



Study to support the interim evaluation of the Public Sector Loan Facility (PSLF)

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Contact: Charlie Grant

E-mail: REGIO-F1-HOU@ec.europa.eu

*European Commission
B-1049 Brussels*

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Authors: Giovanni Familiari (t33), Andrea Gramillano (t33); Elena Iacobucci (t33); Dr. Jan-Philipp Kramer (Prognos); Vera Fuhs (Prognos); Vincent Vogelsang (Prognos); Markus Zock (Prognos).

National Experts: Dr. Bärbel Birnstengel (Prognos); Dr. Justyna Kramarczyk (Prognos); Cristina Cojoaca; Roxana Diaconu, Ludovica Bignami (t33).

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Acronyms

AFIF	Agreement for Furthering Infrastructure Financing
CEF	Connecting Europe Facility
CINEA	European Climate, Infrastructure and Environment Executive Agency
CPR	Common Provisions Regulation (EU Regulation 1060/2021)
DNSH	Do No Significant Harm
EC	European Commission
EEEF	European Energy Efficiency Fund
EIB	European Investment Bank
EIC	European Innovation Council
EQ	Evaluation question
EU	European Union
FNLC	Financing not Linked to Costs
JTF	Just Transition Fund
JTM	Just Transition Mechanism
JTS	Just Transition Scheme
KPI	Key Performance Indicators
MFF	Multi-Annual Financial Framework
NGOs	Non-governmental Organisations
NPBIs	National Promotional Banks and institutions
PSLF	Public Sector Loan Facility
PSLF Regulation	EU Regulation 2021/1229
RRF	Recovery and Resilience Facility
RRP	Recovery and Resilience Plan
SFC	System for Fund Management in the European Union
SWD	Staff Working Document
TJTPs	Territorial Just Transition Plans
TSI	Technical Support Instrument

Abstract

The 'Study to support the interim evaluation of the Public Sector Loan Facility (PSLF)' was performed from April 2024 to December 2024 by a consortium composed of t33 Srl and Prognos AG, under a contract with the European Commission, Directorate General for Regional and Urban Policy. The study provides an objective and independent assessment of the grant component of the PSLF against the criteria of effectiveness, efficiency, relevance, coherence and EU added value. The study will feed into the European Commission's interim evaluation.

Executive Summary

The **Public Sector Loan Facility** (PSLF) is the third pillar of the Just Transition Mechanism, alongside the first pillar, the Just Transition Fund, and the second pillar, the InvestEU Just Transition Scheme. The Just Transition Mechanism was introduced in 2020 as part of the European Green Deal Investment Plan to ensure that no region is left behind in the transition to a climate-neutral and environmentally sustainable economy.

The PSLF was established by the European Union Regulation 2021/1229 (PSLF Regulation). **The PSLF general objective** is to address serious social, economic and environmental challenges deriving from the transition towards the Union's 2030 climate and energy targets and the objective of climate neutrality in the Union by 2050 at the latest, set out in Regulation (EU) 2021/1119, for the benefit of the Union territories identified in the territorial just transition plans. **The PSLF specific objective** is to increase public sector investments which address the development needs of territories identified in the territorial just transition plans, by facilitating financing for projects that do not generate sufficient revenues to cover their costs, in order to prevent the replacement of potential support and investment from alternative resources.

The PSLF has a pivotal role in providing support to territories most negatively impacted by the transition to diversify and revitalise their local economies and in creating sustainable employment opportunities for the impacted workers.

Respect for fundamental rights and compliance with the Charter of Fundamental Rights of the European Union, and in particular gender equality, should be ensured. Similarly, any discrimination based on gender, racial or ethnic origin, religion or belief, disability, age or sexual orientation should be avoided. The objectives of the Facility should be pursued in line with the United Nations Sustainable Development Goals, the European Pillar of Social Rights, the polluter pays principle, the Paris Agreement adopted under the United Nations Framework Convention on Climate Change (8) (the 'Paris Agreement') and the 'do no significant harm' principle.

As a blended instrument, the PSLF combines loans – provided by the European Investment Bank (EIB) and potentially other finance partners – **with grants**. The Facility is expected to mobilise up to EUR 1.3 billion of grants from the European Commission, between EUR 6 billion and EUR 8 billion in loans from the EIB and approximately EUR 6 billion of other resources such as self-financing and national resources (totalling EUR 13.3 billion to EUR 15.3 billion of public investment)¹.

The grant component is disbursed in the form of financing not linked to cost limited to 15% of the loan, or 25% if the project is in a less developed region². Consequently, awarding a grant depends on financing approved by the EIB (and financial intermediaries for intermediated lending). There are several categories of loans available under the PSLF:

- EIB standalone loans are directly requested from the EIB, for a minimum of EUR 12.5 million.
- EIB framework loans are also directly requested from the EIB. They are coordinated by one entity for multiple project promoters and include several projects. A single

¹ The PSLF budget was reduced as the European Council decided on a EUR 1.1 billion redeployment from the direct and indirect management components of the Common Agricultural Policy and Cohesion Funds Council under the Multi-Annual Financial Framework (MFF) Review <https://www.consilium.europa.eu/en/press/press-releases/2024/02/01/european-council-final-conclusions-1-february-2024/>.

² The regional classification is defined in the Common Provisions Regulation, EU Regulation 2021/1060, Article 108(2).

promoter may also request a framework loan from the EIB for several of its own projects. Framework loans are available for a set of projects totalling at least EUR 12.5 million.

- Intermediated lending involves a credit line from the EIB to a financial intermediary for the latter to provide loans of at least EUR 1 million to project promoters. The EIB does not contract directly with entities requesting a loan. Intermediated lending is currently implemented only through national promotional banks and institutions but can also be through commercial banks.

The European Commission, Directorate-General Regional and Urban Policy (DG REGIO), has delegated to the European Climate, Infrastructure and Environment Executive Agency (CINEA) specific implementation tasks for the PSLF. These include managing the calls for proposals, preparing and signing grant agreements, as well as monitoring and closing projects. DG REGIO retains full responsibility for all policy-related matters. **The European Commission works closely with the EIB on PSLF implementation.** However, the loan component is managed by the **EIB** in accordance with its own rules, policies and procedures using its **own resources**.

PSLF support can be provided for investments in a wide range of sectors including renewable energy, green and sustainable mobility, promotion of green hydrogen, efficient district heating networks, public research, digitalisation and environmental infrastructure for smart waste and water management. The PSLF can also support energy efficiency and integration measures, including building renovations and conversions, urban renewal and regeneration, the transition to a circular economy, land and ecosystem restoration and decontamination considering the ‘polluter pays’ principle as well as biodiversity. It can also support up-skilling and reskilling, training and social infrastructure, including care facilities and social housing. Activities envisaged for support under the PSLF should be consistent with and complement activities supported under the other two pillars of the Just Transition Mechanism.

To implement the PSLF, a first multi-annual call for proposals was launched on 19 July 2022 with regular submission deadlines until September 2025. For the first call for proposals, national shares were established following the budget allocation key defined for the Just Transition Fund. National shares will not apply to the second call (after 2025).

The PSLF Regulation (Article 17) requires an interim evaluation by 30 June 2025 to evaluate PSLF implementation and its capacity to achieve the objectives set out in Article 3 of the same regulation. The interim evaluation shall assess:

- (a) the extent to which the Union support provided under the PSLF contributed to address the needs of territories implementing territorial just transition plans;
- (b) how the horizontal principles referred to in Article 4 of the regulation were taken into account;
- (c) the need to carry out gender impact assessment;
- (d) the application of eligibility conditions set out in Article 9 of the regulation and how the visibility obligations were applied;
- (e) on basis of the projects supported by the PSLF, the extent to which the PSLF supported projects contributed to environmental objectives laid down in Article 9 of Regulation (EU) 2020/852 of the European Parliament and of the Council, considering the applicable screening criteria provided for in that regulation.

The purpose of this study is to contribute to the evaluation of the grant component of the PSLF. The loan component is not covered, but the study does consider EIB advisory services. The study gathers and analyses evidence for PSLF effectiveness, efficiency, coherence with other policies, relevance and EU added value in line with the Better Regulation Framework. The study examines the current state of implementation, advisory and technical support available under the InvestEU Advisory Hub, implementation challenges and potential improvements, as well as the consideration and coherence of horizontal principles in PSLF design and implementation.

The study combines various evaluation tools for data collection and analysis in line with the principle of triangulation. Therefore, a single evaluation question is answered using different sources of information, types of data (qualitative or quantitative) and points of view (i.e. public managers, socio-economic stakeholders and beneficiaries). The study is based on desk research, analysis of implementation data available as of 15 October 2024 in relation to the first six cut-off deadlines for submitting proposals for PSLF projects. The study is also based on stakeholders consultation in the form of a survey and interviews, as well as five case studies focussing on selected Member States.

PSLF Implementation

As of October 2024, considering the sixth cut-off deadline, fourteen grants under the PSLF had been awarded or were under assessment to support investment projects in six Member States: Czechia, France, Greece, the Netherlands, Poland and Sweden. These projects cover green mobility, economic diversification, housing and energy supply. **Almost 89% of the total PSLF grant component budget is still available** (i.e. not under assessment or awarded). Thus, most Member States can still access a substantial amount under their national share including Poland (98%), Germany (100%), Romania (100%), Greece (74%) and Czechia (75%). In France and Sweden, PSLF uptake has been high, with the entire national share absorbed by the 4th cut-off date.

Various factors explain the number of submissions, especially at the early stage of the PSLF, as illustrated in the following paragraphs.

Evaluation findings and lessons learnt

Relevance

PSLF is relevant to addressing just transition needs. PSLF design ensures alignment with just transition needs as project proposals must be consistent with territorial just transition plans and their respective sectors and thematic areas. The post-pandemic situation, in particular following the Russian aggression against Ukraine in 2022, has contributed to prolonged international and internal instability across Europe. This has underscored the importance of diversifying the economy - especially energy, which has increased the relevance of PSLF. Furthermore, PSLF is unique in addressing territorial transition needs by giving local authorities direct access to EU grant support. However, there is limited information in most territorial just transition plans on the intended use of PSLF, such as sectors to focus on, which may have given the PSLF more relevance. It appears that most Member States were under considerable pressure to adopt territorial just transition plans and start implementing the Just Transition Fund so they preferred to define the intended use of the PSLF in more flexible and general terms.

Potential beneficiary capacity to use debt-based instruments varies across Member States and beneficiaries, usually depending on national rules and administrative

capacity. In France, no barriers to accessing debt-based instruments have been identified. In other countries, such as Greece, there are national limitations on local governments' ability to borrow, thus the national government had to step in for the local authorities to be able to apply to the PSLF. In Croatia and Romania, there are restrictions on the amount local authorities can borrow. In addition to debt limits, national regulations can restrict local government revenues, reducing their ability to borrow.

Small public authorities or authorities with limited administrative capacity allocated to other priorities may be discouraged from applying to the PSLF. While this may also apply to other grant support, the blending structure used under PSLF can be more challenging, as it requires a more detailed assessment of the ability to repay the loan.

Independently of administrative capacity, PSLF applications are subject to separate appraisals from the EIB and the European Commission, with partially differing rules. The EIB loan due diligence process usually takes longer than the grant process. This means that entities which are unfamiliar with blended support, can perceive applying to the PSLF as requiring more effort compared to other EU support.

Lessons Learnt

PSLF relevance varies across Member States and beneficiaries due to several factors. These include design as well as national and local policies.

For the first call for proposals, national shares were established following the budget allocation defined for the Just Transition Fund. This has affected the uptake and relevance of PSLF, highlighting the limitations of the recourse to pre-determined national shares. For instance, in France, although there may be demand for further use of PSLF funding, no other applications will be approved by the end of the first call due to the exhaustion of the available national share. In other Member States, conversely, low national shares may have discouraged potential beneficiaries from applying. The PSLF could have been more relevant under the Just Transition Mechanism without national share restrictions. This way, Member States with low or insufficient Just Transition Fund allocations could benefit from PSLF as additional just transition related financing since 2022, instead of delaying this opportunity to 2026. Finally, efforts have been made to more easily reach small beneficiaries, by lowering the minimum intermediate loan from EUR 3 million to EUR 1 million.

While national promotional banks and institutions have played a limited role so far in the PSLF process, they can promote the Facility, especially for small beneficiaries. Their involvement can improve access to PSLF by supporting the development of the project pipeline, as in Czechia and France. Also important is enabling support for smaller projects through intermediated lending, as in Czechia. This is especially relevant considering that framework loans have not always been a practical option for smaller projects in some Member States, e.g. in Croatia and Romania. However, intermediated lending is currently available for the PSLF in only two Member States, Czechia and France. This is due to (i) the EIB and national promotional banks and institutions perceiving limited demand from potential beneficiaries in the eligible territories, (ii) limited interest from national promotional banks and institutions in other Member States to become involved in providing PSLF intermediated lending.

Moreover, potential beneficiary capacity to use debt-based instruments varies, as administrative capacity often concentrates on other funding sources, such as the Recovery and Resilience Facility. These typically offer more attractive terms (e.g. larger grant contributions and amounts) and have tighter timelines (requiring earlier fund use). However, in Czechia, technical assistance and the national promotional bank helped address capacity gaps. Intermediated loans can also lower the administrative burden for beneficiaries, so this option is being explored by the advisory support in Romania.

A specific limitation is that PSLF may not be exempt from debt limits for local authorities, unlike other EU grants in certain Member States. For example, Romanian local authorities can exceed the legal borrowing limit if funds co-finance projects supported by EU grants. However, this does not apply to PSLF, due to uncertainty about the grant at the time of borrowing (the loan has to be approved by the EIB before the EU grant can be signed). Although this has not been a key limitation to PSLF uptake, solving it may facilitate applications.

Effectiveness

The first call was appropriately designed. It reflects the general and specific objectives of the PSLF regulation, aligns with PSLF requirements for horizontal principles and eligibility conditions and introduces prioritisation criteria.

As indicated above, current uptake of the Facility is around 11% of the available resources. Proposals have only been submitted by some Member States, highlighting uneven geographic demand. Between July 2022 and April 2024, the number of eligible proposals submitted to each call increased.

PSLF proposals awarded and under assessment indicate a broad coverage of territorial just transition plans areas of intervention. Mobility and transport projects have requested more than 50% of the total number of grants and have more than 70% of the total project value. Other proposals cover cultural and social infrastructure, urban renewal and regeneration, clean/renewable energy and district heating networks. No project invests specifically in the circular economy or worker upskilling, even though they are frequently mentioned in the territorial just transition plans. Stakeholder consultation suggests that most PSLF projects in the pipeline are for renewable energy and energy efficiency, district heating networks and transport. However, it is currently challenging to determine whether these projects will be sufficient to absorb the full PSLF grant budget or the national shares.

The evaluation identifies intrinsic and external factors which have affected uptake. Intrinsic factors relate to PSLF design:

- Some national shares may be low compared to Member State potential demand.
- Applying for PSLF is perceived as demanding, with lower chances of success than for EU grants, such as those available under cohesion policy in shared management..
- Projects should not receive support under any other Union programme, as it is not possible to combine PSLF with other EU funding.
- The minimum direct loan amount from the EIB may exceed the borrowing capacity and needs of small local governments. So far, framework loans have been a viable option to support small projects in some Member States (e.g. Greece, Czechia) and intermediate lending has contributed positively to the PSLF uptake at least in one Member State (e.g. Czechia).

Key external factors encompass the availability of other grant funding (often offering more attractive conditions), the capacity of potential beneficiaries (as noted under relevance), the maturity of the project pipeline and national legislation, especially concerning borrowing limits.

The analysis shows that where national authorities support PSFL uptake this raises awareness and contributes to increase maturity and probability of success of project applications, such as in Sweden, France and Greece. It seems that national, regional and/or local authorities are involved in PSFL implementation if they have sufficient administrative capacity and if they perceive PSFL to be relevant for them depending on the national context.

PSFL is a new instrument, therefore **communication and information actions are key to promoting its uptake**. The study shows that these have been effective in reaching the most relevant stakeholders. Although measuring their effectiveness is challenging, communication and information actions may contribute to explaining the increasing number of applications and eligible proposals.

Most PSFL projects and advisory activities are still at an early stage, making it premature to fully assess their contributions to achieving PSFL objectives. However, **the project proposals clearly align with key environmental goals**. Ten of the fourteen eligible proposals submitted by the sixth cut-off date contribute to climate change mitigation and adaptation by reducing CO₂ emissions and increasing energy efficiency. In addition, five address pollution prevention and control by improving air quality, as well as supporting biodiversity and ecosystem restoration. Only one proposal specifically targets water conservation through water-saving measures in buildings.

Lessons learnt

The analysis has examined the capacity of less developed regions to access PSFL funding. Due to the limited implementation, it is too early to assess whether eligible territories in less developed regions can access PSFL as much as in transition and more developed regions. **The key factors affecting PSFL uptake in less developed regions are competing EU funding** - which can offer higher grant coverage and cannot be combined with PSFL - and **administrative capacity, which is usually lower in less developed regions**.

Another lesson concerns the role of territorial just transition plans. Including PSFL in the territorial just transition plan framework has created a clear, understandable and formal reference for policymakers. This is an initial step for awareness raising in eligible territories. However, **territorial just transition plans tend to focus on the Just Transition Fund rather than PSFL**. Greater specificity in territorial just transition plans about the role of PSFL could have provided more targeted guidance for project promoters in specific markets and sectors. This could include a preliminary prioritisation of sectors (without exclusion criteria) or an analysis of the local market and investment gaps.

Some intrinsic and external factors which have affected PSFL uptake should disappear or diminish over time. National shares will not apply to the second call, advisory support continues to enhance the capacity of potential applicants and project examples could encourage other applicants. However, the timing and extent of any reduction in competition from other EU funding sources remain unclear. While some stakeholders suggest that PSFL could benefit as Recovery and Resilience Facility implementation advances, the progress of cohesion policy implementation indicates that substantial resources will still be available in some Member States during the second PSFL call. This could continue to overlap with PSFL, potentially impacting uptake.

When estimating future PSFL uptake, it is also important to consider that the approval process for projects can take more than one year, due to comprehensive due diligence in the loan process. As such, early identification and preparation of viable projects is essential to ensure uptake within the available timeframe. This is even more pressing as the second call will be one year shorter than the first, making timely project development a key factor for success.

Despite multiple efforts of the European Commission and CINEA to accommodate the language needs of potential applicants, language was identified as a barrier by some stakeholders. This especially concerns small public entities when negotiating the loan component, as in the Romanian case. It is important to increase the engagement of key stakeholders such as cohesion policy managing authorities and national promotional banks and institutions, who have played a significant role in PSLF uptake in Sweden and Czechia. Despite efforts to raise awareness and promote the Facility, full use of the grant budget seems unlikely under the first call. This may be possible under the second call which will not have pre-defined national shares. The use of resources is a pre-condition to achieving general and specific objectives. **Current information on implementation and the expected duration of projects do not enable an assessment of the extent that PSLF objectives can be achieved on time.**

Efficiency

The duration of the grant evaluation is in line with expectations. On average this process took around two months, less than initially communicated. The award decision takes 6 to 13 months, in line with the call document.

This study cannot confirm the benefits of financing not linked to costs for the grant component as few projects are being implemented. However, the grant component procedure with financing not linked to cost and a pre-financing of 70% of the grant budget after signature of the grant agreement is very much appreciated by beneficiaries. This is because progress is based on pre-defined results, which simplifies monitoring and reporting procedure.

The two application procedures for the grant and the EIB loan with different timelines are perceived as relatively more complex than other EU grant application procedures. This reflects the additional focus on assessing the applicant's repayment capacity, as well as the need to align different eligibility criteria for the grant and loan components.

EUR 1 of PSLF grant brings about EUR 12 of total investments, including the EIB loan, at the level of beneficiaries. The ratio between total investments and EU funding is higher than for other blended instruments, such as the European Energy Efficiency Fund covering infrastructure and climate change, and lower with respect to the Connecting Europe Facility Debt Instrument supporting transport, energy and telecommunication projects.

The status of PSLF implementation does not enable a full assessment of reporting and monitoring at the moment. However, a few important points emerge from the analysis. Monitoring and reporting are perceived as efficient by beneficiaries, as they involved only (i) control of project implementation progress reports, (ii) on the spot monitoring and (iii) the interim evaluation and a final evaluation of the PSLF projects. On the other hand, interviews with beneficiaries highlighted that reporting to CINEA on grant implementation and separately to the EIB on loan implementation can be burdensome.

Lessons learnt

The project proposals show increasing interest in PSLF, better-quality applications and the importance of specialised support to increase administrative capacity and develop a suitable pipeline. Such support can be from consultants or a national promotional bank, as in Czechia.

Coherence

PSLF has greater potential for synergies with cohesion policy funds and Recovery and Resilience Facility than with other EU instruments such as Connecting Europe Facility and LIFE.

This potential for synergies arises from similar scope and eligibility criteria. However, implementation periods overlap, and designs differ. Typically there is more grant coverage in cohesion policy and Recovery and Resilience Facility than in PSLF. This has created competition in implementation, as administrative capacity has been absorbed by other EU funding programmes. These include grants from other EU programmes being combined with repayable funding at beneficiary level, resulting in a blending structure with a higher grant component than PSLF. Moreover, while there is potential for synergy, PSLF cannot be combined with other EU funding. The complementarity of PSLF with these funds lies in providing additional resources to address similar needs or to support needs which cannot be covered under these funds because of their thematic focus. Synergies between PSLF and Connecting Europe Facility mainly concern transport, which is among the sectors most covered by submitted proposals. LIFE aims to develop, demonstrate and promote innovative techniques to achieve EU environmental and climate goals, but only partially overlaps with topics and areas of intervention covered by PSLF.

Overlapping national funds with similar objectives have discouraged PSLF applications or led to project withdrawals due to the availability of other funding.

As part of the Just Transition Mechanism, PSLF has a clear function as a blending facility, combining grants and EIB loans under direct management. This contrasts with the mostly grant-based Just Transition Fund under shared management (Pillar I) and the budgetary guarantee InvestEU 'Just Transition' scheme (Pillar II). **These three Pillars provide complementary support to just transition regions. They are included in the territorial just transition plan framework where Member States have identified territories and investments eligible for all three Pillars.** While territorial just transition plans mention all three pillars, the Just Transition Fund has usually been prioritised by Just Transition Mechanism stakeholders over PSLF. Consequently, considerable human resources within potential beneficiaries were allocated to the Just Transition Fund and were less available for PSLF. The same applies for the timing. When Member States were drafting territorial just transition plans, staff were also focused on Just Transition Fund planning and programming, so PSLF was considered to a lesser extent.

Regarding the advisory mechanisms and technical assistance, it is not possible to fully assess the complementarity of those with the EIB advisory mechanisms, as they are rarely provided simultaneously in the same Member State, and several are still ongoing. Moreover, only a few Member States have so far involved consultants and used advisory services specifically for PSLF. However, DG REGIO and EIB have strived to ensure that the EIB was involved in all technical assistance for PSLF provided from other sources, to ensure complementarity and consistent advice for applicants.

Lessons learnt

A clear demarcation with other funding, as in France, would help project promoters choose the appropriate financing. Excluding the renewal of rolling stock in the French partnership agreement facilitated and increased interest in PSLF as an alternative funding source for this type of investment.

