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WORKING DOCUMENT

From:	General Secretariat of the Council
To:	Working Party of Financial Counsellors
Subject:	PSLF - Debrief of the 3rd trilogue

Delegations will find attached the debrief of the 3rd trilogue on the Public Sector Loan Facility under the Just Transition Fund Regulation, to be discussed at the Financial Counsellors Working Party on 29 April 2021.

Debrief of the 3rd (and final) PSLF trilogue- (COD 2020/0100) **26 April 2021**

The third and final trilogue of the public sector loan facility took place on 26th of April 2021 at the European Parliament. All lines sent from the technical level were approved. On the remaining political issues, the agreement found by the co-legislators is shown below:

- **Budgetary aspects**

- Resources (Art. 4: lines 67-70, 72)

The financing will be the one contained in the original Commission proposal and Council position. In addition, the Commission and the Parliament agreed to a bilateral declaration as follows:
"In the event that the expected cumulative resources from assigned revenues would differ substantially from the amount referred to in Article 4(1)(b), the Parliament, based on a proposal of the Commission, will identify and support the allocation to the Facility, in accordance with Article 314 TFEU, the complementary resources needed to address the financing needs of the Facility and ensure its full implementation. The proposal of the Commission will be consistent with the multiannual financial framework and will not jeopardise the implementation of the programmes listed in Annex I of the [PSLF Regulation]."

- Climate conditionality for the funding (Art. 4a: lines 76/77)

These lines will be deleted from the final compromise.

- Duration of pre-allocation under national share (Art. 6: lines 85-86, rec. 13: line 34)

The start of the competitive phase will be 31 December 2025.

- Resources for technical assistance and treatment of less developed regions (Art. 4, line 74, Art. 6, line 86; Art. 10: line 111)

The envelope for technical assistance will be increased from EUR 25mn to EUR 35mn. The agreement foresees that *"...at least EUR 10mn shall support the administrative capacity of beneficiaries, notably in the less developed regions"*.

The co-financing of the less developed regions will increase from 20% to 25%.

- **Delegated act versus implementing act :**
  - **selection of finance partners other than the EIB (art. 13a, line 125 and rec. 20, line 45);**
  - **work programmes (Art. 13: lines 123, 123c)**

The selection of finance partners as well as the work programmes will be adopted as implementing acts. The agreement includes that work programmes set award criteria in the event that resources would be insufficient to support eligible projects, and establishes a hierarchy of those criteria (in recital 14): 1) projects located in less developed regions, 2) to projects contributing directly to the Union's climate targets and 3) projects pomoted by public entities having endorsed decarbonisation plans.

- **Gender impact assessment (Art. 15: line 143, rec. 17a: line 41a, Annex II: line 215)**

The interim evaluation will assess how the horizontal principles in article 3a have been taken into account, the need to carry out gender impact assessment, the application of the eligibility criteria set out in Article 8 and how the publicity obligations have been applied (line 143).
In Annex II, the data will be broken by region and by gender, *where relevant*.

- **Financial viability (Rec. 15a: line 39)**

This line will be deleted from the final compromise.