 3rd Political Trilogue -

13 April 2021



2021
PORTUGAL.EU

Summary



1. Introduction
2. State of play on:
 - a. Budgetary aspects
 - b. Eligibility requirements
 - c. Monitoring and reporting
 - d. Other issues
3. Preparation of 3rd Political Trilogue



Introduction



2021
PORTUGAL.EU

Scene Setter



- All technical issues have been closed
- Third political trilogue: 20 April 2021
- Aiming for a political agreement, closing the remaining open issues



State of Play



2021
PORTUGAL.EU

Budgetary aspects

Availability of resources

- Council and COM agree with delaying the start of competitive calls by one year (January 2026).
- EP suggests June 2026.
- *Common ground to be found in the last trilogue*

Resources

- EP no longer asks more resources, but wants reassurances.
- *Possible outcome: tripartite or Commission-only*

Technical assistance and Less Developed Regions

- *political declaration*
- Was taken as a package: EP dropped different allocation key for LDRs but still pushing for increase in technical assistance envelope.
- *Possible outcome: overall envelope to be used for technical assistance and increased grant percentage for LDRs.*

Conditionalities

- Technical level agreement on horizontal recital in line with horizontal article in CPR.
- No additional burden to beneficiaries and allowed to clear many amendments by EP with project level requirements
- *EP wants part of the funding to be dependent on a national climate target. Council rejects and COM supports.*

Eligibility requirements

Retroactivity	- EP: include ongoing viable projects that might be facing financing shortfalls. - Was taken out of the provisions and mentioned only in recitals
Partnership principle	- EP: include a reference to underline its importance. - Not taken on board in the provisions, it is a matter for the JTF regulation
Gender	- In horizontal principles and general references in recitals. - <i>EP wants guarantee in an article of a gender impact assessment in the interim evaluation. Council only to accept recital.</i>
Do no significant harm	- EP amendment for analysis at project level and subsequent review was rejected - Included only in the horizontal principles
Energy target	- COM had sympathy for the addition from Parliament. - Council accepted

Monitoring and reporting



Evaluation

- EP accepted current date and drop reference to additionality, taxonomy and publicity of projects not financed.
- Council agreed with reference to eligibility.
- *EP still wants to mention gender impact assessment in the interim evaluation article. Council insists only on recital.*

Review

- EP dropped request for a review of environmental objectives and application of DNSH principle.

Key Performance Indicators

- EP dropped most of the indicators proposed
- Council accepted reference to decarbonisation and job creation.

Other topics

- **Work programmes and selection of finance partners:**
 - *EP insists on delegated acts. Council will reject and insist to keep implementing acts as proposed by COM.*
 - COM will need to inform Council and EP on intention to extend to new finance partners.
- **Recitals:**
 - EP proposed amendments were significantly streamlined.
 - Wording was included for possible amendment of JT Plans to include new territories.
 - *EP wants project financial viability to be ensured. Council thinks it will add burden. To be discussed at trilogue.*



Preparation of 3rd Political Trilogue



2021
PORTUGAL.EU

Organisation



- Third political trilogue: 20 April 2021
- Council premises
- Heads of delegations:
 - EP: Rapporteurs: Johan Van Overtveldt and Henrike Hahn
 - Council: Permanent Representative Nuno Brito
 - EC: Commissioner Elisa Ferreira
- Agenda:
 - Green light for text agreed at technical level
 - Final agreement on political points still open

Open issues

- Conditionality issues:
 - Climate - EP still wants part of the funding to depend on a national climate target.
 - On Gender - EP wants to have the possibility of an impact assessment after the interim evaluation in the provisions.
- Budget issues:
 - Technical assistance and support to less developed regions to be taken as a package.
 - Council agreed to move competitive phase to January 2026 but EP wants June 2026.
 - EP still pushing for a joint declaration on financing in case reflows become insufficient.
- EP wants delegated acts for work programmes and selection of finance partners.
- EP also requests COM to check the financial viability of projects.

PUBLIC

THANK YOU FOR YOUR ATTENTION

PORTUGUESE PRESIDENCY OF THE COUNCIL OF THE EUROPEAN UNION



2021
PORTUGAL.EU