A clear indication in the territorial just transition plans of sectors / areas of intervention and types of project covered by each pillar could have benefited PSLF uptake and ensured the

specific and complementary contribution of each funding source to the just transition. However, **Member States have approached Just Transition Mechanism complementarity differently in their territorial just transition plans.** Many ensured that at least one paragraph mentions PSLF eligible investments while broadly citing investments included in recital 6 of the PSLF Regulation. This was meant to give PSLF the flexibility to complement other pillars by providing additional funds for needs which were not fully identified when the territorial just transition plans were adopted. The Swedish just transition process distinguishes between transition needs to be covered by Just Transition Fund and those faced by the public sector to be addressed through PSLF. This is probably one reason for the PSLF uptake in Sweden. Greece has also ensured wider PSLF eligibility than Just Transition Fund as PSLF extends to climate adaptation, beyond mitigation measures. Thus, projects related to wastewater treatment and water management are not excluded from PSLF. Concerns about the capacity to absorb funds within the foreseen timeline may have discouraged some national authorities from opting for demarcation.

Regarding complementarity of advisory and technical assistance, it is possible to highlight findings within and across Member States. In Greece and Romania, advisory support and technical assistance contributed to building capacity of actors from needs assessment to developing a project pipeline and preparing a PSLF application. The interviews highlighted that coordination between technical assistance and advisory projects is very important to avoid duplicated efforts. Across Member States the scope of the services varied. In the initial phase the focus was on awareness raising but more recently training and preparing proposals for applications have been more important.

EU added value

Considering the status of implementation, it is not yet possible to conduct a thorough analysis of EU added value. However, the study highlights that **PSLF is adding value and the grant component increases the likelihood that projects materialise, particularly in countries where similar support is either unavailable or is offered under less favourable conditions.**

Lesson learnt

PSLF is **adding value by mobilising additional resources to address transition needs in just transition regions.** In France, it covers sectors without alternative funding resources. In Sweden, direct management is perceived as an additional opportunity for local public entities to cover just transition investments, which would not be possible only through their own resources. Moreover, the **stakeholder consultation highlighted that PSLF's approach to blending resources adds value.** PSLF proposals need a medium to long-term view from local authorities to ensure sustainability of the investment. Especially for larger project proposals, promoters must establish a multiannual and sectoral plan, coordinate among different departments and competences and ensure a long-term commitment from those involved.

1. Introduction

1.1. Purpose and scope of the study

The **Public Sector Loan Facility (PSLF)** is the third pillar of the Just Transition Mechanism (JTM), alongside the first pillar, the Just Transition Fund (JTF) and the second pillar, the InvestEU Just Transition Scheme. The JTM was introduced in 2020 as a part of the European Green Deal Investment Plan to ensure that no regions are left behind in the transition to a climate-neutral and environmentally sustainable economy.

The PSLF was established by European Union (EU) Regulation 2021/1229 (PSLF Regulation). **The PSLF general objective** is to address serious social, economic and environmental challenges deriving from the transition towards the Union's 2030 climate and energy targets and the objective of climate neutrality in the Union by 2050 at the latest, set out in Regulation (EU) 2021/1119, for the benefit of the Union territories identified in the territorial just transition plans. **The PSLF specific objective** is to increase public sector investments which address the development needs of territories identified in the territorial just transition plans (TJTPs), by facilitating financing of projects that do not generate sufficient streams of revenues to cover their investment costs, in order to prevent the replacement of potential support and investment from alternative resources.

The PSLF has a pivotal role in providing support to territories most negatively impacted by the transition to diversify and revitalise their local economies and in creating sustainable employment opportunities for the impacted workers. Respect for fundamental rights and compliance with the Charter of Fundamental Rights of the European Union, and in particular gender equality, should be ensured. Similarly, any discrimination based on gender, racial or ethnic origin, religion or belief, disability, age or sexual orientation should be avoided. The objectives of the Facility should be pursued in line with the United Nations Sustainable Development Goals, the European Pillar of Social Rights, the polluter pays principle, the Paris Agreement adopted under the United Nations Framework Convention on Climate Change (8) (the 'Paris Agreement') and the 'do no significant harm' principle.

As a blended instrument, the PSLF combines loans - provided by the European Investment Bank (EIB) and potentially other finance partners - **with grants**. The Facility is expected to mobilise up to EUR 1.3 billion of grants from the European Commission (EC), between EUR 6 billion and EUR 8 billion in loans from the EIB and approximately EUR 6 billion of other resources such as self-financing and national resources (totalling EUR 13.3 billion to EUR 15.3 billion of public investment)³.

The European Commission, Directorate-General Regional and Urban Policy (DG REGIO), has delegated to the Infrastructure and Environment Executive Agency (CINEA) specific implementation tasks for the PSLF. These include managing the calls for proposals, preparing and signing grant agreements, monitoring and closing projects. DG REGIO retains full responsibility for all policy-related matters. The grant component is in the form of financing not linked to costs (FNLC) limited to 15% of the loan, or 25% if the project is in a less developed region⁴. Consequently, awarding a grant depends on financing approved by the EIB (and financial intermediaries for intermediated lending). There are several categories of loans available under the PSLF:

³ The PSLF budget was reduced because the European Council decided on a EUR 1.1 billion redeployment from the direct and indirect management components of the Common Agricultural Policy and Cohesion Funds Council under the Multi-Annual Financial Framework (MFF) Review <https://www.consilium.europa.eu/en/press/press-releases/2024/02/01/european-council-final-conclusions-1-february-2024/>.

⁴ As defined in the Common Provisions Regulation (CPR), EU Regulation 2021/1060, Article 108(2).

- EIB standalone loans are directly requested from the EIB, for a minimum of EUR 12.5 million.
- EIB framework loans are also directly requested from the EIB and are coordinated by one entity for multiple project promoters and include several projects. A single promoter may also request a framework loan from the EIB for several of its own projects. Framework loans are available for a set of projects totalling at least EUR 12.5 million.
- Intermediated lending involves a credit line from the EIB to a financial intermediary for the latter to provide loans of at least EUR 1 million to project promoters. The EIB does not contract directly with entities requesting a loan. Intermediated lending is currently implemented only through national promotional banks and institutions (NPBIs) but can also be through commercial banks.

The EC works closely with the EIB on PSLF implementation. However, the loan component is managed by the **EIB** in accordance with its own rules, policies and procedures using its **own resources**.

PSLF support can be provided for investments in a wide range of sectors including renewable energy, green and sustainable mobility, promotion of green hydrogen, efficient district heating networks, public research, digitalisation and environmental infrastructure for smart waste and water management. The PSLF can also support renewable energy, energy efficiency and integration measures, including building renovations and conversions, urban renewal and regeneration, the transition to a circular economy, land and ecosystem restoration and decontamination considering the ‘polluter pays’ principle and biodiversity. It can also support up-skilling and reskilling, training and social infrastructure, including care facilities and social housing⁵. Activities envisaged for support under the PSLF should be consistent with and complement activities supported under the other two pillars of the JTM.

The PSLF Regulation⁶ (Article 17) requires an interim evaluation by 30 June 2025 to evaluate implementation and the capacity to achieve objectives set out in Article 3 of the same regulation. The interim evaluation shall assess:

- (a) the extent to which the Union support provided under the PSLF contributed to address the needs of territories implementing TJTPs;
- (b) how the horizontal principles referred to in Article 4 of the regulation were taken into account;
- (c) the need to carry out gender impact assessment;
- (d) the application of eligibility conditions set out in Article 9 of the regulation and how the visibility obligations were applied;
- (e) on basis of the projects supported by the PSLF, the extent to which the PSLF supported projects contributed to environmental objectives laid down in Article 9 of Regulation (EU) 2020/852 of the European Parliament and of the Council (20), considering the applicable screening criteria provided for in that regulation.

The purpose of this study is to contribute to the evaluation of the grant component of the PSLF. The loan component is not covered, but the study does consider EIB advisory

⁵ See section 6 of the Preamble of the PSLF Regulation

⁶ [Regulation - 2021/1229 - EN - EUR-Lex \(europa.eu\)](#)

services. The study gathers and analyses evidence for PSLF effectiveness, efficiency, coherence with other policies, relevance and EU added value in line with the Better Regulation Framework. The study examines the current state of implementation, advisory and technical support available under the InvestEU Advisory Hub, implementation challenges and potential improvements, as well as the consideration and coherence of horizontal principles in PSLF design and implementation. This report is based on implementation data available at the beginning of October 2024 as well as interviews and a survey.

1.2. Methodological approach and evaluation process

This part explains the study tasks, their progress and the evaluation matrix.

1.2.1. Description of the Tasks

Task 1 supports all subsequent tasks with reviews of documents. It covers key areas of the PSLF, including:

- European Green Deal Investment Plan;
- JTM, including its three-pillar structure, pertinent regulations, legislative documents and all 70 TJTPs;
- Blended financial instruments as well as other EU and Member State funding instruments.

Task 1 findings are used to answer evaluation questions.

In Task 2, a survey and semi-structured interviews of stakeholders gathered evidence, insights and expert opinions on the evaluation questions. The survey covered a wide range of stakeholders. It was launched on 9 July 2024 and closed on 13 September 2024⁷. Annex IV – Synopsis Report – summarises findings from the survey responses.

Semi-structured interviews complement the survey. The first interviews were explorative and involved representatives from the EC. The second round covered beneficiaries, authorities, advisory representatives, the EIB, non-governmental organisations (NGOs) and civil society. The interviews help answer the evaluation questions. Annex IV summarises findings from the interview responses. The results provide detailed and context-specific insights into the administrative, fiscal and procedural challenges that potential applicants face when applying for support from the PSLF. The analysis also enriches and deepens the comparison of context-dependent factors in different Member States and regions as well as specific challenges faced by less developed regions.

In Task 3, five in-depth case studies cover Czechia, France, Greece, Poland and Romania. The selection of the country case studies was based on: (1) current uptake of the PSLF in the Member State, including those with more and less uptake, (2) Member States with the highest national shares of the PSLF (3) Member States which received advisory support from the EIB and (4) Member States that made use of intermediated lending and framework loans.

⁷ The survey used optional questions and skip logic to tailor questions based on responses. Consequently, the number of replies to specific questions varies across the survey.

Among those selected, Czechia, France, and Greece had at least one grant awarded. The Greek project involves a framework loan. Poland presented one proposal eligible for the PSLF grant, while Romania had not taken up the Facility but requested advisory support. The national shares allocated to these Member States represent almost 50% of the PSLF grant budget. The analysis of projects in Czechia and Greece also reviews the advisory and technical assistance. A similar focus on advisory was applied for Romania. The case study analysis uses a methodological mix of desk research and semi-structured interviews with representatives from the transition regions and other stakeholders if necessary.

The case studies are conducted at Member State level and are accompanied by a cross-Member State analysis. Each case study and cross-analysis covers **key aspects of the Facility**, including:

- Complementarity of EIB advisory support via the InvestEU advisory Hub and other technical assistance and advisory mechanisms to submit proposals, particularly for France, Czechia, Greece and Romania;
- Complementarity between PSLF and other EU and national/regional funding opportunities;
- Factors affecting PSLF uptake, especially previous experience with EIB loans and familiarity with financial instruments, regulatory challenges, national and local legislation and intermediate lending;
- Awareness raising and communication activities.

The case studies focus on local and national characteristics of PSLF implementation, the nature of the projects, types of applicants and sectors covered.

Task 4 includes assembling and delivering this Final Report based on the Draft Final Report, after review by the EC and the Steering Group. The Final report summarises findings of the evaluation process and provide answers the evaluation questions.

1.2.2. Evaluation matrix

The study combines various evaluation tools for data collection and analysis in line with the principle of triangulation. Therefore, a single evaluation question is answered using different sources of information, types of data (qualitative or quantitative) and points of view (i.e. public managers, socio-economic stakeholders and beneficiaries). The study evaluation toolbox includes desk research, a survey and interviews with stakeholders, as well as five case studies. The evaluation matrix combines methods to answer 26 evaluation questions. Under each evaluation criterion, for each evaluation question, the matrix proposes judgement criteria explaining the focus of the study, evaluation methods and potential sources (based on tasks 1, 2 and 3). Annex I contains the complete list of evaluation questions and Annex II the evaluation matrix.

1.2.3. Evaluation process: achievements and challenges

Tasks 1 and 2 ran in parallel. Task 3 started later and is presented in Annex V Case Studies. Task 4, the Final report, finalises the evaluation activities. The study has four deliverables: the inception report, the intermediate report, the draft final report and the final report. All the reports identify limitations to findings and mitigation measures.

The main challenge of the survey and interviews was to engage stakeholders. The survey could start only in the first half of July, which was not favourable for data collection due to

the summer break. Efforts concentrated on collecting data that is already available, including from stakeholders. The survey was as concise as possible and designed so representatives could easily navigate to sub-questions and queries relevant for them.

The survey collected feedback and views from 102 respondents, surpassing the target of 75 respondents. The complete results of the survey are used in this report.

To minimise difficulties caused by the limited time frame to implement Task 3, data collection for case studies started in June. In mid-July, in agreement with DG REGIO, the countries were selected: France, Czechia, Greece, Poland and Romania. Interviews for the case studies started in September. Another important challenge for the cross-country analysis is the different PSLF uptake and access to advisory and technical assistance services across the Member States.

For Tasks 2 and 3, 39 interviews with EU, national or other stakeholders were conducted by 11 November 2024, with at least two covering each case study country.

1.3. Organisation of this report

This Final report is the fourth deliverable of the study and covers the findings of Tasks 1, 2 and 3. The report is organised as follows.

Section 2 presents the expected outcome and refers to the PSLF intervention logic.

Section 3 covers PSLF implementation.

Section 4 covers all 26 evaluation questions grouped by the criteria of relevance, effectiveness, efficiency, coherence with other policies and EU added value.

Section 5 provides conclusive remarks and lessons learnt for the future.

This report includes the following annexes:

- Annex I lists the evaluation questions divided by evaluation criteria.
- Annex II provides the evaluation matrix.
- Annex III presents the list of references.
- Annex IV is the synopsis report on survey and interviews.
- Annex V contains the case studies.

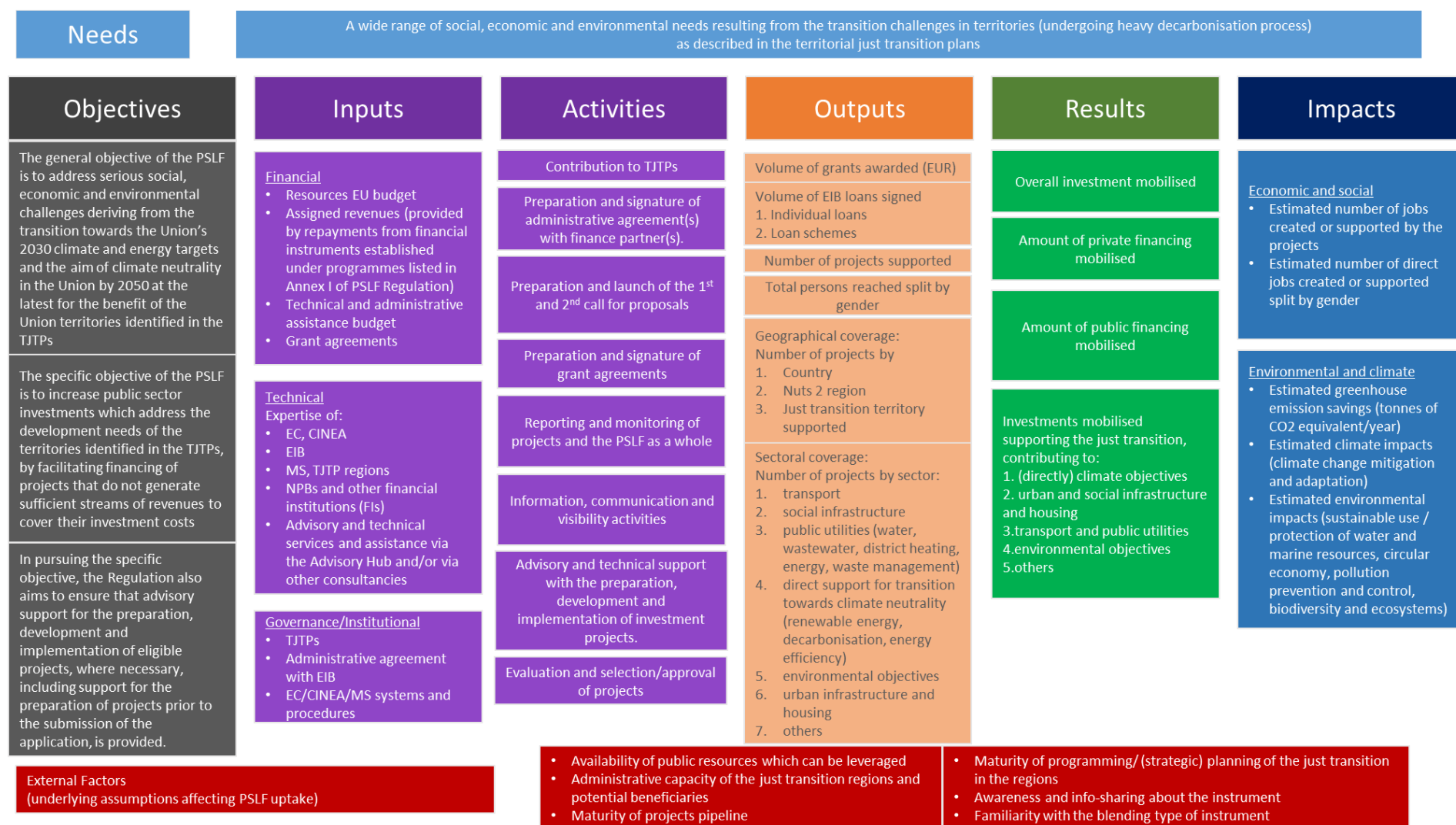
2. PSLF expected outcomes

Based on the Better Regulation Toolbox⁸ and the PSLF Regulation, the ‘intervention logic’ summarises how the PSLF is expected to work, including its underlying assumptions. The intervention logic links needs (or challenges), objectives, inputs and activities, outputs from interventions, results and impacts.

- *Needs*, as described in the PSLF Regulation (recital 1), cover a wide range of social, economic and environmental challenges resulting from the transition process and identified in just transition regions through TJTPs.
- *Objectives* are the general and specific objectives identified in Article 3 of the PSLF Regulation (and also outlined in the introduction).
- *Inputs* are the means to achieve PSLF objectives. Inputs concern financial (EU budget, repayments, advisory and technical support budget and grant agreements) as well as human and institutional resources to implement PSLF as described in figure 1.
- *Activities* encompass tangible and visible events such as the launch and implementation of calls for proposals, monitoring and reporting, communication and information activities, as well as advisory and technical assistance.
- *Outputs* are directly connected with the objectives and deliverables of the Facility and are a reasonable measure of progress. They are measured by key performance indicators (KPIs), per Annex II of the PSLF Regulation.
- *Results* match the immediate direct effects of the PSLF and are also captured by KPIs, as per Annex II PSLF Regulation.
- *Impacts* concern wider economic, social environmental and/or climate impacts.
- *External factors* can influence results/impacts of PSLF in addition to its inputs.

⁸ https://commission.europa.eu/law/law-making-process/planning-and-proposing-law/better-regulation/better-regulation-guidelines-and-toolbox/better-regulation-toolbox_en

Figure 1: PSLF intervention logic



Source: t33 & Prognos AG (2024)

3. PSLF implementation

This section reviews the progress of PSLF implementation, focusing on the grant application process and its output.

3.1. The grant application process

The grant component budget is implemented through a multi-annual call for proposals. The budget is divided in national shares, which are pre-allocated per Member State up to 31 December 2025. The remaining resources for the grant component will then be provided at Union level without any pre-allocated national share and on a competitive basis.

A first multi-annual call for proposals was launched on 19 July 2022 with regular submission deadlines (one in 2022 and three per year from 2023 to 2025)⁹. The last submission deadline should be in September 2025. This study only considers proposals submitted until the sixth cut-off date, in April 2024, and other data collected until October 2024. The application process for the PSLF grant component (

Figure 2) was designed and is managed by DG REGIO and CINEA.

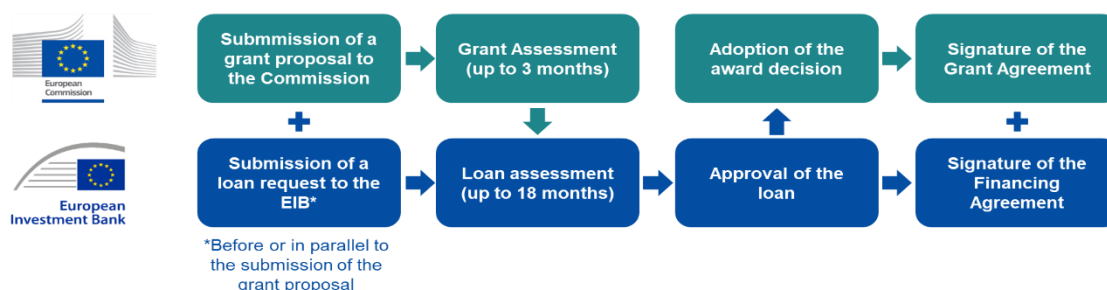
The process starts with the applicant submitting a proposal. Within 15 days, it is checked for formal requirements-admissibility and eligibility- (see sections 5 and 6 of the PSLF call document). Proposals found admissible and eligible are evaluated against selection, exclusion, award and prioritisation criteria and ranked accordingly. The PSLF evaluation committee approves or modifies the evaluation by CINEA and DG REGIO. All applicants should be informed about the results within three months after the submission deadline. Successful proposals are invited to work on a grant agreement while the others are put on a reserve list or rejected.

The EIB is notified about proposals that have been selected. The EIB (together with its financial intermediaries, if applicable) then finalise their due diligence for the loan component of the project, which they have usually started before the grant application has been submitted to the call for proposals. The EIB may take up to 18 months to carry out their due diligence after the grant application has been submitted to the call for proposals.

The PSLF loan component is implemented by the EIB in line with its own rules and procedures. While both application processes remain separate, the EIB and the EC are in continuous contact about the status of submitted projects.

If a loan is approved by the EIB or signed by its intermediaries, CINEA will finalise the grant agreement on the basis of the final loan amount approved by the EIB or its intermediaries. The grant agreement can then be signed.

⁹ https://ec.europa.eu/info/funding-tenders/opportunities/docs/2021-2027/jtm/wp-call/2022/call-fiche_jtm-2022-2025-pslf_en.pdf See the first call for proposal (JTM-2022-2025-PSLF) here: https://ec.europa.eu/info/funding-tenders/opportunities/docs/2021-2027/jtm/wp-call/2022/call-fiche_jtm-2022-2025-pslf_en.pdf, version 4.0 – 12 February 2024 (EC, 2024c).

Figure 2: Application process for the PSLF

Source: reproduced from DG REGIO material

The application process from proposal submission to grant agreement signature can last up to 20 months. This is, however, a maximum and the EC expects the evaluation will be considerably quicker on average. Based on grants signed by October 2024, the assessment procedure has taken around two months, while the award decision has taken 6 to 13 months from submission.

The submission of eligible proposals has progressively increased¹⁰. Three proposals were presented for the 1st cut-off date, with only one considered admissible and eligible. This proposal changed during the EIB due diligence process, which led the applicant to withdraw and resubmit it under the 4th cut-off. One proposal was received for the second cut-off date but was ineligible. For the 3rd cut-off date, four proposals were presented, with three considered admissible and eligible and selected for funding. For the 4th cut-off, 15 proposals were submitted, five were deemed eligible and admissible and were positively evaluated. For the 5th cut-off date, all six submitted proposals were considered admissible and eligible. Two proposals from France were put on reserve as the Member State had exhausted its national share and one was rejected in the grant assessment phase. The other three were selected for funding. One application was later withdrawn as it had secured funding from another source. For the 6th cut-off date, eight proposals were presented. All but one were admissible and eligible and five were selected for funding¹¹. One was then rejected by the EIB during the loan due diligence procedure.

For the first six deadlines, considering October 2024 data, 37 proposals have been presented, 22 of these (around 60%) were admissible and eligible. Sixteen (43% of the initial proposals) were selected for funding for the grant component and six grants were awarded (

Figure 3)¹². This shows an increased interest in PSLF from the first two cut-offs which had no more than 3 proposals, to a peak of 15 in the 4th call. At least 75% of the proposals were deemed eligible in the 3rd, 5th and 6th cut-off deadlines, suggesting applicants understand the eligibility scope.

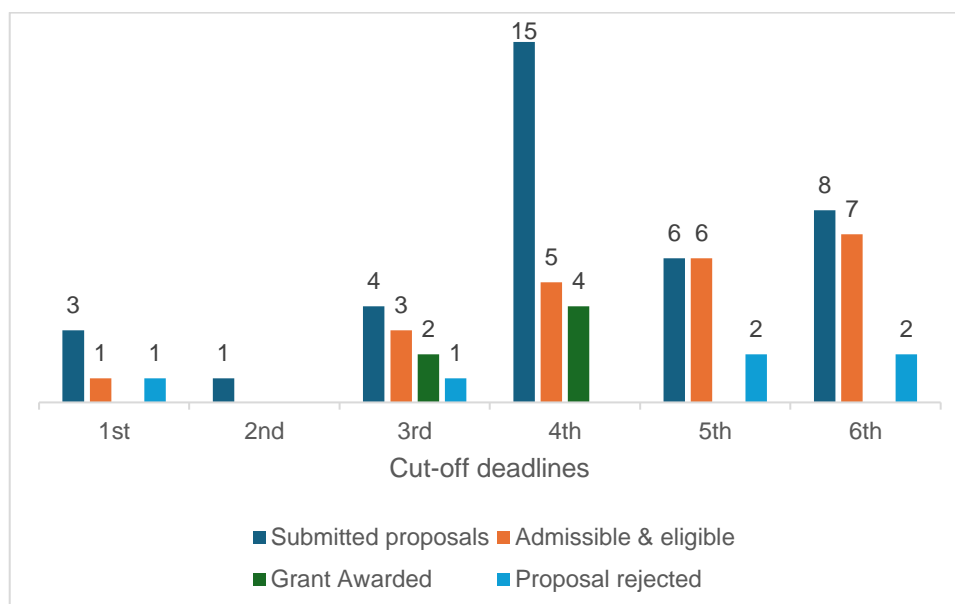
¹⁰ Data in this section is up to 15 October 2024.

¹¹ Most of the ineligible applications were missing basic requirements.

¹² As one proposal has been withdrawn and another rejected by the due diligence procedure of the EIB, fourteen proposals have been selected for funding, as reported in the table below.

The end of this section has more details on project proposals.

Figure 3: Outcome of the proposals (1st to 6th cut-off deadlines)



Source: t33 & Prognos AG based on application documentation provided by DG REGIO, October 2024

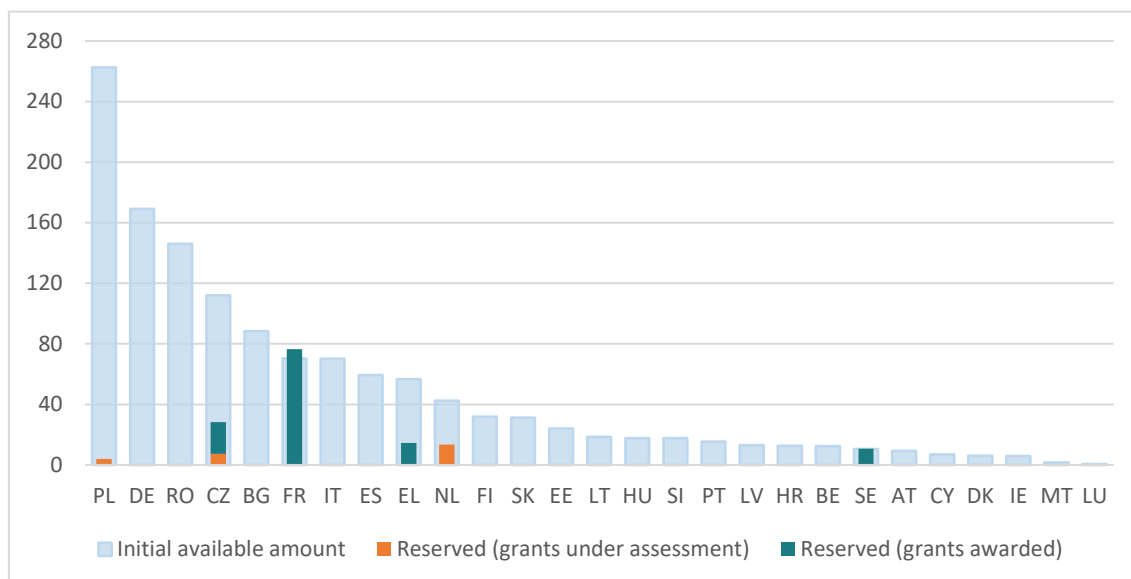
3.2. National shares and uptake of the Facility

By the sixth cut-off date, grants under the PSLF had been awarded or were under assessment for six Member States: Czechia, France, Greece, the Netherlands, Poland and Sweden. Projects cover green mobility, economic diversification and energy supply. In France, PSLF uptake is high, with the entire national share absorbed by the 4th cut-off date¹³. Further submissions from France for the 5th cut-off date were eligible but put on a reserve list due to the lack of funding¹⁴. The figure below shows a distinction between grants under assessment (orange column) and the amount awarded (dark green column) with respect to the national share (light blue column).

¹³ The initial budget for the call was EUR 1.46 billion. However in February 2024, Member States agreed to revise the funding for the 2021-2027 Multiannual Financial Framework (MFF). As a result, the budget was reduced to EUR 1.31 billion and the national envelopes reduced accordingly. France exhausted their entire share before the budget revision.

¹⁴ As stated by the current version of the call for proposals, additional project proposals will not be considered eligible as the national envelope is already exhausted because of previously selected projects (EC, 2024c).

Figure 4: PSLF Uptake after six cut-offs, national shares reserved until 31 December 2025 – EUR million



Source: CINEA. National shares as of August 2024 (reserved until 31 December 2025). Retrieved from https://cinea.ec.europa.eu/just-transition-mechanism/budget_en

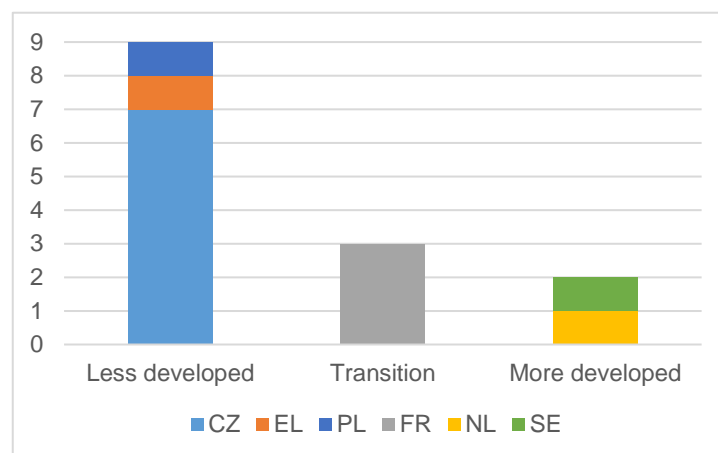
Almost 89% of the PSLF grant component budget (i.e. not under assessment or awarded) is still available. Thus most Member States can still access a substantial amount under their national share, including Poland (98%), Germany (100%), Romania (100%), Greece (74%) and Czechia (75%). Various factors explain the number of submissions, especially at the early stage of the PSLF. Few TJTPs were adopted when the call for proposals was launched and proposals cannot be submitted without an adopted TJTP. Furthermore, some time was necessary for potential applicants to get acquainted with the Facility and prepare their proposals. In addition, Member States were busy with programming and preparing pipeline projects for other EU funding instruments such as cohesion policy funds, the Recovery and Resilience Facility (RRF) and InvestEU. The increasing number of proposals and projects considered admissible is encouraging, but also suggests national allocations do not correspond to needs during the timeframe considered by this study. Factors limiting PSLF implementation are explained in more depth in section 4 of this report.

3.3. Projects awarded or under assessment

The analysis of projects awarded or under assessment is presented per category of region, sector and type of support.

3.3.1. Categories of regions

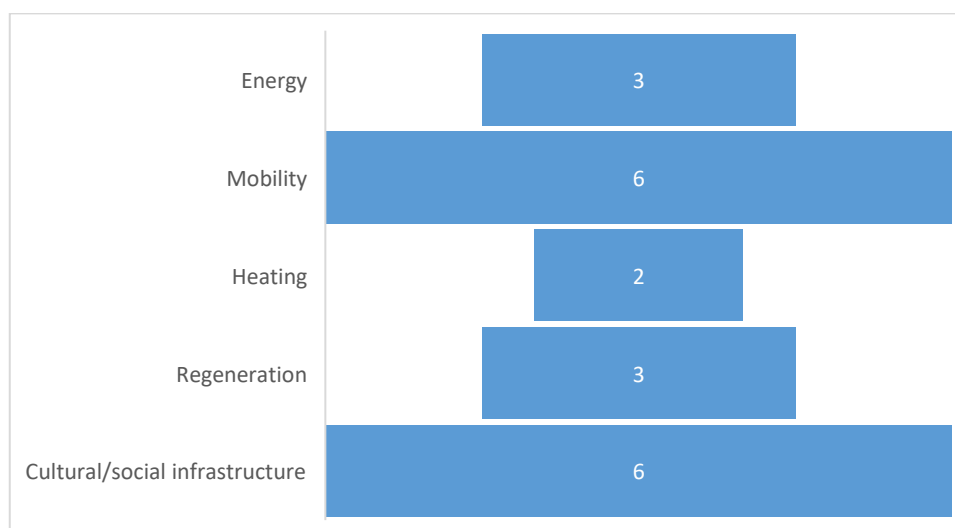
Most of the projects positively evaluated for the grant relate to less developed and transition regions, with eleven and three eligible projects respectively (Figure 5). The Netherlands and Sweden are the only two Member States with projects in more developed regions. The projects in less developed regions account for 32% of the PSLF grant budget reserved so far, while transition regions account for about 52% and more developed regions some 16%.

Figure 5: Projects invited to start the grant procedure, by Member State and category of region

Source: t33 & Prognos AG based on application process documentation provided by DG REGIO

3.3.2. Sectors of intervention

The sectors covered by most of the projects selected for funding involve urban renewal, including new cultural, sports and social infrastructure. These projects are often coupled with increased energy efficiency. Other interventions are linked to transport such as renewing tram lines in Nantes (France) and regional, such as modernising railway infrastructure in Ústí nad Labem Region (Czechia).

Figure 6: Sectors for the 16 projects under assessment or awarded

Source: t33 & Prognos AG based on PSLF call documentation, some projects cover multiple sectors

According to the PSLF Regulation, projects should be implemented in, or directly support the just transition of, a territory identified in a TJTP and be consistent with sectors identified in the plan. Proposals under assessment or awarded by the 6th cut-off date come from nine regions at NUTS2 level under eight TJTPs. The two regions in Czechia, Moravian-Silesian and Northwest as well as the Polish region of Silesia are dependent on coal. The French regions, Nord-Pas de Calais, Pays de la Loire, Provence-Alpes-Côte d'Azur, the Dutch

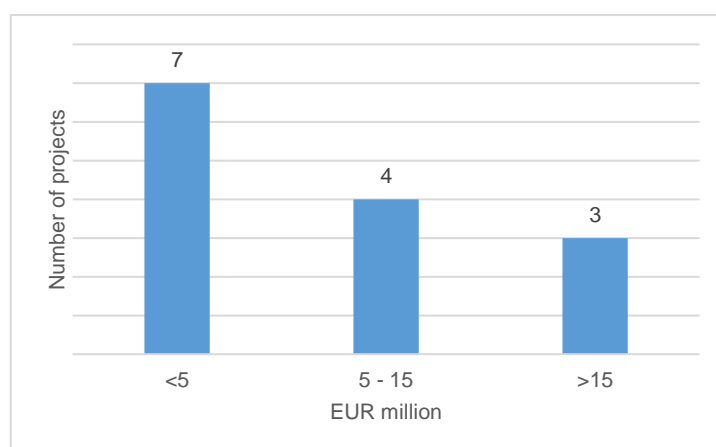
region Limburg and the Swedish region Upper Norrland are dependent on CO2 intensive industries.

All proposals refer to TJTP needs. For example, the Swedish TJTP for the Upper Norrland region notes a challenge for the Västerbotten area is the difficulty of attracting a competent workforce, especially given the ageing population. Measures to increase the workforce and competence include affordable housing and access to higher education. The project will contribute to sustainable and affordable housing to attract new people to the area around Skellefteå. The Polish project to promote energy modernisation in public facilities in the city of Dabrowa Gornicza in the Silesian Region is another example. The project envisions thermo-modernising municipal education, social welfare, culture and sports buildings. The application details how the project is in line with TJTP objectives to increase energy efficiency in buildings and reduce energy use.

3.3.3. Type and amount of support

The eligible proposals requested PSLF grants averaging EUR 10.7 million. Seven proposals requested less than EUR 5 million, while four asked for more than EUR 15 million (Figure 7). The total value of projects with approved grants varies from EUR 80.7 million – framework loan for Western Macedonia (Greece) – to EUR 420.2 million – local mobility project in the metropolitan area of Lille (France). More details on the leverage and multiplier of the grant contribution are in section 4 of this report (EQ17).

Figure 7 Number of proposals by PSLF grant amounts



Source: t33 & Prognos AG elaboration based on submitted proposals

The following table lists the projects eligible for the PSLF grant. Information on grant, EIB loan amount and type as well as support is only reported for awarded proposals. Information for other cases is only partially available and cannot be considered final, the values of other EIB loans and total amounts are therefore not reported for these cases in the table.

Table 1 – List of eligible proposals and projects (1st to 6th PSLF cut-off dates, no eligible proposals for the first three cut-offs)

Submission cut-off	Member State	Region	Project description / sector	Status of the proposals	Grant amount (EUR million)	EIB Loan amount (EUR million)	Total support (EUR million)	Type of loan
4 th (Sep 23)	CZ	Moravian-Silesian Region	The project concerns the construction of a 1 300-seat concert hall in Ostrava, Czechia. The Statutory City of Ostrava (Statutární Město Ostrava) aims to build a new cultural venue as an extension of the existing House of Culture. Through the development of cultural infrastructure, the project aims to contribute to the revitalisation of the former mining city of Ostrava. Furthermore, the Ostrava Concert Hall will rely on renewable sources of energy.	Grant agreement signed	21.00	84.00	115.50	Standalone loan
5 th (Jan 24)		City of Usti nad Labem, homonymous region	The two activities contribute to energy savings in the operations of the Usti nad Labem public transport company.	Under assessment	0.43			Intermediated loan
6 th (Apr 24)		City of Postoloprty, Usti nad Labem region	The project is to reconstruct roads, sidewalks, the public area of a square, public lighting and urban furniture as well as revitalise greenery in the city of Postoloprty. The project will improve the exterior of the village, increase its attractiveness and, secondarily, support climate sustainability.	Under assessment	0.56			Intermediated loan
6 th (Apr 24)		Podmokly, located in the North Bohemian town of Děčín	The project 'Reconstruction of the historical part of Podmokly - stage D' is focused on revitalising the historical part of Podmokly, in the North Bohemian town of Děčín.	Under assessment	0.58			Intermediated loan
6 th (Apr 24)		City of Děčín	The 'EPC Děčín' project will implement energy-saving measures in selected buildings of the city of Děčín.	Under assessment	0.39			Intermediated loan
6 th (Apr 24)		University of Ostrava	The project 'CZ-Dormitory' will improve affordable student accommodation for the University of Ostrava. Affordable but modern student accommodation is important to maintaining the existing population by providing a wide range of educational opportunities, and also to attract new students from other regions and abroad.	Under assessment	3.01			Intermediated loan

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Submission cut-off	Member State	Region	Project description / sector	Status of the proposals	Grant amount (EUR million)	EIB Loan amount (EUR million)	Total support (EUR million)	Type of loan
6 th (Apr 24)	CZ	Usti nad Labem region	The project 'Modernisation of selected parts of railway infrastructure in the Ústí nad Labem Region' will reduce the negative impacts of heavy-duty railway transport on the environment and inhabitants in affected cities in the Ústí nad Labem region. The project aims to reconstruct sections of railway infrastructure and maintain territorial service coverage with high-capacity public transport.	Grant agreement in preparation	2.35			Framework loan
3 rd (Apr 23)	EL	Western Macedonia	The Region of Western Macedonia together with six municipalities in the area (Argos Orestikou, Kozani, Kastoria, Florina, Eordaia, Kastoria), join efforts to implement sustainable investments to meet development needs of the region in its transition away from carbon intensive activities. The framework loan covers energy efficiency and renewable energy source integration to upgrade buildings and street lighting, urban renewal and regeneration and social infrastructure development.	Grant agreement signed	14.53	58.11	80.71	Framework loan
4 th (Sep 23)	FR	Metropolitan area of Lille	The project in the metropolitan area of Lille will partially replace natural gas buses and refuse collectors with hydrogen vehicles, modernise and increase the tram network capacity and add 220 km of cycling infrastructure.	Grant agreement signed	31.50	210.00	420.21	Standalone loan
4 th (Sep 23)		City of Nantes	The Sustainable Mobility Infrastructures for Low Emissions and qualitative Service (SMILES) project in the Nantes Métropole area will upgrade and renovate three lines of the tram network, renovate rolling stock (46 new tramway vehicles), construct a tramway technical and operational centre, construct an intermodal relay/exchange Hub (park & ride facility), extend a tramway line and develop 38 km of cycle paths. The project will support behavioural changes towards more sustainable mobility, improve access to the public transport network inter-modality and develop active mobility to reduce emissions.	Grant agreement signed	30.00	200.00	404.96	Standalone loan
4 th (Sep 23)		City of Marseille	The project covers the extension of the North-South tramway line in the city of Marseille in France, a new building to house maintenance and storage stock and a second park-and-ride facility at the southern terminus.	Grant agreement signed	15.00	100.00	320.00	Standalone loan

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Submission cut-off	Member State	Region	Project description / sector	Status of the proposals	Grant amount (EUR million)	EIB Loan amount (EUR million)	Total support (EUR million)	Type of loan
3 rd (Apr 23) –rejected and resubmitted in the 4 th (Sep 23)	NL	Zuid-Limburg area	Project supporting the Dutch green energy supplier Mijnwater in the development of its innovative 5th-generation heating and cooling grid in the Zuid-Limburg area.	Under assessment	13.5	90.00		Standalone loan
5 th (Jan 24)	PL	City of Dabrowa Gornicza in the Silesian Voivodeship	The project covers comprehensive energy modernisation in six public facilities within the city of Dabrowa Gornicza in the Silesian Voivodeship.	Under assessment	4.03			Framework loan
3 rd (Apr 23)	SE	Upper Norrland	The municipality of Skellefteå in Västerbotten County, Northern Sweden housing programme consists of 7 housing projects with about 750 sustainable and affordable housing units to accommodate the municipality's increasing population. The municipality is at the forefront of the region's green transition. With the establishment of a battery gigafactory (Northvolt) that requires new skilled workforce, the municipality aims to build sustainable and affordable housing for the new green industry workers as well as for the students of the expanding Skellefteå university campus.	Grant agreement signed	10.60	70.80	141.60	Framework Loan

Source: study team elaboration based on [CINEA publicly available information](#) and information on implementation results provided by REGIO (cut-off date 15 October 2024)

4. Evaluation findings

This section provides evaluation findings from Tasks 1, 2 and 3. Sub-sections cover respectively the evaluation criteria of relevance, effectiveness, efficiency, coherence and EU added value.

Each sub-section follows the evaluation questions. For each question, it introduces topics and aspects of the analysis in line with the evaluation matrix judgement criteria and then triangulates findings from Tasks 1, 2 and 3. Annex II ‘Evaluation matrix’ provides details of the methodology for each evaluation question.

Conclusions and lessons learnt for each evaluation criterion are summarised in section 5.

4.1. Relevance

The first evaluation question examines PSLF alignment with just transition needs, the second covers adaptation to recent changes and the third factors that may hinder uptake.

EQ(1) To what extent were and still are the design and objectives of the PSLF still relevant for the just transition needs of the TJTP regions?

Judgement criteria

This evaluation question covers alignment of:

- PSLF objectives with just transition needs of TJTP regions.
- PSLF design with just transition needs of TJTP regions (potential beneficiaries, finance partners, delivery mechanisms and advisory support).

Alignment of PSLF objectives with just transition needs

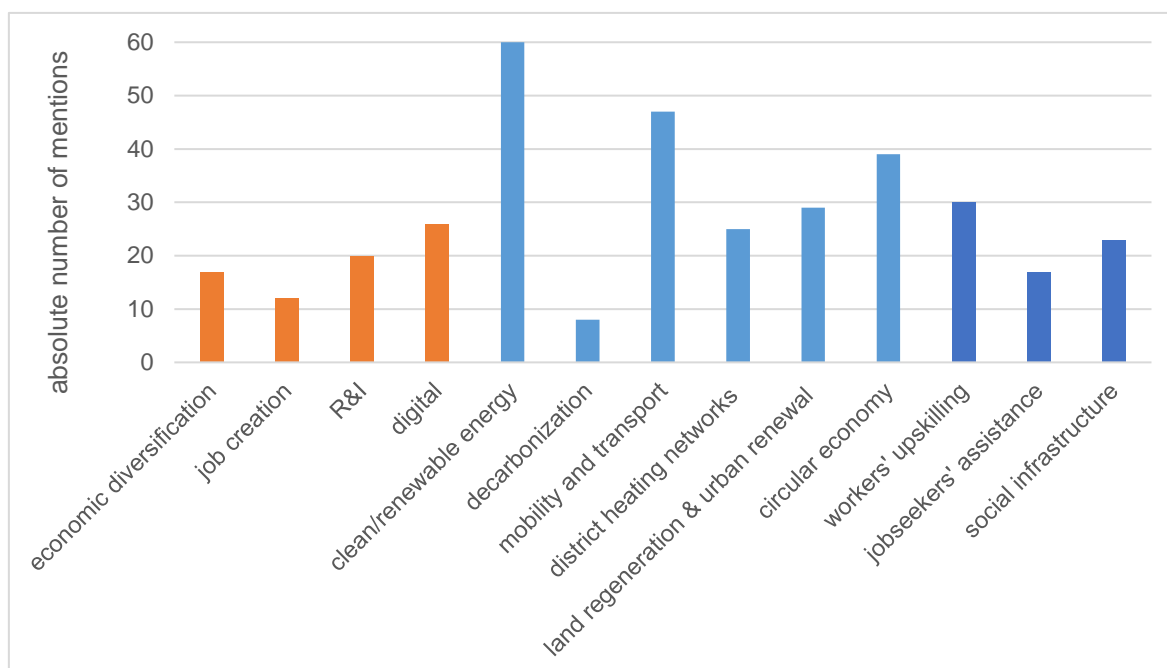
The PSLF objectives can support a wide range of public investments related to the just transition, with the limitation of projects with a financing gap consistent with TJTPs:

- The PSLF general objective is to address serious social, economic and environmental challenges deriving from the transition towards the Union’s 2030 climate and energy targets and the objective of climate neutrality in the Union by 2050 at the latest. This is set out in Regulation (EU) 2021/1119, for the benefit of the Union territories identified in the TJTPs.
- The specific objective of the Facility is to increase public sector investments which address the development needs of territories identified in the TJTPs, by facilitating

financing for projects that do not generate sufficient revenue to cover their investment costs and prevent the replacement of potential support and investment from alternative resources.

TJTPs were prepared in dialogue with relevant partners and the Commission. Partners included public authorities responsible for just transition. Most TJTPs focus on the JTF, and only require PSLF to be consistent with the TJTP, which provides a clear orientation but does not define specific sectors or projects to be supported by the PSLF.

Figure 8: Number of times areas of interventions are mentioned in TJTPs for possible PSLF financing



Source: t33 & Prognos AG (2024) based on the review of 70 TJTPs

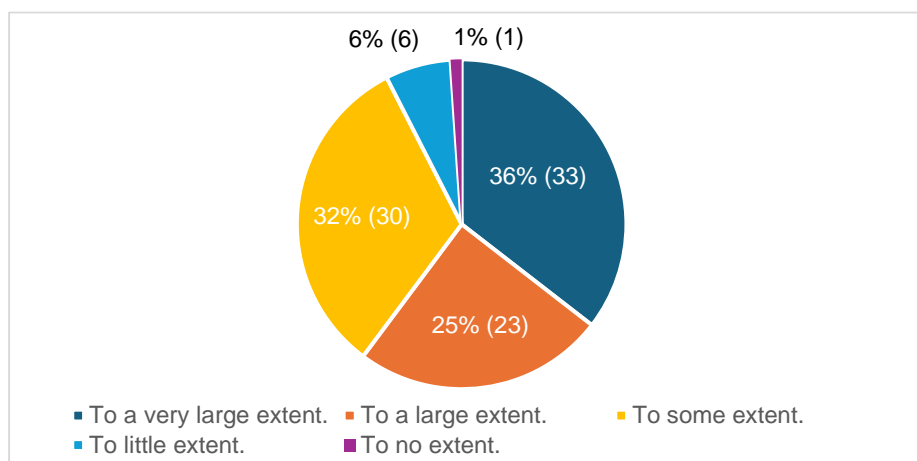
Analysing the TJTPs highlights the following sector coverage:

- The energy sector is the most mentioned.
- Mobility and circular economy investments are among the most cited.
- Decarbonisation projects are only marginally mentioned.
- There are few references to biodiversity.
- Interventions related to economic diversification, job creation and measures to support unemployed workers also have few citations.

Mentioning an area of intervention in the TJTPs does not constitute a binding commitment to implement projects in such fields, but rather signals a need and the JTM, including PSLF, might be a source of funding. Interviews with DG REGIO officials have underscored how the scope of support in TJTPs includes many potential areas of intervention and some Member States (e.g. Spain) have even requested an amendment since their TJTP was adopted to better accommodate just transition needs.

This unrestrictive framework for reaching the PSLF objectives makes it relevant for the just transition needs of TJTP regions. The PSLF can address broader needs than those strictly described in the TJTPs, including needs which haven't been precisely identified when the TJTP was adopted. This is confirmed by the survey under this study when a wide range of stakeholders were consulted concerning the relevance of the PSLF grant component to support a just transition in Member States.

Figure 9: Responses to the survey question 'In your opinion, to what extent is the grant component of the PSLF relevant to support just transition in EU Member States?'



Source: t33 & Prognos AG (2024)

As shown in figure 9, for most respondents, the PSLF grant component is relevant. 36% of respondents, or 33 of 93, say it is important 'to a very large extent' and 25% (23) 'to a large extent'. For 32% (30) it is 'to some extent', 'to little extent' for 6, and 'to no extent' for only 1 respondent. Of the 93 respondents, 27 are implementing projects benefiting from PSLF or intend to submit a proposal. Of these 27, more than 50% say the grant component is relevant 'to a very large extent' and for 33% 'to a large extent'. In the survey, while respondents from the EC, CINEA, and EIB see a moderate level of relevance for the PSLF, the group of local public authorities, regional public authorities, national public authorities, private bodies (with a public service mission), applicants/beneficiaries, and other public or quasi-public organisations generally viewed its relevance positively, with a significant portion considering it highly or largely relevant. In addition, feedback from interviews showed a broad consensus among actors with EU institutions, EIB, national, regional and local actors, beneficiaries and applicants, as well as other third-party actors such as consultants and civil society that PSLF objectives are relevant.

However, an opportunity to increase the relevance of PSLF objectives has been missed. The definition of sectors or projects to be supported by PSLF could have promoted a more strategic approach to the PSLF oriented towards the most urgent and impactful needs complementarity with other EU and national funds. The unrestrictive framework provided by the TJTPs for PSLF objectives means that relevance is evaluated on a case-by-case basis, per project submitted.

Alignment of PSLF design with just transition needs

This section analyses the alignment of PSLF design with just transition needs with a focus on definition of potential beneficiaries, selection of finance partners, design of delivery mechanisms and design of advisory support.

Potential beneficiaries – Whereas the JTF (the first pillar of the JTM) covers a wide array of potential beneficiaries and InvestEU covers ‘economically viable’ investments by private and public-sector entities, eligible applicants under the PSLF are public bodies or private bodies entrusted with a public service mission. The PSLF therefore brings limited additional relevance in terms of beneficiaries in the framework of the JTM as the same beneficiaries are also covered by the other two pillars.

From a potential beneficiary perspective, the main factor affecting the relevance of PSLF is the availability of alternative funds offering better conditions to finance public investments, mostly through higher co-financing with grants. For example, potential PSLF beneficiaries will preferentially make use of cohesion policy funds, including JTF, and RRF to support the same investments. However, interviews with local and national authorities as well as third-party actors¹⁵ and actors with EU institutions (EC) highlight that the PSLF can be highly relevant for public authorities by going beyond providing additional resources to address just transition needs. This is especially the case in Member States with smaller envelopes under other EU Funds. In France, limited alternative national or EU funds were available to cover specific investments in urban mobility such as renewing rolling stock where the European Regional Development Fund (ERDF)¹⁶ is not sufficient and / or does not cover such investments. The example from Romania shows another issue that has diminished PSLF relevance. Some local authorities can access the private financial market without problems. These will consider whether to apply for PSLF or access commercial finance based on their own evaluation of the most suitable alternative. While the PSLF is in principle well placed to offer more attractive repayable financing conditions by combining EIB loans and an EU grant, commercial banks are typically quicker to provide a loan, offer simpler procedures and can benefit from established relationships with their public sector clients.

Finance partners - PSLF Regulation Article 2 defines finance partners as the EIB, other international financial institutions, NPBIs and financial institutions (including private financial institutions) with which the EC signs an administrative agreement to cooperate for implementation of the Facility.

The PSLF currently only includes the finance partner mentioned in the PSLF regulation, the EIB. The EIB is relevant given its role and mission, network of loan officers focusing on originating loans in all Member States, existing project portfolio and pipeline and its specific objectives of supporting cohesion and climate related investments.

NPBIs are also involved in implementing the PSLF, but as EIB financial intermediaries, not as finance partners as defined in the PSLF Regulation. Case studies highlight their relevance. Their presence/absence, as demonstrated in Czechia and France, can increase PSLF visibility and promote the submission of projects to the call for proposals. NPBIs can

¹⁵ These included external consultancies working on technical assistance and advisory services for JTM implementation and NGOs

¹⁶ ERDF is a shared management fund. It provides an important contribution to economic, social and territorial cohesion in the European Union. More information is available at: https://ec.europa.eu/regional_policy/funding/erdf_en

facilitate intermediate lending, as in Czechia, reducing the required threshold amount for projects and enabling smaller authorities to gain access to the Facility as well.

The EC has not explored the possibility of involving additional finance partners in the implementation of the PSLF. DG REGIO officials perceive that the EIB can implement the PSLF in all Member States and the resources available for the grant component do not justify the involvement of additional finance partners.

Delivery mechanisms - Due to the design of PSLF delivery mechanisms, its relevance varies significantly across Member States.

- *Grant and loan combination* - According to PSLF Regulation Article 11, the grant shall not exceed 15% of the finance partner loans, or 25% for less developed regions. Due to the grant being a percentage of the loan, and the loan covering only a part of project's investment costs, PSLF grants are expected to cover a smaller proportion of the investments compared to cohesion policy funds or the RRF. As indicated earlier, potential beneficiaries will usually use alternative sources of funding if they provide higher rates of grant co-financing compared to the PSLF. However, the blending delivery mechanism can be highly relevant given its potential to leverage more resources with less EU funding. Blended financing is also an incentive for potential beneficiaries to seek PSLF support for highly relevant investments only, as most of the support, the loan component, has to be repaid.
- *National shares* - As per PSLF Regulation Article 7, from the first call for proposal until the end of 2025, Union support resources are split by Member State according to the split set for the JTF in the JTF Regulation (EU Regulation 2021/1056) Annex I¹⁷. The remaining grant resources will be awarded on a competitive basis at Union level, without national shares, until those resources are exhausted considering the requirements of PSLF Regulation Article 14. This regulatory design of funding distribution among Member States limits the capacity of the Facility to address just transition needs in some Member States during the first call for proposals, from 2022 until 2025. Some Member States could have used more PSLF funding but can only benefit from the maximum amount set by their national allocation. When this is exhausted, a project proposal will be rejected, discouraging other actors and stakeholders from submitting applications. While in some Member States the funding is almost fully reserved or absorbed, implementation is still limited in most. Additional resources could be relevant in Member States such as France where applicants have presented proposals worth more than the initial national allocation and Sweden where the eligible projects are worth all the national allocation. Projects in the Netherlands, Czechia, Greece and Poland have consumed only part of their national allocation¹⁸. The other Member States have yet to apply for a grant. As confirmed by the second implementation report of the PSLF (EC, 2023d), 'national shares do not necessarily correspond to Member States' demand'. The lowest national shares may not provide sufficient incentive to submit a grant application, in particular Luxembourg with a national share of less than EUR 1 million, but also

¹⁷ JTF Regulation (EU Regulation 2021/1056) Annex I. The explanatory memorandum accompanying the European Commission regulation proposal for the PSLF provides justifications for the PSLF based on public consultation and the impact assessment conducted for the proposal. The explanatory memorandum highlighted that the PSLF could support the territories most negatively impacted, addressing transition development challenges and providing public-sector entities with financial support towards climate neutrality objectives. The explanatory memorandum also justified the use of PSLF in the most negatively affected territories and the proposed temporary allocation of national shares for the grant component following JTF rules. For further details see the section 'impact assessment' of the explanatory memorandum of the European Commission proposal for PSLF regulation (EC, 2020g). See also European Parliamentary Research Services, 2021.

¹⁸ As of October 2024. Data are from: https://cinea.ec.europa.eu/just-transition-mechanism/budget_en and integrated with documentation from the application process. For more information, refer to Section 3 of this Report.

others with a national share below EUR 10 million such as Austria, Cyprus, Denmark, Ireland and Malta. For Member States with the lowest share, in particular Luxembourg and Malta, the percentage of the grant (15 or 25 %) cannot be reached when applying for a standalone or framework loan directly with the EIB. However, it is worthwhile noting that 8 of the 14 grants under assessment are for under EUR 5 million. Moreover, efforts have been made to more easily reach smaller beneficiaries by lowering the minimum intermediate loan from EUR 3 million to EUR 1 million (EC, 2023e).

Advisory support– The EC allocated up to EUR 35 million for advisory support in the preparation, development and implementation of projects, including support to prepare projects prior to submission of the application (PSLF Regulation article 5 (6)). This support is provided through the InvestEU Advisory Hub, which is relevant as the project pipeline is critical to ensure enough projects to absorb the available funding. As further specified in EQ 7, advisory support is paramount because some potential applicants and beneficiaries are public entities with insufficient administrative capacity to prepare good quality proposals and are unaware of the funding opportunities.

EQ(2) How well adapted is the PSLF to changes or developments that have emerged since its introduction? Have the circumstances changed in the meantime so much that the intervention has to change/adapt to them over time?

Judgement criteria

This evaluation question covers adaptation to recent changes and specific events such as Russia's war of aggression and interest rate changes. Study findings relate to emerging changes and their effect on the just transition process.

Adaptation to recent changes due to specific events

Post-COVID-19 and in particular after the Russian aggression against Ukraine in 2022, an extended period of international and internal instability for Europe has affected the availability and price of raw materials and gas, with consequences for inflation, energy and construction. **These changes have reinforced the importance of diversifying the economy and specifically the energy sector** (European Parliament, 2023), **increasing the relevance of PSLF**. Increased energy prices bring additional challenges to the green transition process with Member States facing additional pressure to provide sufficient affordable energy.

The European Court of Auditors 2022 Special Report on 'EU support to coal regions' only briefly mentions PSLF in a description of the JTM. Its findings, however, hint at less relevance for instruments in coal regions as the Russian invasion of Ukraine may delay a coal phase-out (European Court of Auditors, 2022). The Institute for European Environmental Policy (2023) however indicates that the Russian invasion of Ukraine may push Member States to reduce their reliance on fossil fuels, specifically gas.

The instability affecting PSLF beneficiaries therefore has contradictory effects on the relevance of the Facility. The same contradictory dynamics would apply to the increase in

interest rates. The PSLF requires co-financing from public entities while the EU political and strategic agenda is challenged by fiscal sustainability due to higher interest rates and central bank interventions affecting all public policies (European Environment Agency, 2023). However, higher interest rates could also make the PSLF more relevant, given its attractive conditions compared to a loan which could be negotiated with private banks at market rates.

As illustrated in EQ9, the uptake of PSLF has been influenced by the energy crisis and increased construction prices. Despite this, interest in addressing just transition challenges remains and additional resources provided by the PSLF for public investment are extremely relevant where European government priorities compete for scarce public budgets (green and digital transition, defence and investment in social infrastructure).

Case study analysis also shows that the TJTPs, adopted in 2022 and even 2023, have adapted to changes which have occurred since the PSLF regulation was adopted. For instance, Greek TJTPs already take into account recent developments in energy policy prompted by the Russian invasion of Ukraine referring to RePowerEU approved in 2022. PSLF areas of intervention leave room for flexibility for potential beneficiaries.

In addition, little time has passed between adoption of the TJTPs and the preparation of this report, therefore limited changes which the PSLF should adapt to.

EQ(3) Are PSLF's potential beneficiaries able to make use of debt-based instruments? Is their participation limited by factors such as their pre-existing level of debt, national legislations or credit exposure with the EIB or financial intermediaries?

Judgement criteria

This question covers financial constraints that may hinder PSLF up-take. The evaluation question focuses on potential administrative and borrowing capacity as well as institutional arrangements hindering or limiting the use of debt-based instruments.

Potential beneficiaries' capacity to use debt-based instruments

The situation varies across Member States. In France according to the interviews, **there are no specific issues with access to debt-based instruments** or specific factors hindering participation in loan schemes. However, interviewees with beneficiaries and a NPBI representative highlighted the importance of administrative capacity, in particular how previous experience acquired by applying for other EU or national funding facilitated the use of PSLF.

In other Member States, interviews with EC and EIB institutional representatives, local and national authorities, and the document review highlight specific factors limiting the use of debt-based instruments. In Romania, local authorities and especially smaller municipalities, have existing debt that hinders their access to PSLF. Romanian local authorities can exceed the legal borrowing limit if the funds are used to co-finance projects

supported by EU Funds¹⁹. However, this exception does not apply to PSLF and interviewees reported that this issue is being analysed. Similar concerns emerged regarding Czechia, where the use of debt-based instruments largely depends on the regional/local fiscal situation (PWC, 2024). In general, pre-existing levels of debt, in particular when its level reaches legal ceilings, may discourage or forbid local authorities from applying for PSLF. As highlighted in the case study, Czech debt thresholds limit the budget capacity of local authorities, especially smaller ones.

The literature highlights how entities with **more administrative capacity are more apt to make use of blended instruments such as the PSLF**. For example, Andrews and Boyne (2010) note that resources such as human capital and organisational competence correlate with fiscal performance in public organisations. In another study, Collins and Gerber (2006) demonstrated that administrative capacity, especially in local governments, influences the ability to secure funding and manage fiscal resources effectively, preventing unsustainable debt levels. These findings emphasise that administrative and managerial capabilities can mitigate or exacerbate fiscal strain, making them crucial to manage debt in the public sector. Furthermore, experts from the energy and finance sectors of the Investors Dialogue on Energy agree on the importance of blended finance to develop a dynamic market, but they are cautious about additional administrative burden and possible bottlenecks of blended financing (EC, 2023a).

The case study interviews with local and national authorities emphasise that it is important not to overlook the impact of other funding sources, such as RRF, with more attractive rules (e.g. higher grant contribution) and tighter deadlines to be used earlier than PSLF. These sources have absorbed administrative capacity and time, especially during the start of PSLF implementation. Beyond the impact of other funding sources, Czech local authorities successfully submitted project proposals. Technical assistance and the NPBI were critical in this regard. In Romania, local authorities have had low capacity for PSLF absorption so far. Romanian local authorities have not been able to make use of framework loans in order to finance smaller projects. Technical assistance is analysing opportunities for intermediated loans in Romania, which could lower the administrative burden for beneficiaries.

Two further challenges that surfaced from the interviews and the literature review²⁰ are the **minimum threshold for EIB direct lending and the requirements for beneficiaries to obtain framework loans**.

For EIB framework loans and standalone projects, the amount requested should be at least EUR 12.5 million, as this usually covers up to 50% of project costs of about EUR 25 million. This can be a significant entry barrier for municipalities with small projects and limited administrative capacity preventing them from taking up a coordinating role (see EQ6 for further details).

For framework loans, in addition to the minimal EUR 12.5 million amount, one organisation has to coordinate and negotiate the loan for a group of beneficiaries, which requires

¹⁹ Law No. 273 Of 29 June 2006 On Local Public Finances.

²⁰ Just Transition Mechanism (JTM) - Call for proposals - Public Sector Loan Facility - JTM-2022-2025-PSLF, 12th February 2024

administrative capacity, or one beneficiary needs to have a set of its own projects that reach the minimum budget²¹.

A possible solution to high minimum loan size and coordination issues could be more engagement from NPBIs (EC, 2023e) and a higher use of financial intermediation. At this stage, intermediated lending is only available in France and Czechia. Loans requested through EIB financial intermediaries should be for at least EUR 1 million, significantly reducing the threshold for smaller projects. While initial results from Czechia seem promising, it is still too early to understand whether NPBI involvement and intermediated lending, next to other EIB products, could increase PSLF uptake. Demand for intermediated lending appears to vary significantly among MS.

External factors affecting potential beneficiaries' participation in debt-based instruments

National legislation and institutional organisation regarding the use of debt by public authorities also affects the uptake of debt-based or blended instruments such as the PSLF. The example of Greece is further explored in Task 3 with case studies where Consultants responsible for Greek technical assistance reported significant levels of existing debt. Moreover, Greek legislative framework stipulates that the EIB can sign a loan agreement only with the Ministry of Finance at national level²². For local authorities, according to interviewees, this curtails their ability to establish a loan agreement directly with the EIB.

²¹ EC Directorate-General Regional and Urban Policy (Unit F1), *'Uncapping the participation of National Promotional Banks and Institutions (NPBIs) under the public sector loan facility (JTM Pillar III)'*, 2023.

²² Law No. 4270/2014 on the Governance of Public Finance, Financial Management and Supervision which rules the loan discipline for local authorities. Moreover, the local authorities code provides the framework for the local authorities (Law No.3463/2006)

4.2. Effectiveness

Evaluation questions 4-6 cover PSLF uptake, how the call for proposals reflects the PSLF regulation and how less developed regions have been able to access the Facility. EQ7-8 examine the effectiveness of advisory support as well as communication and information actions. EQ9 focuses on factors explaining PSLF uptake, while EQ10 examines the benefits of including PSLF in the TJTP framework. EQ11-15 refer to achieving PSLF objectives, focusing on timing, project pipeline, unexpected or unintended effects, Member State support, and environmental objectives.

EQ(4) How successful has the PSLF been in achieving (or progressing towards) its objectives? To what extent were the expected changes resulting from EU action delivered?

Judgement criteria

This question covers financial progress, the uptake of PSLF and its effectiveness. Since PSLF is still in the initial phase of implementation, it is too early to assess its wider impact and how much change it has delivered.

PSLF uptake

Current uptake, considering proposals awarded and under assessment, is around 11% of the available resources. Proposals have only been submitted in some Member States, indicating uneven geographic demand. Between July 2022 and April 2024, the number of eligible proposals increased (see implementation progress in section 3). For the sake of comparison, according to Cohesion Open Data Platform, 31.3% of available resources under the JTF had been decided in October 2024.

An estimate of potentially mobilised investments can be based on the proposals and national shares. The eligible projects submitted up to April 2024 are expected to mobilise approximately EUR 147.5 million in grants, EUR 856 million in loans from the EIB and more than EUR 1.5 billion in total investment²³.

Several interviewees, including actors with the EU institutions, EIB, public authorities and external consultancies, pointed out that uptake of the Facility might increase in the coming years as JTF funding is expected to be absorbed. This could free up administrative capacity enabling potential beneficiaries to apply for PSLF. Another factor is increased awareness of the wider public and potential beneficiaries of PSLF funding opportunities (due to multiple communication and information efforts as explained in EQ8 below). An additional factor, as mentioned earlier, is that from 2026 onwards, national shares will no longer apply to the PSLF. Member States which have exhausted their national shares will be able to apply

²³ These estimates are based on the grants requested in the proposals as the loan should cover up to 50% and the grant 15% to 25% of the loan based on the region category. Upper limits of the shares (15% or 25%) were considered for the estimates.

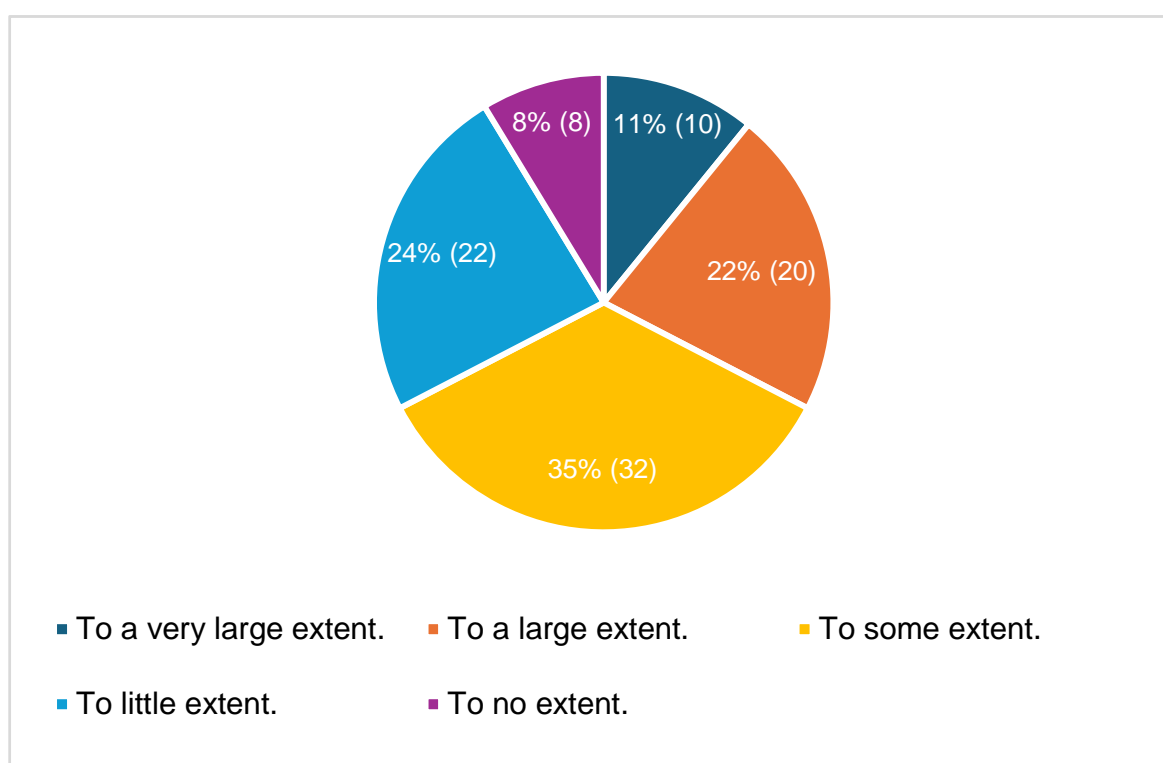
again and those which only had limited national shares will have more incentive to use the Facility.

Effectiveness of the EU action

As most PSLF projects have only been recently approved or just started implementation, there are **no concrete results** yet. It is too early to determine progress towards PSLF objectives. More qualitative information from the interviews with actors with EU institutions (EC, CINEA) and EIB as well as beneficiaries shows that the effectiveness of PSLF to achieve its objectives cannot yet be assessed. Moreover, it was highlighted that at this stage the projects have not delivered the expected results yet.

Based on the survey, 68% (62 of 92) of respondents believe PSLF has been at least partially effective in addressing serious social, economic and environmental challenges of the transition in Member States (see graph below), with 11% and 22% believing it has been effective 'to a very large extent' and 'to a large extent'. In comparison, 32% of respondents (30 of 92) believed PSLF was only effective 'to little extent' or 'to no extent'. While the group of local public authorities, regional public authorities, national public authorities, private bodies (with a public service mission), applicants/beneficiaries, and other public or quasi-public organisations generally viewed its effectiveness positively, with many expressing strong or moderate confidence, respondents from the EC, CINEA, and EIB were more doubtful, with most perceiving PSLF as only somewhat effective or largely ineffective.

Figure 10: Responses to the survey question 'In your opinion, to what extent has the PSLF been effective in addressing the serious social, economic and environmental challenges of the transition in EU Member States?'



Source: t33 & Prognos AG (2024) Note: the absolute number of responses is in brackets.

The interviews emphasised several aspects that could help improve PSLF uptake and its effectiveness. Further details are provided under EQ9.

Analysis of the awarded and ‘under assessment’ proposals shows that they reflect the most mentioned areas of interventions in the TJTPs which were described in EQ1. **Each proposal can contribute to more than one area of intervention, so they cover mainly mobility and transport** (5 proposals), **cultural and social infrastructure** (6), **urban renewal and regeneration** (3), **clean and renewable energy** (2), and **district heating networks** (2). The proposals do not cover the circular economy or workers’ upskilling- and reskilling which are often mentioned in the TJTPs (see EQ1). It may be the case that such projects have instead been supported under JTF. Nonetheless, several projects are expected to contribute directly or indirectly to the labour market because they create job opportunities during or after their implementation.

The largest projects in terms of investment costs cover mobility and transport. For the awarded proposals, such projects make up 62% of the grant amounts and 77% of the total project value. The proportions are similar if we also consider proposals which have been selected for funding but for which grants have not been signed yet. In this case, mobility and transport represent 56% of the number of grants and 72% of the total investment costs. Mobility and transport proposals can usually mobilise more funding beyond the combined PSLF grant and loan than proposals relating to other sectors, giving them a higher multiplier effect. However, such projects are, so far, mostly located in transition regions which are limited to 15% grant support from the PSLF, which also partially explains the higher multiplier effect.

EQ(5) Does the call for proposals adequately reflect the objectives and requirements of the PSLF Regulation?

Judgement criteria

This evaluation question examines the alignment of the call for proposals with PSLF objectives and requirements including eligibility conditions, prioritisation criteria and horizontal principles. The findings below are based on the desk review comparing the call for proposals and the PSLF Regulation.

Alignment of the call with the PSLF objectives and requirements

The PSLF multi-annual call for proposals (2022-2025) explicitly refers to the general and specific objectives of the PSLF regulation. It specifies the type of investments that are eligible for funding under PSLF as per recital 6 of PSLF Regulation. It also includes types of investment which are not necessarily mentioned in the call but are in line with approved TJTPs and are not excluded by Article 9 of the PSLF Regulation.

The PSLF call document is also in line with PSLF requirements for horizontal principles and eligibility conditions (Articles 4 and 9) and introduces prioritisation criteria (Article 14 (2))²⁴.

²⁴ The call document is the 4.0 February 2024 version. The initial version was published in July 2022, version 2.0 modified a sentence on retroactive application under starting date and project duration, version 3.0 the available budget and the amount loans. This latest version modifies eligibility considering national shares.

- **To be eligible**, applicants have to be either a public law body or a private body entrusted with a public service mission and established in a Member State. Project activities have to take place in the target countries and benefit TJTP territories within the thematic areas and sectors, project duration and budget.
- The **call** explicitly refers to **indicators for a measurable impact** addressing serious social, economic and environmental challenges in the transition.
- For the **horizontal principles**, the PSLF regulation requires that projects respect fundamental rights and comply with the Charter of Fundamental Rights of the European Union, ensure gender equality, avoid discrimination and are in line with the United Nations Sustainable Development Goals, the European Pillar of Social Rights, the 'polluter pays' principle, the Paris Agreement and the DNSH principle. The call refers to horizontal principles in the eligibility criteria under the section 'Ethics and EU values'. Horizontal principles are also mentioned in the application form, the grant agreement and the award criteria. Implementation of horizontal principles is also checked when monitoring and evaluating ongoing projects. However, there is no specific KPI related to horizontal principles defined in Annex II of the PSLF Regulation. Therefore, the level of detail on horizontal principles during project implementation might vary substantially across projects. They are defined in the grant agreements to ensure appropriate monitoring and evaluation. In addition, EIB due diligence also supports the integration of horizontal principles in project implementation.
- **The call specifies three prioritisation criteria with bonus points.** The first attributes up to 5 additional points if the project is in a less developed region. The second up to 3 points for projects contributing directly to the EU's 2030 climate and energy targets and climate neutrality by 2050. The third prioritises projects from applicants that have adopted decarbonisation plans giving them up to 2 bonus points. Evaluators follow specific guidance on how to award these points to ensure equal treatment.

EQ(6) Have less developed regions been able to access PSLF funding as much as transition and more developed regions? What factors (unexpected or unintended) have driven or hindered this? Are the measures designed to support the implementation of the PSLF in less developed regions (25% grant, bonus points for less developed regions) effective, i.e. are these measures a sufficient incentive for less developed regions to apply? Has administrative capacity been a hindering factor for access to PSLF? Is the application process helpful in overcoming possible administrative capacity weaknesses?

Judgement criteria

This evaluation question assesses PSLF effectiveness by assessing the capacity of less developed regions to access PSLF funding.

Capacity of less developed regions to access PSLF funding

The PSLF regulation has specific measures to support and promote access to funding in less developed regions. Article 5 (6) allocates advisory resources of up to EUR 10 million to support the administrative capacity of beneficiaries, in particular in less developed regions. Under Article 11, less developed regions can also benefit from a higher grant rate compared to transition and more developed regions (up to 25% instead of 15% of the loan). Priority is also given to projects in less developed regions when projects are ranked during the grant application process (see EQ5).

Based on the limited PSLF implementation, it is too early to assess whether less developed regions have been able to access PSLF as much as transition and more developed regions. However, there is some evidence that applicants from less developed regions could access PSLF funding and have the incentives to do so because most of the eligible proposals (9/14) are located in less developed regions.

Based on the literature review, a few factors might affect PSLF uptake in less developed regions, notably:

- **Timing of TJTP adoption.** The Bankwatch Network report (October 2022) indicates the status of TJTP in central and eastern Europe countries. For instance, in Czechia where all just transition territories are in less developed regions, TJTPs were approved only in September 2022. Estonia and Slovakia had sent their TJTPs for approval, which was expected by the end of 2022. In Hungary, Poland, Romania and Bulgaria, the TJTPs were still under negotiation. Later, according to a European Parliament study (2023a) at the beginning of April 2023, there was no progress for TJTP approval in Bulgaria. Approval in some EU countries with less developed regions after publication of the call for proposals might have hindered the use of PSLF in those regions. However, there was also late approval in countries without less developed regions, such as Finland where TJTPs were completed in October 2022 (according to SFC2021 data)²⁵.

²⁵ SFC2021 is the electronic data exchange system for all official exchanges of information between a Member State and the Commission concerning fund management as set out in Article 69(9) of the CPR.

- **Less developed regions can be also eligible for other EU funding** usually with higher grant coverage, such as RRF and cohesion funds such as JTF, ERDF and CF which cannot be combined with the PSLF.
- **Administrative capacity is usually lower in less developed regions with smaller local public entities.** According to the Ninth Cohesion Report (EC, 2024f), deficiencies in administrative capacity can hamper development potential and remain a structural challenge in less developed regions²⁶. According to the European Quality of Government Index 2024, less developed regions have a lower average score of quality of government index than transition and more developed regions. This is also true for the TJTP territories analysed in this report. The OECD (2020) also stresses that difficulty in absorbing funding for investment can be a sign of inadequate administrative capacity at sub-national level²⁷. These findings were confirmed by the interviews highlighting limited administrative capacity and prior experience with EU funding instruments under direct management, such as the PSLF. These administrations tend to require more time to get familiar with and propose potential projects. These limitations were underlined by the EIB, NPBI representatives and public authorities as well as external consultancies supporting potential beneficiaries. Some interviewees who submitted proposals, as in the case of French beneficiaries, highlight the importance of previous experience and skills with other EU funding instruments.
- The use of blending and debt-based instruments such as the PSLF can be also more challenging for less developed regions with less administrative capacity due to the reasons explained in EQ3.

EQ(7) To what extent have beneficiaries been able to access the advisory support offered under the PSLF and has it been effective?

Judgement criteria

This evaluation question examines the effectiveness of advisory support financed by the PSLF and provided by the EIB via the InvestEU advisory Hub. A more in-depth analysis is presented in the case studies for Greece and Romania. Demand for advisory and technical support has been limited, making it difficult to evaluate its effectiveness. Additional technical assistance financed under other EU and national instruments has been provided and analysed in the context of EQ24 but is excluded from the scope of this question.

Effectiveness of the advisory support

The PSLF provides advisory support to prepare, develop and implement eligible projects, where necessary, including prior to submission of the application (as per Article 3(3) of the PSLF Regulation). Article 5(6) defines the resources (up to EUR 35 million) for these

²⁶ The EC Cohesion Report states that 'There is a strong correlation between the quality of governance and the impact of Cohesion Policy investments. [...] This calls for a strengthening of administrative capacity at regional level to improve the quality of governance and so increase the impact of Cohesion Policy on regional development and convergence'. This is also reflected by ten Member States (Bulgaria, Croatia, Czechia, Hungary, Latvia, Portugal, Romania, Slovenia, Slovakia and Spain) being recommended to develop roadmaps for administrative capacity building in the 2019 Country Reports of the European Semester (in Annex D under Factors for effective delivery).

²⁷ An ad hoc study of Romania emphasises the importance of know-how and leadership for local municipal authorities to ensure effective implementation of local energy transition agendas (Frankfurt School 2021a).

activities, of which at least EUR 10 million shall support the administrative capacity of beneficiaries, in particular in less developed regions.

According to the PSLF Annual Implementation Report 2024 (EC, 2024e), the EIB provided advisory support services under the InvestEU Advisory Hub to several potential beneficiaries. Up to the end of August 2024, five Member States had received this support: Romania, Bulgaria, Spain, Cyprus and France²⁸.

The support service was scoped and adapted to specific needs of individual project promoters. It included guidance to identify suitable projects, upstream support to prepare investment programmes, project development advice and support to apply for PSLF grants. In addition, the EIB helped identify and support projects which could benefit from financing under the PSLF.

It is important to note that the EIB advisory services under PSLF are demand driven, linked to potential beneficiaries' prospects of PSLF financing in the near future. Following the limited uptake of the PSLF, the need for advisory has also not been apparent to a large extent. The EIB staff has been closely working with the Commission to raise awareness and disseminate information about the use of the advisory services available under the PSLF.

According to the survey, 'accessing technical assistance for the preparation of projects' is not viewed as a significant obstacle in the application process, suggesting that beneficiaries generally do not face difficulties in obtaining advisory services²⁹. Several interviews with stakeholders and actors with EU institutions and EIB suggested that increased use of advisory support and technical assistance would help increase the uptake of PSLF and the quality of applications. This is especially the case for smaller local public authorities which require continuous support. However, all these advisory activities have only recently started and most are not yet concluded, making it difficult to assess their effectiveness and added value.

The Advisory support under PSLF is one of the initiatives which is included under the InvestEU Advisory Hub. The entirety of the InvestEU Advisory Hub implemented by different Advisory Partners, including also the EIB, has been assessed as part of the interim evaluation of the InvestEU programme (EC, 2024a). The latter confirms that it is too early to fully assess the impact of the Advisory Hub with many assignments still in progress or in the pipeline. However, some preliminary findings highlight the beneficiaries' satisfaction with the quality of the EIB services received. The EIB's advisory key role in supporting the acceleration of the green and digital transition is also highlighted in EIB evaluation study of its advisory services (EIB Group Evaluation, 2023).

Furthermore, in the framework of the same evaluation, the Advisory hub was also found to be functioning effectively as a single-entry point and its website acting as a good access point. The InvestEU Advisory Hub could however benefit from improved visibility and communication efforts. Some public authorities interviewed were of the view that the scope of the advisory services could have been more clearly communicated, as several advisory and technical support instruments were simultaneously available for the JTM. More information on the complementarity of technical assistance instruments (e.g., the Technical

²⁸ Some of the advisory activities in Cyprus, Greece, and France were launched before the PSLF was in place and were funded from other sources, such as the European Investment Advisory Hub (Greece) and the InvestEU Advisory Hub's Sustainable Infrastructure Window (Cyprus and France).

²⁹ See EQ18 for details.

Support Instrument (TSI) and by cohesion policy funds) and PSLF advisory services are presented in EQ24.

EQ(8) Have communication and information actions implemented by DG REGIO and CINEA affected the implementation of the PSLF? Which were the most effective? To what extent have potential applicants been able to get answers to their questions concerning the application process and the call for proposals?

Judgement criteria

This evaluation question examines the effectiveness of communication and information actions by DG REGIO and CINEA, relying mainly on the desk review, the survey and interviews.

Effectiveness of communication and information actions

PSLF is a new instrument, therefore **communication and information actions are key to promoting its uptake**. DG REGIO, with the support of CINEA and the EIB is focusing on three objectives (EC, 2024e):

‘Ensure that the PSLF’s potential beneficiaries: (i) are aware of the existence of the Facility, (ii) understand what it offers, including advisory support services and (iii) know how to apply for funding and advisory support under the Facility.

Ensure that internal stakeholders inside the European Institutions with outreach capacities towards PSLF’s potential beneficiaries: (i) are aware of the existence of the Facility, (ii) understand what it offers, including advisory support services and (iii) know how to support beneficiaries in applying for funding and advisory support under the Facility.

Contribute to the visibility of the results of the implementation of the Facility’.

Moreover, the beneficiaries must ensure the visibility of PSLF projects, according to conditions in their grant agreements.

The PSLF implementation report³⁰ published in September 2024 describes information and communication efforts of DG REGIO, CINEA and the EIB to increase awareness about the Facility, with local, regional and/or national meetings and events. From July 2022 until July 2024³¹ there were 66 meetings with representatives of 24 Member States at national, regional and/or local levels, 36 meetings within EU institutions (e.g. different services of the EC, Committee of Regions) and with external stakeholders (think-tanks, civil society organisations, associations, national promotional banks and institutions). PSLF was

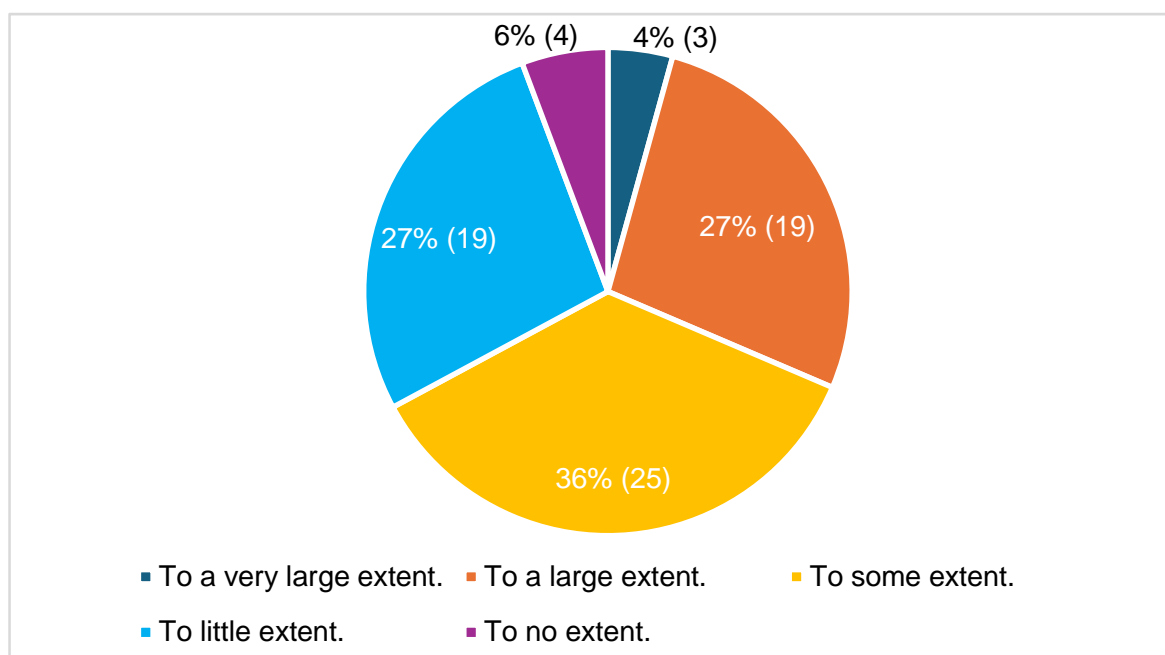
³⁰ European Commission Communication COM(2024) 424, Report on the implementation of the public sector loan facility under the Just Transition Mechanism in 2024 (EC, 2024e).

³¹ External awareness raising activities with potential beneficiaries started after the parameters for PSLF implementation were agreed.

presented during 28 topic-related events (presentations, Q&A sessions, dedicated stands). It was also included in 2 brochures, 161 posts in topic-related newsletters and websites as well as social media, 76 FAQs on Funding & Tenders portal, four video messages recorded by the Commissioner in charge of Regional and Urban Policy and two Info Days, each with around 300 participants. The CINEA public dashboard also presents all programmes it currently manages with information on approved projects³².

While it is not easy to measure the effectiveness of communication and information activities, because being informed about the PSLF will not necessarily lead to project applications, nevertheless, the increasing number of applications and eligible proposals is an encouraging sign in this regard. Survey results suggest that communication and information activities on the PSLF have overall been effective to reach potential beneficiaries, with 67% of respondents (47 of 70) feeling informed about PSLF to a large or to some extent. At the same time, 33% of respondents (23 of 70) felt informed to a little or to no extent. 75% (27 of 36) respondents from a TJTP territory, feel informed to a large or some extent. Feedback from the interviews, especially with national, regional and local actors, beneficiaries and applicants, showed variation in the extent to which communication and information activities on PSLF take place in Member States and stakeholders are informed.

Figure 11: Responses to the survey question ‘To what extent do you feel informed about the PSLF?’



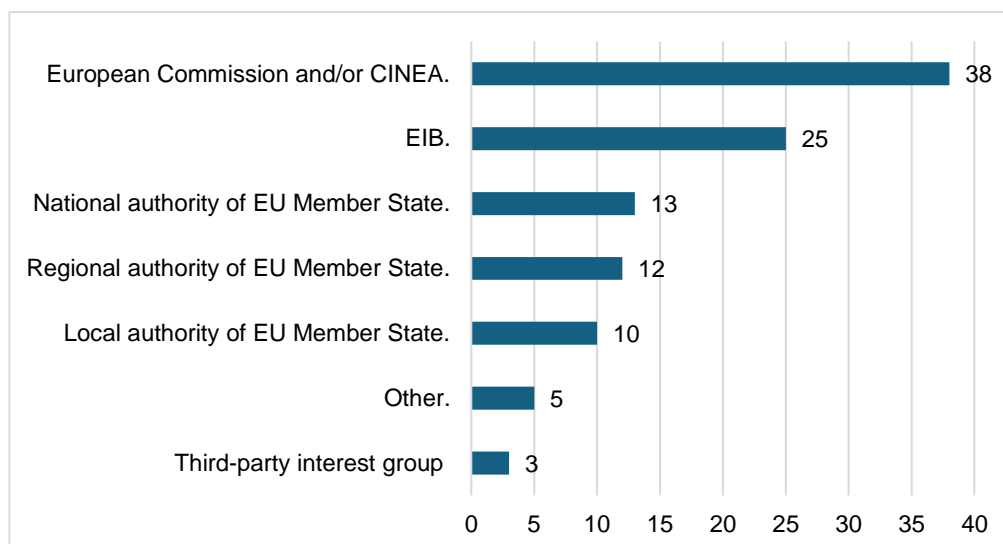
Source: t33 & Prognos AG (2024) Note: the absolute number of responses is in brackets.

Most respondents received information from the EC and/or CINEA (38 of 69). This is followed by the EIB (25 of 69). In this regard, the combination of an already existing network within the Commission under the shared management funds and the EIB network of representative offices across the EU has been instrumental to raise awareness about the PSLF. Some respondents received information from national (13 of 69), regional (12 of 69) and local authorities (10 of 69). This depends on how much national and regional public

³² [CINEA Project Portfolio - Welcome | Sheet - Qlik Sense \(europa.eu\)](#).

authorities promote PSLF (see EQ14). A few respondents received information about the PSLF from other sources (5 of 69) or from a third-party interest group (3 of 69).

Figure 12: Responses to the survey question ‘From whom did or do you receive information on the PSLF? More than one answer is possible’



Source: t33 & Prognos AG (2024).

Information about the PSLF was mostly received through e-mails (44 of 71) followed by meetings (33 of 71) and website/online materials (30 of 71), involvement in preparation of the TJTP (21 of 71), events (16 of 71), and social media/newsletter (12 of 71).

The interviews with beneficiaries, other national, regional and local public authorities as well as other third-party actors such as consultants and civil society emphasised the importance of communication across the EU. For instance, support from DG REGIO and CINEA during the application process which provided answers to questions for the French applicants is found effective. In Romania, communication by DG REGIO, CINEA and the EIB have been also well received by the central institutions, but there is still room to improve knowledge about the PSLF at the local level.

The ability to communicate with the Commission in their native language was highlighted as positive by national, regional and local public authorities, and beneficiaries appreciated the availability of contact persons to address questions about the EC applications. However, despite multiple efforts by DG REGIO and CINEA to accommodate the language needs³³ of potential applicants, feedback suggests that the language barrier remains a challenge for PSLF for some stakeholders, especially when negotiating the loan, as in the Romanian case. Interviewed actors with the EU institutions (EC), public authorities and third-party representatives including consultancies confirmed that in particular smaller public entities could face language problems when interacting with European institutions, including with the EIB.

³³ E.g. PSLF brochures available in all EU languages, applying for PSLF is possible in all EU languages, and presentations were in different languages as needed.

EQ(9) What factors intrinsic to the PSLF can explain the difference in the level of take up of the PSLF between MS? What external factors can explain the difference in the level of take up of the PSLF between Member States?

Judgement criteria

This evaluation question reviews internal and external factors which could explain the different uptake of PSLF between Member States.

External and intrinsic factors explaining the difference in the uptake

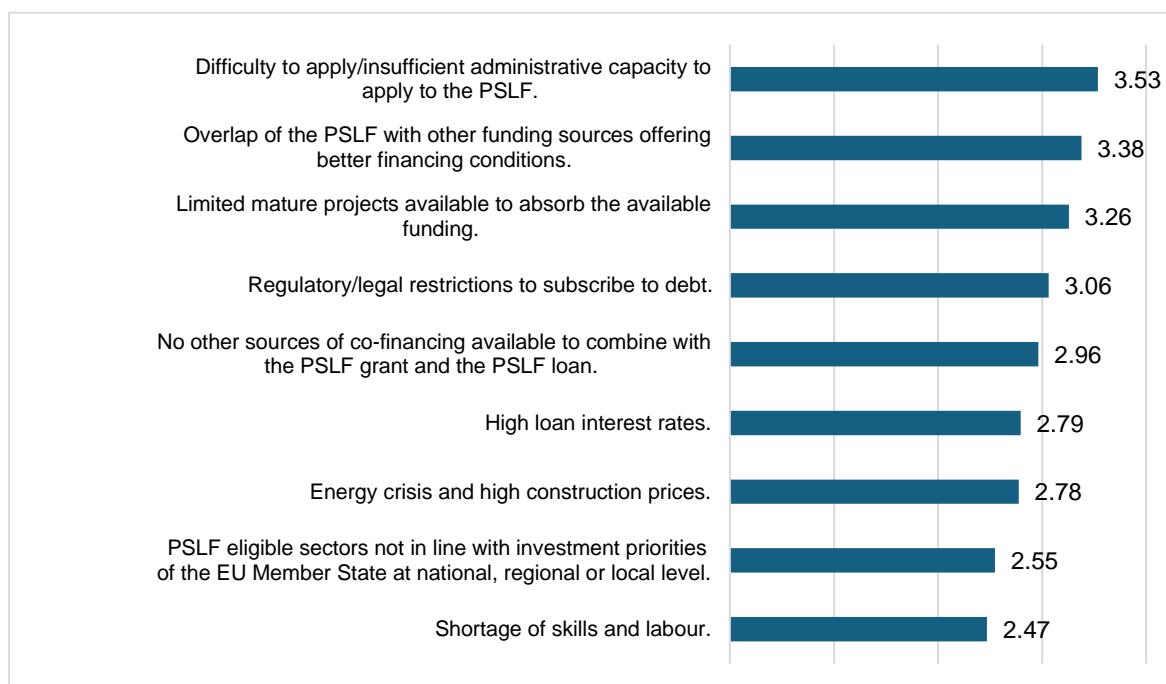
The PSLF is a demand driven instrument which depends on the interest of potential beneficiaries as well as on a few intrinsic and external factors.

Intrinsic factors relate to PSLF design. An example is the alignment of eligible sectors with investment priorities at national, regional or local levels.

External factors are not linked to PSLF design but refer broadly to the socio-economic and policy context. Examples are administrative capacity, the energy crisis, high construction prices, regulatory and legal restrictions on borrowing, shortage of skills and labour, few mature projects and high interest rates. Other external factors are the availability of other funding sources offering better conditions and overlapping, even partially with the Facility and a lack of sources of co-financing available to combine with the grant and loan component of the PSLF.

As shown in figure 13, the survey shows the relative importance of some external factors and how they might have influenced PSLF uptake. Responses have been examined using an index. Higher values mean a greater influence of the factors. The most important factor, with a score of 3.53, is 'difficulty to apply / insufficient administrative capacity'. This is followed by 'overlap of the PSLF with other funding sources offering better financing conditions' with a score of 3.38 and 'limited mature projects available to absorb the available funding' with 3.26. Among the factors which seem to have less influence is the alignment of the PSLF sectors with national priorities confirming PSLF relevance (see EQs 1, 2 and 3). Overall, there were no noticeable differences in the feedback from stakeholders on these factors.

Figure 13: Responses to the survey question ‘From your point of view, to what extent has the uptake of the PSLF been influenced by the following evolving circumstances?’³⁴



Source: t33 srl & Prognos AG. The index rates how much each circumstance influenced the uptake of PSLF on a scale from one ('to no extent') to five ('to a very large to extent'). Each response is rated from one ('to no extent') to five ('to a very large extent'), and the sum is divided by the total number of responses.

The literature review as well as interviews have identified the following **intrinsic** factors:

- Some **national shares may be low compared to Member State needs**. Some may even be too low for large investments, including in Luxembourg and Malta.
- **The type of blending** (the combination of a loan and a grant in a single instrument) offered in direct management under the PSLF is sometimes perceived by entities familiar with funding opportunities available under shared management as comparatively more complex. Interviews generally confirm that the parallel application process can require more efforts. Combining financial instruments and grants under shared management funds usually requires a single application and reporting process for both grants and the financial instrument³⁵. The separate application process under PSLF and its perceived complexity might have discouraged potential beneficiaries to apply³⁶. This concern was shared by some national, regional and local public authorities and external consultancies. However, some beneficiaries noted that the grant application process was relatively easier and faster compared to other EU direct funds applications. Given the novelty of the

³⁴ Responses vary across the options, 86 referring to 'difficulty to apply [...]', 'Limited mature projects available to absorb the available funding' and 'PSLF eligible sectors not in line with investment priorities of the EU Member State at national, regional or local level'; 85 to 'Overlap of the PSLF with other funding sources offering better financing conditions', 83 to 'Shortage of skills and labour', 82 to 'Regulatory/legal restrictions to subscribe to debt' and 'High loan interest rates' and 80 to 'Energy crisis'.

³⁵ Fi-compass factsheet (2021), Combination of financial instruments and grants under shared management funds in 2021-2027 programming period, available at: https://www.fi-compass.eu/sites/default/files/publications/Combination%20of%20financial%20instruments%20and%20grants_1.pdf (last accessed September 2024).

³⁶ The perception of complexity in the two track-procedure is not just for the grant component of the PSLF. It was mentioned more frequently with regards to efficiency and effectiveness. Therefore, other EQs also refer to it.

instrument, there is room for more targeted advisory support for potential applicants to help them undergo the application process more effectively.

- **Projects should not receive support under any other Union programme** (as per Article 9(1)(b) of the PSLF regulation). This might be a barrier for potential applicants willing to co-finance part of their investment costs through other EU instruments. Interviews with potential beneficiaries and other institutional actors suggest the combination of PSLF with other EU instruments could facilitate uptake of the Facility.
- **The minimum EIB standalone loan** of at least EUR 12.5 million (up to 50% of the total project costs). An average total project cost of at least EUR 25 million³⁷ might also limit PSLF uptake. However, under PSLF there is also a possibility to apply for the grant with intermediated and framework loans. It is still too early to determine whether such loans can boost PSLF uptake. Some early indications about the use of intermediated lending and framework loans are elaborated in EQ3. The literature review (EC, 2024e) and interviews with national, regional and local authorities as well as actors with EU institutions (EC) highlighted that, for example, the minimum size of intermediate loans could still be too high for smaller beneficiaries.

Literature review and case studies also highlight the role of key **external factors**. These are not attributable to PSLF design but broadly to the socio-economic and policy context.

- **Availability of other funding.** The PSLF implementation timeline has coincided with other EU instruments such as RRF and the start of the new programming period for cohesion funds³⁸. This has affected administrative capacity leading some Member States and just transition regions, such as Romania and Poland, to prioritise EU funding instruments (usually with higher grant coverage).
- **The ability of potential beneficiaries and their administrative capacity** to make use debt-based instruments might also affect the uptake as explained in EQ3 and EQ6.
- **National policy and project maturity.** The unavailability of a mature project pipeline before the PSLF was launched may have delayed its implementation, as does a limited planning or programming for the just transition before the PSLF regulation and TJTPs were adopted. Interviewees with actors with EU institutions (EC) regarding Spain and Sweden stated that potential beneficiaries had to wait for the revision of their TJTPs to accommodate evolving needs before applying to the PSLF, however this has not affected the implementation of the concerned projects.

In some just transition regions, a combination of factors challenged the uptake of the PSLF. For instance, in Saxony-Anhalt, actors already benefit from favorable funding conditions from national instruments for German coal regions, leaving PSLF at a 'competitive disadvantage' in terms of the rate of grant co-financing it can offer. This national context, combined with time pressures, the risk of losing JTF resources, as well as questions concerning the PSLF implementation via public-private partnerships diverted attention away from PSLF.

³⁷ For Cohesion policy, the EIB can cover more than 50% of project costs where beneficiaries are in less developed or transition regions, in compliance with the 90% cumulus rule of combined EIB and Union grant support. This increased share of the loan, which proportionally also increases the effective grant rate, must be approved by the EIB's Board of Directors (European Commission, 2023e).

³⁸ More information on NextGenerationEU is available at: https://next-generation-eu.europa.eu/index_en (last accessed September 2024). For additional information on other EU funds see the section on coherence.

EQ(10) Has the inclusion of the PSLF in the TJTPs framework benefitted the effective implementation of the PSLF?

Judgement criteria

This evaluation question focuses on the benefits of including PSLF in the TJTP framework.

Benefits from the inclusion of the PSLF in the TJTP

According to the literature review and interviews with national, regional and local authorities, **the main benefits from including PSLF in the TJTP are:**

- **‘Strategic’** - Including PSLF in the TJTP framework has created a clear, understandable and formal reference for policy makers, national and regional authorities and potential applicants. Despite defining the strategic framework, TJTPs are usually much more focused on JTF rather than PSLF (and InvestEU) which is limited to roughly one paragraph under the TJTPs describing broadly which sectors could be eligible to receive support under the PSLF. While this broad definition of sectors has allowed the PSLF type of support to be more flexible in responding to the just transition needs and context of each Member State, it can also lead to the need to amend the TJTP in some Member States.
- **Awareness raising** – the TJTP has created a first step of awareness raising about the PSLF in the eligible just transition regions. Cohesion policy managing authorities and other national contact points were engaged with the plans which, in turn, helped spread awareness and information about the PSLF. In addition, the involvement of civil society and other actors in the adoption process of the TJTPs might have also increased knowledge about the PSLF.

EQ(11) To what extent can the PSLF objectives still be achieved in time? If not, with what delay?

Judgement criteria

This evaluation question examines whether PSLF could still be achieved on time based on the implementation analysis and interviews.

On-time achievement of the PSLF objectives

The current state of PSLF implementation is outlined EQs 1 and 4 also highlighting the increased interest in PSLF in more recent cut-offs of the first call for proposals (2022-25).

In spite of efforts to raise awareness and promote the Facility, the full use of the grant budget seems unlikely within the first published call. Full use may be possible within the second call which is planned to be published without pre-allocated national shares. However, the second call will only be open for two years, therefore potential applicants will have less time to apply compared to the first call (2022-25).

Since the use of the available EC grant budget is a pre-condition to achieving the general and specific objectives, and also considering the limited uptake of the PSLF and the expected duration of the signed projects³⁹, it is not yet possible to assess whether PSLF objectives can be achieved in time.

EQ(12) What are expectations/forecasts for PSLF project pipelines in the different EU Member States and TJTP regions?

Judgement criteria

This evaluation question examines expectations for PSLF project pipelines across the EU and TJTP regions based on a document review and the survey.

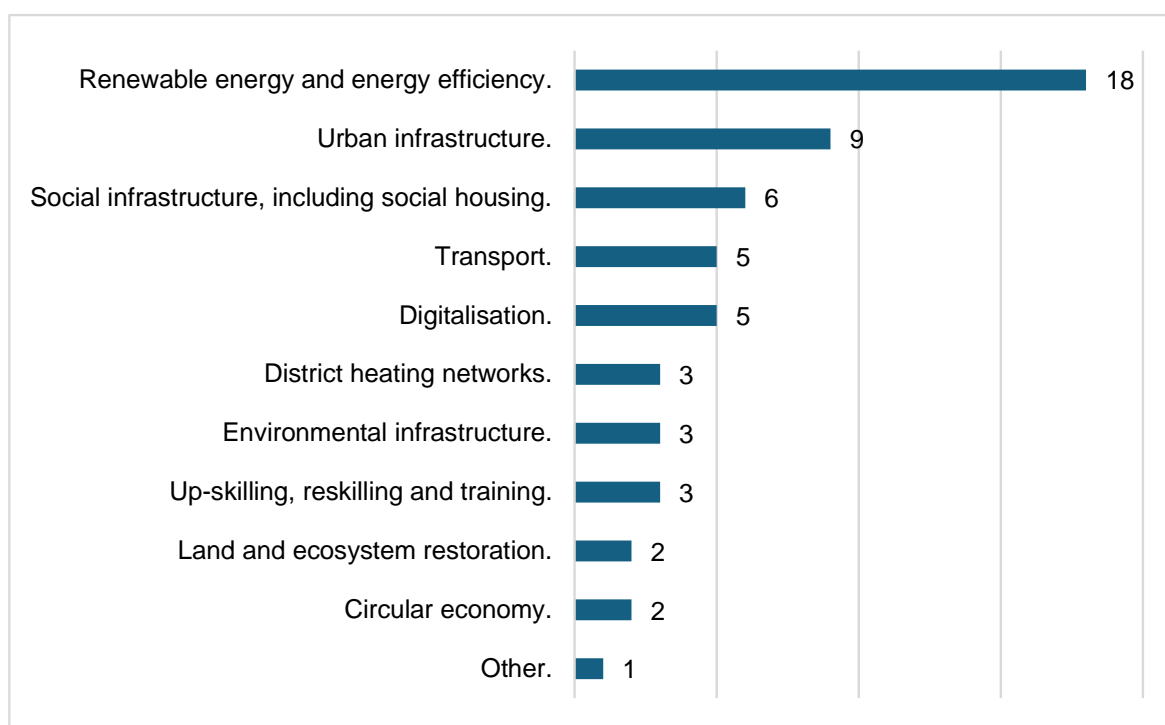
Expectations for the PSLF project pipelines

The survey is the main source for updated information on the project pipeline. In terms of the sectoral allocation, surveyed public authorities, private bodies (with a public service mission), applicants/beneficiaries, and other public or quasi-public organisations mainly indicate they intend to implement or are implementing PSLF in topics like renewable energy and energy efficiency. The second most important area of intervention is urban infrastructure, followed by social infrastructure including social housing, digitalisation and transport. It is currently challenging to assess whether projects in the pipeline will be enough

³⁹ The first call for proposals indicates 'Projects should normally range between 24 and 60 months. Projects of longer duration may be accepted in duly justified cases. Extensions are possible, if duly justified and through an amendment'.

to absorb the grant budget of PSLF and its national shares in the remaining period of implementation.

Figure 14: Responses to the survey question ‘In which areas do you intend to implement or are you implementing projects supported by the PSLF? Please select a maximum of three.’⁴⁰



Source: t33 & Prognos AG (2024)

EQ(13) Are there any unexpected or unintended effects that have occurred and which drove or hindered progress? What can explain these effects?

Judgement criteria

This evaluation question focuses on unexpected and unintended effects based on the literature review and stakeholder consultation.

Unexpected and unintended effects

At this stage of the implementation, there are the following unintended or unexpected effects:

- **PSLF ‘specialisation’.** Projects awarded under the first call of proposals (2022-25) were mainly green mobility projects in France, in particular the renewal of rolling stock. This unintended focus likely arose because such investments were excluded

⁴⁰ There were 27 responses.

in the scope of other cohesion policy funds but could be covered by the PSLF. As an unintended effect, this has led to sectoral focus of the PSLF on the mobility and transport sector in France.

- As explained in EQ10, **PSLF benefits from being implemented by the EC with the support of DG REGIO's wide network of cohesion policy** under shared management which is also an unintended effect which has occurred due to the PSLF governance framework being included in the TJTP framework.

EQ(14) How are Member State authorities supporting the effective implementation of the PSLF?

Judgement criteria

This evaluation question examines how Member State authorities support PSLF implementation, based on interviews and the survey.

Effectiveness of the Member State in supporting the effective implementation

The PSLF grant component is implemented under direct management of the EC with support from CINEA with no formalised role for national authorities in its governance or application framework (unlike the shared management structure under cohesion policy funds). Therefore, support for PSLF implementation and how much national authorities inform, communicate and promote opportunities under the PSLF varies by Member State who do it on a voluntary basis.

As shown by the survey, there is an indication that some national authorities are less engaged in PSLF implementation since respondents receive information about PSLF to lesser extent from national, regional or local authorities (as explained in EQ8). In this regard, one local public authority also reported that national or regional authorities have limited ability to support PSLF implementation.

Where national authorities support PSLF uptake, project applications seem to be mature and successful. For example, the Swedish Agency for Economic and Regional Growth (Tillväxtverket) was very important to explain to the municipalities how PSLF works while also applying this knowledge nationally in Sweden. These efforts were also decisive for completing the application successfully and signing the first grant agreement for Sweden under the PSLF.

Another example is in France, where the PSLF national share is fully consumed. Cohesion policy managing authorities organised several events at a very early stage of PSLF implementation leading to multiple French projects being signed. In Greece, the cohesion policy managing authority of the Region of Western-Macedonia supported PSLF implementation by acting as a beneficiary and co-signing the grant agreement of the first PSLF project. Funding was disbursed to six smaller municipalities (often with a population of only a few hundred) as final recipients who otherwise could not apply for such an instrument on their own. The Greek Ministry of Finance is the beneficiary taking up the EIB loan on behalf of the municipalities.

Awareness raising by the Ministry of Finance in Romania is another example of a Member State supporting PSLF implementation, though with no successful project applications yet.

To fill the knowledge gap about PSLF, one Croatian public organisation, indicated there was still a need for more support regarding PSLF, e.g. by developing national guidelines for its implementation in the regions.

It seems that national, regional and/or local authorities are involved in PSLF implementation if they have sufficient administrative capacity and if they perceive PSLF to be relevant for them depending on the national context.

EQ(15) To what extent has the PSLF been contributing to environmental objectives as per Article 9 of EU Regulation 2020/852?

Judgement criteria

This evaluation question examines the extent to which PSLF project contribute to EU environmental objectives.

Contribution to the environmental objectives

According to the PSLF Regulation, the interim evaluation should assess *‘the extent to which the Facility contributed to the environmental objectives laid down in Article 9 of Regulation (EU) 2020/852 of the European Parliament and of the Council, taking into account the applicable screening criteria provided for in that Regulation’*. These cover (a) climate change mitigation, (b) climate change adaptation, (c) sustainable use and protection of water and marine resources, (d) transition to a circular economy, (e) pollution prevention and control, (f) protection and restoration of biodiversity and ecosystems.

Ten of the fourteen eligible proposals submitted up to the sixth cut-off date contribute to climate change mitigation and adaptation by reducing CO₂ emissions and increasing energy efficiency. Five also contribute to pollution prevention and control by improving air quality, as well as the protection and restoration of biodiversity and ecosystems. A review of the fourteen proposals highlighted their expected environmental impacts, which are summarised below. Only one refers to water saving measures in buildings.

The framework loan for socioeconomic transition in the **Greek region of Western Macedonia** will contribute to climate change mitigation by increasing public infrastructure energy efficiency and renewable energy production using photovoltaic panels in public buildings⁴¹.

The project to extend the North-South tramway line in **Marseille, France** and the related buildings will reduce CO₂ emissions and increase air quality⁴². The project will also include

⁴¹ According to the project proposal - 2023-3-EL-LS-SETPDM - the interventions are expected to contribute to primary energy savings of 30 276 (kWh/year) and reduce CO₂ emission by 8 650 tonnes CO₂e/year.

⁴² According to the proposal 2023-4-FR-SP-ETNS1, the ETNS1 project, through a modal shift from cars to public transport, could save more than 16 000 tonnes of greenhouse gases, 19 tonnes of nitrogen oxide, 2.4 tonnes of particles and 25 tonnes of carbon monoxide per year by 2026.

landscaping to promote thermoregulatory spaces, increasing green spaces by 65% in highly urbanised areas, promoting biodiversity. The objectives of reducing CO2 emissions and improving air quality are also shared by the project in the **metropolitan area of Lille**⁴³. This French project involves replacing natural gas buses and refuse collectors with hydrogen vehicles, modernising and increasing the tram network capacity and building 220 km of cycling infrastructure.

The project supporting the **Dutch green energy supplier Mijnwater** in scaling-up its innovative 5th-generation heating and cooling grid in the Zuid-Limburg region will also reduce CO2 emissions⁴⁴.

Partially financed by an EIB framework loan, the project for the **city of Dabrowa Gornicza in the Polish region of Silesia** concerns energy modernisation in public facilities. The project aims at reducing GHG and energy consumption⁴⁵.

The **Czech project for the Ostrava Concert Hall** in the Moravian-Silesian region will contribute to the environmental objective as the new building will be energy efficient and reduce CO2 emission standards. The same objective is shared by the project for the **University of Ostrava student dormitory** (Moravian-Silesian region in Czechia) as the new accommodation will comply with environmental friendly solutions.

Other projects in Czechia are planned in the Northwest region. One is the modernisation of **railway infrastructure in the Ústí nad Labem Region**. The project does not report specific environmental targets, though it should reduce the negative impact of transport on the environment. The project **‘Reconstruction of the historical part of Podmokly - stage D’** is focused on revitalising the front road in the historical part of Podmokly, in the North Bohemian town of Děčín. Environmental impacts include increased energy efficiency through modernised public lighting. Another project in the city of Děčín will finance **cost-saving measures in buildings** through energy efficiency improvements.

Only the **Swedish housing project** do not indicate environmental impacts of the new construction.

⁴³ The proposal, 2023-4-FR-SP-GREENMO, while delineating possible indicators, does not provide targets.

⁴⁴ According to the proposal the project is expected to connect an additional 10 000 household equivalents and reduce CO2 emissions by 48 000 tonnes/year by 2031.

⁴⁵ The project estimates a decrease in greenhouse gas emissions associated of 133 tonnes CO2e/year, annual savings in electricity consumption in thermally upgraded buildings of 108 905 MWh, and annual savings in energy consumption in thermo-modernised buildings of 5 800 GJ.

4.3. Efficiency

This sub-section concerns PSLF efficiency with four evaluation questions. EQ16 covers the appropriateness of financial and human resources and EQ17 the multiplier effect. EQ18-20 cover simplification and cost-reduction, efficiency of reporting and monitoring and the understanding of the application process.

EQ(16) To what extent are the costs appropriately sized to achieve the programme's expected benefits? In particular, are the available financial and human resources adequate to achieve the objectives and are they used in an optimal manner to ensure the PSLF delivers on its objectives?

Judgement criteria

The evaluation question is about the appropriateness of financial and human resources and their use. Considering the current implementation stage, a thorough analysis of costs and benefits is not yet possible. The current benefits correspond to those which can be offered by an initiative which is ramping up, i.e. the PSLF is open for grant applications, potential beneficiaries' knowledge about the PSLF is improving, advisory is available and grant agreements have been signed. The full extent of benefits in terms of the attainment of the PSLF's objectives and project results cannot be evaluated yet as they have not materialised yet. A detailed analysis of the costs was not carried out in the framework of this study but is expected to be included in the evaluation EC Staff Working Document. However, this report brings evidence about the timing of the grant evaluation process.

Appropriateness of financial and human resources and their use

Timing of grant application procedure - As explained before, the PSLF call for proposals (2022-25) is multi-annual with several cut-off dates⁴⁶. The call document indicates that the grant evaluation process is expected to take about three months and preparation of the grant agreement with its subsequent signature should take two-to-seventeen months after that. Analysis of PSLF implementation indicates that, on average, the process has taken around two months, less than initially communicated. Adoption of the award decision has taken 6 to 13 months, which is in line with the expectations.

⁴⁶ This evaluation covers only the first six cut-off dates: 19 October 2022, 19 January 2023, 19 April 2023, 20 September 2023, 17 January 2024, 17 April 2024.

EQ(17) What is the leverage ratio and multiplier of the PSLF's grant contribution?

Judgement criteria

The evaluation question examines the leverage / multiplier of PSLF grants.

Leverage / multiplier of PSLF grant

This report focuses only on the six awarded projects and covers the ratio of total investments compared to the PSLF grant. The average ratio of investments and PSLF grant is 12.1, ranging from 5.5-5.6 for less developed regions to 13.3-21.3 for more developed / in transition regions. This means that EUR 1 of PSLF grant brings on average EUR 12.1 of investments at the level of beneficiaries, including the EIB loan⁴⁷. However, it is early to project these values for the entire PSLF grant amount (about EUR 1.3 billion). More projects and financial resources could be allocated to less developed regions than those examined for this report⁴⁸.

The table includes further details on the PSLF projects considered.

⁴⁷ As indicated in the introduction to this report, PSLF is expected to mobilise up to EUR 1.3 billion of grants from the European Commission, up to EUR 8 billion in loans from the EIB and some EUR 6 billion of additional resources, totalling EUR 15.3 billion of public investment. Thus, the ratio of total investments to grants would be about 12, similar to the six grants analysed in this report. Initially, the European Commission proposal for PSLF regulation (EC, 2020g) looked to mobilise EUR 25-30 billion for about EUR 1.5 billion of the PSLF grant component. This would leverage the grant component of PSLF between 16-20 times in terms of final investment (European Commission, 2022d).

⁴⁸ The EU Draft General Budget of 2025 includes information on the multiplier of EU financial instruments under direct management (EC, 2024g). Among these, the European Energy Efficiency Fund (EEEF) and the Connecting Europe Facility (CEF) Debt Instrument are the most comparable to PSLF in terms of the type of projects supported and the target recipients. However, differences in the forms of support provided, as well as PSLF's broader sector coverage, contribute to variations in the multiplier between these financial instruments and PSLF.

Table 2 – Estimates of leverage and multiplier effects

Submission cut-off	Member State	Category of region	Code proposal	Type of project	EUR million						EIB loan / grant amount (leverage)	Total project / grant amount (multiplier)
					Grant amount	EIB loan amount	Other subsidies	Self-financing	Other loans	Total project value		
4 th (Sep 23)	CZ	Less developed	2023-4-CZ-SP-KS	Standalone project	21.0	84.0		10.5		115.5	4.0	5.5
3 rd (Apr 23)	EL	Less developed	2023-3-EL-LS-SETPDM	Framework loan (15 projects)	14.5	58.1	8.1			80.7	4.0	5.6
4 th (Sep 23)	FR	Transition	2023-4-FR-SP-SMILES	Standalone project	30.0	200.0	17.4	157.5		405.0	6.7	13.5
3 rd (Apr 23)	SE	More developed	2023-3-SE-LS-SHERIS	Framework Loan	10.6	70.8		60.2		141.6	6.7	13.3
4 th (Sep 23)	FR	Transition	2023-4-FR-SP-GREENMO	Standalone project	31.5	210.0	29.2	69	80.5	420.2	6.7	13.3
4 th (Sep 23)	FR	Transition	2023-4-FR-SP-ETNS1	Standalone project	15.0	100.0	192.4		12.6	320.0	14.7	21.3
	Total				122.6	722.9	247.1	297.2	93.1	1 483.0	6.2	12.1

Source: t33 & Prognos AG elaborations based on grant agreements provided by the EC (last update August 2024) – Rounding to one decimal place

EQ(18) Have any inefficiencies been identified? Could the intervention have been done in a more efficient way? What is the simplification and cost reduction potential of the intervention and by what means?

Judgement criteria

The evaluation question refers to potential inefficiencies related to PSLF implementation with proposed solutions for simplification and cost reduction.

Identification of inefficiencies and options for simplification

As per Article 11 of the PSLF Regulation, the PSLF grant component takes the form of FNLC in accordance with Article 125 of the Financial Regulation. Recital 10 of the PSLF Regulation stipulates in this regard that *‘that form of financing should help incentivise project promoters to participate and contribute to the achievement of the Facility’s objectives in an efficient way relative to the size of the loan’*. The information collected for this study is not sufficient to confirm the expected simplification benefits. However, FNLC and the pre-financing condition of 70% of the grant component in the first year of the project are highly appreciated by French and Greek beneficiaries with more advanced projects. FNLC means that payments do not have to be based on a cost estimate but for PSLF on the loan component. It is perceived as a simplification measure during monitoring and reporting as beneficiaries are not required to report the project related costs.

The most relevant obstacle regarding the application process is the separate procedures for the grant and the loan which is perceived as less efficient, as already explained in EQ9.

Another element which can impact the efficiency of the instrument is that there could be a considerable gap between the time applicants submit their project proposals and the time they sign the grant agreement. While this has taken between 6 and 13 months for the grants which have already been signed, the current arrangements allow for maximum of 18 months for the loan assessment.

From the involved institutions’ (EC, EIB, CINEA) point of view, the implementation of the PSLF has required considerable coordination to set up and implement. The PSLF could have potentially been implemented by a single entity managing both the loan and the grant component, which would potentially have been simpler.

EQ(19) How timely and efficient is the intervention's administrative process (e.g. for reporting and monitoring)?

Judgement criteria

The evaluation question examines the efficiency of reporting and monitoring.

Efficiency of reporting and monitoring

Considering information in section 2 of this report and the current status of PSLF implementation, it is not possible to assess the efficiency of reporting and monitoring requirements yet. Only six projects have been awarded the PSLF grant and a few have recently started implementation following signature of the grant agreement. No progress reports have been submitted yet by PSLF beneficiaries. The case studies confirm that it is not possible yet to collect in-depth information on monitoring and reporting efficiency..

However, preliminary evidence from case studies and interviews with PSLF beneficiaries already provides some interesting insights in this regard. Even if it is too early to make a final assessment, PSLF beneficiaries in Greece and France anticipate a positive assessment of the monitoring and reporting requirements due to FNLC condition as explained in EQ18 as they are not required to report on the related project costs.

On the other hand, interviews with beneficiaries have highlighted that separate reporting which require beneficiaries to report twice on the implementation of the grant to the Commission and on the loan component to the EIB could be burdensome.

EQ(20) Is the application process well understood by the applicants and conducive to the submission of high-quality applications with limited administrative burden? Does it account for country regulatory and customary specificities?

Judgement criteria

The evaluation question examines how well the grant application process is understood by applicants and is conducive to high-quality proposals, also considering a country's regulations and customs. The collected evidence is based on the survey and the literature review.

Applicant's understanding of the application process

In particular during the first cut-off dates, some project applications received were poorly presented with significant shortcomings. This is also in line with the EC report (2023c) indicating that *'the analysis of the submitted and evaluated proposals revealed that some proposals are of insufficient quality, indicating a potential lack of understanding of the requirements of the Facility and the corresponding call for proposals'*. More recent

information on project proposals shows increased interest in PSLF and better-quality applications. According to institutional actors, their evaluation of project proposals raises the standard of projects due to the rigorous requirements for applying.

Case study analysis provides additional evidence. Interviews with stakeholders, including NPBI, beneficiaries and external consultancies, highlight that the technical assistance which was provided at the request of Czechia for the benefit of the eligible just transition regions has been useful to develop quality of the project proposals received from Czechia.

While it is not possible yet to fully analyse the impact of the InvestEU advisory services, the case studies provide some information on its role in improving understanding about the grant application process and improving the quality of the project proposals. In Romania, even if no proposals have been officially submitted, the ongoing EIB advisory support assignments are expected to increase understanding about the PSLF. In particular, they are working towards enhancing the understanding of the application process for the grant component⁴⁹. The services are expected to mobilise local actors and support a PSLF project pipeline in Romania. France has requested one advisory activity from the EIB, assessing the Étang de Berre ecological restoration in the Provence-Alpes - Cote d'Azur region. Advice to the strategic committee for the restoration started in July 2023 and will contribute to analysing the economic model and identifying funding opportunities. This assignment is financed under the InvestEU Advisory Hub's Sustainable Infrastructure.

Prior experience with submitting project applications within the framework of other EU funding instruments, have been identified by the French beneficiaries interviewed, as another factor which has helped them progressing with their project proposals.

⁴⁹ One assignment is a market assessment for intermediate lending involving the newly created Romanian Investment and Development Bank (RIDB). The other assignment involves Electrica (a key power distributor company) in building a consolidated financial model with related staff capacity building.

4.4. Coherence

This section covers PSLF coherence. This sub-section covers PSLF coherence with other similar EU and national policy measures (EQ21) and JTM pillars (EQ22), the role of TJTPs (EQ23), and the complementarity of other EU technical assistance instruments to EIB advisory support provided under the PSLF via the InvestEU Advisory Hub (EQ24).

EQ(21) To what extent is PSLF coherent with other EU and national interventions and funding programmes that have similar objectives?

Judgement criteria

This evaluation question assesses the coherence of PSLF with other EU and national policy interventions and funding programmes with similar objectives. This evaluation question addresses the strategic (e.g. alignment of objectives and management mode) and operational coherence (e.g. implementation features, beneficiaries, eligibility criteria) with other EU funds and national programmes.

PSLF coherence with other EU funds and programmes

PSLF falls under the European Green Deal, a comprehensive policy with ambitious objectives for countering climate change and for environmental protection. Several other EU funding instruments in direct and shared management such as RRF, cohesion policy funds – European Social Fund Plus (ESF+)⁵⁰, ERDF and CF - CEF, and LIFE⁵¹ programme contribute to the Green Deal's objectives.

While those instruments might have different eligibility conditions, scope of support and management mode, there are some overlaps between them and the PSLF. These similarities potentially create synergies, with different actions supported by different funds providing complementary support. This is the case for example of the PSLF housing project in Sweden, which will aid in the accommodation of workers needed for the development of new industries being supported by other EU Funds. The TJTP framework is another example of a synergy, where the three pillars of the Just Transition Mechanism benefit from the same strategic planning process.

However, similar strategic frameworks can also create 'competition' between the different funds for the same projects and for the administrative capacity of the public authorities responsible for the development of those projects. Furthermore, the overlap of different funding opportunities creates additional complexity for potential beneficiaries and coordinating entities as they must discern the most appropriate funding instrument and understand different instruments' specific rules for each investment, adding further stress on their administrative capacity. A clearer demarcation regarding the scope and the

⁵⁰ ESF+ is a shared management fund. It provides an important contribution to EU employment, social, education and skills policies, including structural reforms in these areas. More information is available at: <https://european-social-fund-plus.ec.europa.eu/en>.

⁵¹ LIFE is a direct management fund entirely dedicated to environmental, climate and energy objectives. More information is available [here](#).

eligibility of support could therefore assist project promoters in choosing the appropriate financing source for their projects.

However, the case of France demonstrates that this complexity can be addressed by potential beneficiaries, regional and national authorities. While different funds overlap with the PSLF in terms of eligibility rules set in the different applicable regulation, the financing of the renewal of rolling stock was excluded under other EU and national funds but was financeable under the PSLF, which facilitated its uptake in the country.

Coherence with the RRF

RRF was established in 2021 in response to the COVID-19 crisis. It is a performance-based instrument delivered in direct management providing financial support to Member States to implement pre-agreed reforms and investments across six pillars⁵². The RRF shares similar objectives with the PSLF, in particular, for investments in the green transition, smart, sustainable and inclusive growth as well as social and territorial cohesion. The extent to which there is potential overlap depends on the investments outlined in Member State Recovery and Resilience Plans (RRPs) and on those investments included in the TJTPs to be supported under PSLF. While the PSLF target mainly public sector investments, RRF covers different type of beneficiaries. RRF provides grants and loans for projects usually with greater grant coverage compared to PSLF. As stated by the EC report (EC, 2024f), RRF is seen by potential applicants as more attractive EU funding instrument offering a higher grant rate than PSLF. PSLF may not be the preferred option for mature projects in Member States that can access RRF funding (EC, 2023c) for the same type of investments.

Case study analysis confirms that PSLF usually faces competition with more grant intensive funds like RRF being preferred and prioritised. An example in Romania is a potential applicant with a possible PSLF proposal who decided to apply for RRF instead due to its higher funding rates. However, Romania also offers an example of potential synergies with RRF. The establishment of the Romanian national promotional bank, which is required under the RRF framework (expected to be fully operational in 2025), may benefit future PSLF uptake via intermediated lending.

Coherence with ERDF, ESF+ and CF

The 2021-27 EU funds under cohesion policy, in particular ERDF, ESF+, and CF share also similar objectives with PSLF⁵³, though they are implemented under shared management. Whereas ERDF invests in the social, territorial and economic development of all EU regions and cities, CF invests mainly in environment and transport in less prosperous EU countries. ESF+ supports jobs, skills and a fair and inclusive society. Fund-specific regulations define specific objectives for each fund under each policy objective. Similar to RRF, these funds could have a broader scope of investments, depending on the negotiations with Member States. In terms of coverage, these funds also have more favourable funding conditions than PSLF, with grant coverage up to 100% of the project value⁵⁴.

⁵² Green transition; digital transformation; smart, sustainable and inclusive growth; social and territorial cohesion; health, economic, social and institutional resilience; and policies for the next generation.

⁵⁴ Rules of cohesion policy EU co-financing ceilings differ by category of region and fund and can vary across programmes and projects. The ceilings can be found at https://ec.europa.eu/regional_policy/funding/financial-management_en.

As also previously explained regarding RFF, the programming and implementation of ERDF, ESF+ and CF has required considerable efforts from Member State authorities. Some are striving to meet tight spending deadlines and reform requirements to access the funds. This might have also influenced their coherence with PSLF in terms of their limited capacity to coordinate its implementation, in particular due to the eligibility condition of PSLF which cannot be combined with other EU funding sources.

Even though the analysis cannot identify a clear demarcation between PSLF and the above-mentioned EU funds, potential synergies can be derived from specific policy decisions. There are two interesting cases which cannot be easily generalised. In the case of Sweden, there is a clear policy demarcation from the TJTP between the JTF and PSLF. In France, the exclusion of new rolling stock from cohesion funds promotes the use of PSLF.

Coherence with CEF and Life programme

CEF is another EU funding instrument delivering the European Green Deal and an important enabler for the Union's decarbonisation objectives for 2030 and 2050. In addition to grants, CEF offers support through innovative financial instruments such as guarantees and project bonds attracting further funding from the private sector and other public sector actors. Both CEF and PSLF can support public sector entities targeting infrastructure investments in transport, digitalisation and energy. This can be also demonstrated by several projects that have applied for funding under PSLF such as those projects covering mobility and transport in France and energy and transport infrastructure in Czechia⁵⁵.

In pursuing the objectives of the European Green deal, the LIFE programme contributes to the shift towards a sustainable, circular, energy-efficient, renewable energy-based, climate neutral and resilient economy. These objectives are also to some extent similar to PSLF objectives. While PSLF projects could contribute to environmental objectives depending on the TJTP framework, LIFE support is primarily oriented to environmental objectives. Broader than PSLF, LIFE supports a wide range of stakeholders including NGOs, local authorities and private entities.

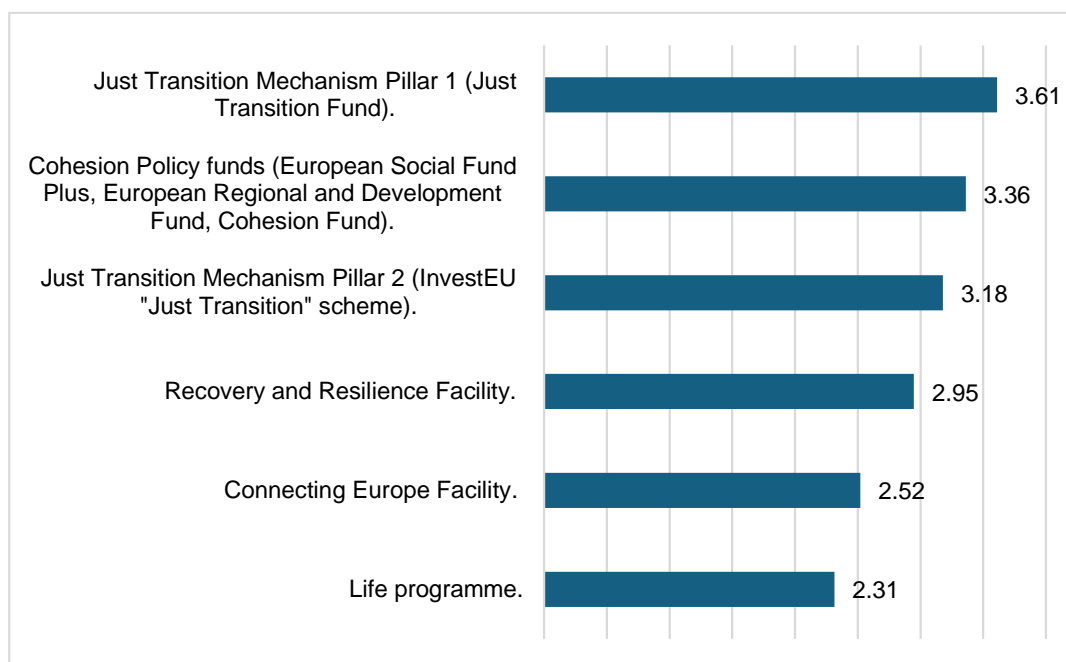
Both CEF and LIFE can create synergies with the PSLF in some sectors, such as energy and transport. Transport and mobility have been an important focus of the PSLF support to date, and the investments in local mobility supported by PSLF should be complementary and synergic with investments supported under CEF. The potential for synergies with LIFE is difficult to assess at this stage of implementation.

The survey collected information on the perceived synergies between PSLF and other EU instruments. An index was created to compare responses⁵⁶, as shown in figure 15. From a methodological point of view, synergy occurs when two or more funds/instruments interact at the intervention level. ERDF, ESF+ and CF score 3.36, while RRF scores 2.95 on this scale illustrating the level of synergy with the PSLF. The figure shows fewer synergies with CEF (2.52) and LIFE (2.31). Overall, there were no noticeable differences on the synergies of PSLF with other EU instruments and funds based on the feedback from actors with EU institutions, EIB, national, regional and local actors, beneficiaries and applicants, as well as other third-party actors such as consultants and civil society.

⁵⁵ See Section 3.

⁵⁶ See the synopsis report for further details.

Figure 15: Responses to the survey statement ‘Please indicate the extent to which there are synergies between the PSLF and the following EU instruments and funds at the intervention level’⁵⁷



Source: t33 srl & Prognos AG. The index rates synergies of PSLF on a scale from one ('to no extent') to five ('to a very large to extent'). Each response is rated from one ('to no extent') to five ('to a very large extent'), and the sum is divided by the total number of responses.

PSLF coherence with national programmes

At the national, regional and local levels there are overlapping funds with similar objectives⁵⁸. For example, the 'Coal Regions Investment' Act ('Investitionsgesetz Kohleregionen') of 2020⁵⁹ in Germany, has considerable overlaps with the PSLF. It seems to be more attractive and accessible for potential beneficiaries as it offers grant rates up to 90% of project costs and its conditions seem easier to apply or at least are more familiar to potential applicants. Also, in Czechia a project promoter decided to withdraw a PSLF project because of more favourable national funding. These examples show the impact of national competing funds which can also influence PSLF uptake.

⁵⁷ Responses vary across the options, 67 referring to LIFE, 73 to CEF, 76 to RRF, 78 to JTM Pillar II, 82 to JTF, 83 to cohesion policy funds.

⁵⁸ As already mentioned in EQs 1, 2, 3 and 9, PSLF sectors are perceived in line with national priorities.

⁵⁹ German Federal Ministry of Justice (n. y.). Investitionsgesetz Kohleregionen. Retrieved from <https://www.gesetze-im-internet.de/invkg/index.html> (last accessed on September 4, 2024).

EQ(22) How coherent is the PSLF with other JTM Pillars in terms of objectives, scope and activities? To what extent can synergies, complementarities, overlaps and crowding-out be observed in the JTM Pillars implementation?

Judgement criteria

This evaluation question covers the coherence of PSLF with other JTM pillars, i.e. Pillar I JTF and Pillar II InvestEU Just Transition Scheme (JTS). It involves an analysis of JTM Pillars related regulations. Interviews and the survey provide additional evidence.

PSLF coherence with other JTM Pillars

PSLF is the third Pillar of the Just Transition Mechanism (JTM) alongside Pillar I JTF and Pillar II the InvestEU JTS. The JTF is the new cohesion policy fund introduced in the 2021-2027 programming period in the context of the European Green Deal. It provides tailored support to specific territories and social categories among the most affected by the climate-neutral economy transition challenges. The JTS under the InvestEU programme supports economically viable investments by private and public-sector entities aligned with just transition objectives.

As part of the JTM, the PSLF has a clear function as a blending facility, combining grants and EIB loans under direct management, next to the JTF under shared management and the budgetary guarantee under the InvestEU JTS. The coherence of the three Pillars is ensured in the TJTP framework. The review of TJTPs confirmed that all documents outline the sectors to be financed under JTF, PSLF and InvestEU JTS to foster coherence between all of them, albeit with different levels of detail⁶⁰.

The extent to which coherence is ensured depends on how cohesion policy managing authorities have approached their TJTPs, as explained in EQ23. This is also confirmed by the mid-term evaluation of the Cohesion Policy Programmes 2021-2027 (EC, forthcoming 2025). In comparison with JTF, a wider scope of eligible investments can be observed for the PSLF in several TJTPs. This also confirms that some Member States such as Greece have indeed approached PSLF in a more flexible manner than JTF. Moreover, according to the interim evaluation of the InvestEU programme (EC, 2024a) the programme incorporates and delivers on cohesion policy objectives through JTM and its Pillars.

The survey (as shown in figure 15) shows that PSLF is perceived as having the greatest synergies with JTF (with an index score of 3.61). The InvestEU 'Just Transition' scheme scores less with 3.18.

At the operational level, stakeholder consultation has revealed that JTF implementation has usually been prioritised over PSLF for several reasons as explained in EQ9 and EQ21. Consequently, considerable human resources within Member States were allocated to progress JTF implementation and therefore were to lesser extent available for promoting and advancing PSLF implementation. The same applies for Member States drafting TJTPs

⁶⁰ More information on the TJTPs is in the case studies.

when authorities were also focused on JTF planning and programming and considered PSLF to a lesser extent.

EQ(23) Do TJTPs support the coherence between the investments supported under the three pillars of the JTM?

Judgement criteria

This evaluation question analyses whether TJTPs support coherence between investments under the three JTM Pillars.

TJTPs support to coherence between the three JTM pillars

As mentioned previously, the three JTM Pillars are centred around TJTPs identifying territories and type of investments eligible for funding⁶¹.

Member States may have approached JTM complementarity differently in their TJTPs. Many ensured that at least one paragraph mentions PSLF eligible investments, broadly citing those included in recital 6 of the PSLF Regulation. The interviews with national and local authorities as well as actors with EU institutions (EC) suggest that TJTPs were not always accompanied by specific identification of investments eligible under PSLF and, therefore, do not clarify potential synergies opportunities between the JTM Pillars. This also allowed for greater flexibility in the scope of PSLF project proposals. There are examples where complementarity between the JTM Pillars was properly considered. The Swedish just transition process made a distinction between transition needs faced by the economy to be covered by JTF and those faced by the public sector to be addressed through PSLF. Also, the Dutch TJTP makes a clear distinction by referring to very concrete projects which could be subject for funding under the PSLF.

TJTPs were prepared together with local and regional authorities and other stakeholders. In some Member States (e.g. Romania) the authorities responsible for PSLF and TJTP planning differ to those managing the JTF, which might have added complexity regarding complementarity of the three pillars within the TJTPs.

This suggests that in most cases, coherence between the three pillars of the JTM in terms of sectors and types of investments has only partly been predetermined by the TJTPs and will rather ultimately depend on the proposals which are submitted for PSLF support and their level of coherence with the investments supported under the two other pillars.

⁶¹ The European Commission proposed eligible sectors and territories in Annex D of the 2020 European Semester Country Reports.

EQ(24) To what extent has the involvement of consultants financed by other technical assistance instruments (e.g. the Technical Support Instrument (TSI) and by cohesion policy funds) been complementary with PSLF advisory services offered by the EIB under the InvestEU Advisory Hub?

Judgement criteria

This evaluation question analyses the complementarity between several technical assistance services available for the just transition and the advisory support services provided under the InvestEU Advisory Hub⁶² under the PSLF.

Complementarity of technical assistance and PSLF dedicated advisory support implemented by the EIB

In addition to advisory services available under the PSLF via the InvestEU Advisory Hub (see EQ7), public entities in TJTP regions can benefit from several types of technical assistance paid by the Commission, such as TSI, Just Transition Platform Groundwork⁶³, Project Advisory Support Service Agreement (PASSA)⁶⁴, C4T GROUNDWORK⁶⁵ and Joint Assistance to Support Projects in European Regions (JASPERS)⁶⁶. Other type of technical assistance is delivered in TJTP regions through the Initiative for Coal Regions in Transition, including START and TARGET⁶⁷.

Greece is an interesting example. In addition to support from the InvestEU advisory Hub⁶⁸, Greece has benefitted from different types of advisory and technical assistance funded by the Commission and other resources. This includes technical support funded by the Structural Reform Support Programme (SRSP), with the World Bank as a technical support provider, to develop a just transition process⁶⁹. Furthermore, support was provided via PASSA to develop a project pipeline, procedures and capacity building for PSLF implementation. Additional support was received under TSI to implement the just transition in Greece, including development and implementation of the TJTP for the Western Macedonia and Megalopolis regions and support PSLF implementation, as well as via JTP

⁶² Implemented by the EIB but paid by resources of the European Commission.

⁶³ A service delivered by the Just Transition Platform (JTP) where the Commission provides capacity-building support to regions to implement their TJTPs.

⁶⁴ This instrument supports projects funded by the EU to accelerate project execution and speed up EU structural and investment funds absorption.

⁶⁵ Tailored technical assistance is provided to selected beneficiaries, including managing and implementing authorities of EU funds, environment and energy authorities as well as local and regional governments.

⁶⁶ This is a partnership between the Commission and the EIB. JASPERS covers all aspects of project development, horizontal issues relevant to more than one project or country as well as capacity building and implementation.

⁶⁷ The Initiative supports public administrations and other relevant stakeholders via technical assistance, peer-to-peer exchange, knowledge products and events. It also convenes topical Working Groups to tackle specific priority areas for European coal+ regions. More information available at: energy.ec.europa.eu/topics/carbon-management-and-fossil-fuels/eu-coal-regions-transition_en (last accessed October 2024)

⁶⁸ Some of the advisory activities in Cyprus, Greece, and France were launched before the PSLF was in place and were funded from other sources, such as the European Investment Advisory Hub (Greece) and the InvestEU Advisory Hub's Sustainable Infrastructure Window (Cyprus and France).

⁶⁹ World Bank support under the EU's Structural Reform Support Programme to the Region of Western Macedonia is excluded from this list starting at the end of 2018. Its aim was to preparation the just transition process in Greece.

Groundwork to identify PSLF projects in Megalopolis. While projects funded by the TSI have been concluded, several of these services are still ongoing. The support and assistance varied from needs assessment to developing a project pipeline and support for the PSLF application.

The EC provided external consultancy services to raise awareness and develop potential project proposals at the request of Slovakia and Czechia. The wide range of services included awareness raising and mobilisation of potential beneficiaries in TJTP regions, as well as publishing handbooks in national languages, as explained by the annual implementation report of the PSLF in 2023 (EC, 2023c). For example, support in Czechia included disseminating information about PSLF⁷⁰, reviewing and assessing project ideas from potential promoters and hands-on support for the PSLF grant application. Similar TSI technical support was also provided in Slovakia to support implementation of the JTM, including PSLF. Case studies confirm the importance of these services to prepare PSLF project proposals. The support was also useful to increase administrative capacity and develop a project pipeline to ensure PSLF uptake.

It is important to note that the EIB was also involved in those assignments and participated in their monitoring meetings. According to interviews with potential beneficiaries and other national and regional public authorities, coordination between those external consultancy services and the advisory services under PSLF is very important to avoid duplicated efforts. Beneficiaries can also finance additional technical assistance using their own or national resources. For example, financed by own resources, the beneficiary of the Swedish PSLF project hired a consultant to support the PSLF grant application.

It is not possible yet to fully assess the complementarity of advisory services provided by the EIB under the InvestEU Advisory Hub and the other type of technical assistance as they are rarely provided simultaneously in the same country, and several are still ongoing. Moreover, only a few Member States have used both EIB advisory services and the other technical assistance resources at the same time. However, based on the findings of the case studies, it is possible to highlight early findings at country level and across countries.

At country level, the Greek experience indicates that combining advisory support under PSLF and other technical assistance seems to be effective for PSLF uptake. This combination contributed to one successful PSLF project in the Western Macedonia region. More project applications in other TJTP Greek regions are expected by the end of 2025. The combined advisory and technical assistance services have helped build the capacity of potential beneficiaries, from needs assessment to developing a project pipeline and preparing a PSLF grant application.

Across countries, the scope of the advisory and technical assistance has evolved. During the initial phase of JTM implementation, the focus was mainly on awareness raising and dissemination, whereas more recently training and preparing project proposals for PSLF has become more important. There is also indication that awareness raising and communication activities which took place within the framework of PSLF advisory support and the other technical assistance assignments deployed by other consultants has contributed to increasing the knowledge about the PSLF. Interviews with stakeholders, including beneficiaries, from Czechia confirms this finding.

⁷⁰ A PSLF handbook was developed in the local language with several online and on-site training sessions in all transition regions.

4.5. EU added value

This sub-section evaluates the expected EU added value of PSLF. Considering the implementation status of the PSLF, it is not yet possible to conduct a thorough analysis. However, Task 2 and 3 activities already offer preliminary insights into the EU value added of the PSLF. This sub-section first reviews the expected added value of the entire Facility and then the specific added value of the grant.

EQ(25) Would the objectives of the PSLF be pursued in its absence? To what extent? What is their expected additional value compared to what could be reasonably achieved by Member States on their own and/or by other available EU funding programmes with similar objectives?

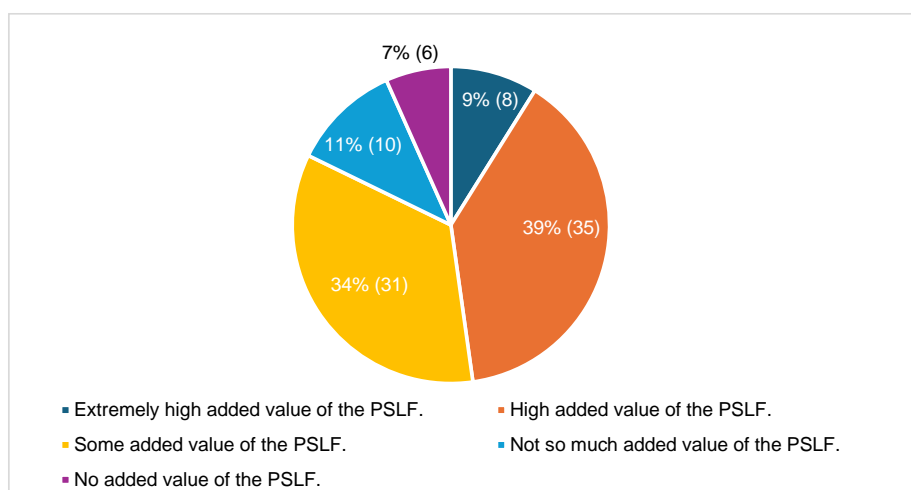
Judgement criteria

This evaluation question covers the expected added value of PSLF in comparison to potential achievements by Member States on their own or other EU funding programmes with similar objectives.

Expected added value

PSLF is adding value. Figure 16 shows that 82% of the survey respondents (74 of 90) say PSLF, in addition to a national/regional policy intervention, is creating at least some added EU value for the just transition, with 48% stating the added value was ‘high’ or ‘extremely high’ (43 responses). All types of stakeholders consulted largely acknowledge the PSLF’s added value.

Figure 16: Replies to the question ‘From your point of view, how do you assess the EU added value of the PSLF for the just transition in EU Member States? Low added value means that national/regional policies would fully pursue PSLF objectives, while high added value means that national/regional policies would not – or to a limited extent – pursue PSLF objectives in the absence of PSLF interventions.’



Source: t33 srl & Prognos AG. The number of responses is in brackets.

Interviews offer additional insights into the EU added value of the PSLF. As highlighted in EQ17, PSLF **mobilises additional resources to address transition needs in just transition regions**. For instance, in France, as previously explained, beneficiaries and actors with EU institutions (EC) believe the high uptake of the Facility is also due to the absence of alternative funding resources to support investments in rolling stock for urban mobility at the EU and national level. As confirmed by the Swedish beneficiary, the PSLF creates a new opportunity for local public entities to cover just transition investments which would not be possible only through their own resources at the local and national level.

Consultation with stakeholders helped identify another added value of PSLF. By combining loans and grants complemented by own resources, PSLF with typically larger type of projects often require multiannual strategic planning, coordination across different actors and a long-term vision to ensure the economic and financial sustainability of investments. This has created further incentives for involved entities to carry out strategic planning and coordination and distinguishes the PSLF in those cases from smaller size or shorter-term projects solely funded by grants at the national level. This was confirmed by the PSLF beneficiary of Nantes during the PSLF Event at the European Week of Regions and Cities.

Additional insight into the PSLF and its added value can be obtained by comparing the scale of its projects with similar types of projects supported under other EU funding instruments. A comparative analysis with ERDF similar type of projects (exported via the Kohesio database)⁷¹ has been conducted. However, this comparison does not provide a clear trend in this regard. In comparison with ERDF, PSLF seem to provide funding for larger size mobility projects in France, and similar size projects in Poland and Greece. No similar projects were found in the Netherlands and Sweden, and the comparison was also not possible in Czechia.

⁷¹ This analysis focuses on 2014-2020 cohesion policy 'Greener, Carbon-Free Europe' and 'low-carbon economy' projects. These projects are filtered for each region and area of intervention where there is a PSLF proposal or a signed grant agreement. This analysis should be considered carefully for several reasons. First, it compares projects under the 2014-2020 ERDF programmes but given the inflation and increase in prices after the COVID-19 crisis, this could have significantly affected the project values, contributing to a higher project value in PSLF for similar cohesion projects which started before 2020. Secondly, this analysis relies on a simple identification of similar and comparable projects between PSLF and cohesion policy, using only region and sector/ area of intervention as criteria. Other factors, such as projects covering multiple sectors, additional funding and the use of grants or financial instruments, can be relevant in determining project size. Third, this comparison focuses only on ERDF projects and PSLF proposals based on available information. See in the Key References (Annex III) for the list of projects from Kohesio considered for comparison.

EQ(26) Would projects financed by the PSLF materialise without the grant component of the PSLF?

Judgement criteria

This evaluation question continues the analysis of the PSLF expected added value by examining the likelihood of projects to materialise without the PSLF grant. Findings are based on interviews. Further details are in the case studies (Task 3).

Expected added value of the grant component

The PSLF grant increases the likelihood that projects materialise, particularly where similar support is unavailable or offered under less favourable conditions. In Greece, the PSLF beneficiary stressed that **project investments in the Western Macedonia region could not materialise without additional PSLF resources**. Even if the share of the total project cost was low, the PSLF grant added value. However, it seems local authorities often mix repayable and non-repayable funding to finance their investments, without necessarily combining them under a single facility, as with PSLF⁷².

⁷² For an EU-level overview of the sources of investment financing of municipalities see European Investment Bank (2023), The state of local infrastructure investment in Europe – EIB Municipalities Survey 2022-2023.

5. Conclusions and lessons learnt

This section presents conclusions and lessons learnt. The lessons highlight what worked, what did not work and why, offering actionable insights for future implementation.

5.1. Relevance

These conclusions and lessons learnt focus on the role of PSLF in the just transition and the capacity of potential beneficiaries to use debt-based instruments such as the Facility.

PSLF role in the just transition

Conclusions

The analysis confirms that PSLF is relevant to addressing just transition needs. PSLF design ensures alignment with just transition needs as project proposals must be consistent with TJTPs and their respective sectors and thematic areas. The post-pandemic situation, in particular following Russian aggression against Ukraine in 2022, has contributed to prolonged international and internal instability for Europe. This underscores the importance of diversifying the economy - especially energy - increasing the relevance of PSLF. Furthermore, PSLF is unique in addressing territorial transition needs by giving local authorities direct access to EU grant support. JTF and cohesion policy funds operate under shared management and RRF is directly managed but under centrally defined RRP.

However, there is limited information in most TJTPs on the intended use of PSLF, such as sectors to focus on. A strategic analysis of just transition better addressed by PSLF compared to other sources of funding would have given the PSLF more relevance. It appears that most Member States could not carry out this analysis while under considerable time pressure to adopt TJTPs and start implementing the JTF.

Lessons learnt

PSLF relevance varies across Member States and beneficiaries due to several factors. These include design and policy.

- **For the first call for proposals, national shares were established following the budget allocation key defined for the JTF. This has affected the uptake and relevance of PSLF, highlighting the limitations of not considering that demand for repayable financing could differ from the JTF allocation method.** France has already exhausted its national share and could use more PSLF funding. Additional applications were not submitted and are not expected before the end of 2025. Conversely, low national shares may have discouraged potential beneficiaries from applying. The PSLF could have been more relevant under JTM without national share restrictions. This way Member States with lower or insufficient JTF allocations could benefit from PSLF additional just transition related financing since 2022, instead of delaying this opportunity to 2026. Finally, efforts have been made to more easily reach smaller beneficiaries, by lowering the minimum intermediate loan from EUR 3 million to EUR 1 million.

- **While NPBI have played a limited role so far, they can promote PSFL especially for smaller beneficiaries.** Their involvement can improve access to PSFL by promoting the project pipeline, as in Czechia and France. Also important is enabling support for smaller projects through intermediated lending, as in Czechia. This especially concerns framework loans that have not always been a practical option for such projects e.g. Croatia, Romania. However, intermediated lending is currently available for the PSFL in only two Member States, Czechia and France. This is due to (i) the EIB perceiving limited demand from potential beneficiaries in other Member States and (ii) limited interest from EIB financial intermediaries from other Member States to become involved in providing PSFL intermediated lending. However, a more significant offer of intermediated lending could have potentially stimulated demand for intermediated financing.

Capacity of potential beneficiaries to use debt-based instruments

Conclusions

Potential beneficiary capacity to use debt-based instruments varies across countries and beneficiaries, usually depending on national rules and administrative capacity.

In countries such as France, no barriers to accessing debt-based instruments have been identified. This may be partly due to regulated local government borrowing and the mid to large sized public entities that applied to PSFL having the capacity and experience to access a variety of EU funds. In other countries, such as Greece, there are national limitations on local governments' ability to borrow, however Greek local authorities have been able to apply to the PSFL. In Croatia and Romania there are restrictions on the amount public authorities can borrow. In addition to debt limits, national regulations can restrict local government revenues, reducing their ability to borrow.

Smaller public authorities or authorities with structural or conjunctural low administrative capacity allocated to other priorities may be discouraged from applying to the PSFL. While this would apply to most requests for external funding, blended support is sometimes challenging for those unfamiliar with it, especially a more detailed assessment of the ability to repay the loan.

Independently of administrative capacity, PSFL applications are subject to separate appraisals from the EIB and the EC, with partially differing rules and a potentially long application process. This means that entities which are unfamiliar with blended support, can perceive applying to the PSFL as requiring more effort compared to other EU support.

Lessons learnt

National experiences, especially case study analysis, provide additional insight.

Potential PSFL beneficiaries often face competition for administrative capacity from other funding sources, such as the RRF. These typically offer more attractive terms (e.g. larger grant contributions and amounts) and have tighter deadlines (requiring earlier fund use). However in Czechia, technical assistance and the NPBI helped address capacity gaps. Intermediated loans can also lower the administrative burden for beneficiaries, so this option is being analysed by advisory support in Romania.

A specific limitation is that PSLF may not always be exempt from debt limits that affect local authorities, unlike other EU grants in certain Member States. For example, Romanian local authorities can exceed the legal borrowing limit if funds co-finance projects supported by EU Funds. However, this does not apply to PSLF, due to uncertainty about the grant at the time of borrowing (the loan has firstly to be approved by the EIB). Although this has not been a key to limiting PSLF uptake so far in those countries, solving it may lead to more applications from local authorities.

5.2. Effectiveness

Conclusions and lessons learnt on effectiveness cover:

- the effectiveness of PSLF design, focusing on alignment of the call to PSLF objectives and requirements, as well as the capacity of less developed regions to access PSLF;
- uptake, including explanatory intrinsic and external factors, as well as project pipeline expectations;
- communication and information actions;
- contributions to specific and general objectives.

Effectiveness of PSLF design

Conclusions

The first call was appropriately designed. It reflects the general and specific objectives of the PSLF regulation, aligns with PSLF requirements for horizontal principles and eligibility conditions and introduces prioritisation criteria.

Lessons learnt

Based on the limited implementation, it is too early to assess whether less developed regions can access PSLF as much as transition and more developed regions. **The key factors affecting PSLF uptake in less developed regions does not appear to be the design of the PSLF but rather competing EU funding** - which can offer higher grant coverage and cannot be combined with PSLF - and **administrative capacity, which is usually lower in less developed regions with smaller local public entities**. However, there are some local governments with strong administrative capacity in the eligible territories.

Another lesson concerns the role of TJTPs. Including PSLF in the TJTP framework has created a clear, understandable and formal reference for policymakers. This is an initial step for awareness raising in eligible territories. However, **TJTPs tend to focus on the first pillar of the JTM (JTF) rather than PSLF**. Greater specificity in TJTPs could have benefited the PSLF by providing more targeted guidance for project promoters and public sector stakeholders in specific markets and sectors. Greater specificity could include a preliminary prioritisation of sectors (without exclusion criteria) or an analysis of the local

market and investment gaps. On the other side, the absence of a specific focus for the PSLF in most TJTPs allows to be a flexible instrument which can provide support which was unforeseen at the time of TJTPs adoption.

PSLF uptake

Conclusions

Current uptake, considering proposals awarded and under assessment, is around 11% of the available resources. Proposals have only been submitted in some Member States, indicating uneven geographic demand. Between July 2022 and April 2024, the number of eligible proposals increased. For the sake of comparison, according to Cohesion Open Data Platform, 31.3% of available resources under the JTF had been decided in October 2024⁷³.

PSLF proposals awarded and under assessment indicate a broad coverage of TJTP areas of intervention. Mobility and transport projects have requested more than 50% of the total grants and have more than 70% of the total project value. In addition to mobility and transport, proposals cover cultural and social infrastructure, land regeneration and restoration, clean/renewable energy and district heating networks. No project invests specifically in the circular economy or worker upskilling, which are frequently mentioned in the TJTPs.

Stakeholder consultation suggests that most PSLF projects in the pipeline are for renewable energy and energy efficiency, district heating networks and transport. However, it is currently challenging to determine whether these projects in the pipeline will be sufficient to absorb the full PSLF grant budget or the national shares.

The evaluation identifies intrinsic and external factors which have affected uptake. Intrinsic factors relate to PSLF design:

- Some national shares may be low compared to Member State needs (see the relevance assessment).
- Applying for PSLF is perceived as demanding, with lower chances of success than EU grants under cohesion policy, in shared management.
- Projects should not receive support under any other Union programme, as it is not possible to combine PSLF with other funding.
- The minimum direct loan amount from the EIB may exceed the borrowing capacity and needs of smaller local governments. So far, framework loans have been a viable option to support smaller projects in some countries and there is PSLF intermediated lending in just one Member State.

Key external factors encompass the availability of other grant funding (often offering more attractive conditions), the capacity of potential beneficiaries (as noted under relevance), the maturity of the project pipeline and national legislation.

⁷³ Data from the Cohesion Open Data Platform - <https://cohesiondata.ec.europa.eu/funds/jtf/21-27#finance-implementation>

Lessons learnt

Some factors will not affect future PSLF uptake, while others should diminish over time. In particular, national shares will not apply to the second call, advisory support continues to enhance the capacity of potential applicants and examples of blending options, especially intermediate lending, could guide other applicants. However, any reduction in competition from other EU funding sources remains uncertain. While some stakeholders suggest that PSLF could benefit as RRF implementation advances, the progress of cohesion policy implementation indicates that substantial resources will still be available in some Member States during the second PSLF call. This could continue to overlap with PSLF, potentially impacting uptake. When estimating future PSLF uptake, it is also important to consider that the approval process has taken between 6 and 13 months, due to the comprehensive due diligence in the loan process. As such, early identification and preparation of viable projects is essential to ensure uptake within the available timeframe. This is even more pressing as the second call will be one year shorter than the first, making timely project development a key factor for success.

The analysis shows that where national authorities support PSLF uptake, project applications seem to be mature and successful. It seems that national, regional and/or local authorities are involved in PSLF implementation if they have sufficient administrative capacity and if they perceive PSLF to be relevant for them depending on the national context. For example, the Swedish Agency for Economic and Regional Growth (Tillväxtverket) was very important to explain to the municipalities how PSLF works. In France, cohesion policy managing authorities organised several events at a very early stage of PSLF implementation leading to multiple French projects being signed. In Greece, the cohesion policy managing authority of the Region of Western-Macedonia supported PSLF implementation by acting as a beneficiary and co-signing the grant agreement of the first PSLF project. Awareness raising by the Ministry of Finance in Romania is another example of a Member State supporting PSLF implementation, though with no successful project applications yet. To fill the knowledge gap about PSLF, one Croatian public organisation indicated there was still a need for more support regarding PSLF, e.g. by developing national guidelines for its implementation in the regions.

Effectiveness of communication and information actions

Conclusions

PSLF is a new instrument, therefore **communication and information actions are key to promoting its uptake**. Although measuring their effectiveness is challenging, the increasing number of applications and eligible proposals is encouraging. The study shows that information and communication actions have been effective in reaching the most relevant stakeholders.

Lessons learnt

Despite multiple efforts of the EC and CINEA to accommodate the language needs of potential applicants, feedback indicates that the language barrier remains a challenge for

the PSLF for some applicants. This was reported by smaller public entities when negotiating the loan component as in the Romanian case. It is important to increase the engagement of key stakeholders such as cohesion policy managing authorities and NPBI, who have played a significant role in PSLF uptake in Sweden and Czechia.

Contribution to PSLF objectives

Conclusions

Most PSLF projects and advisory activities are still at an early stage, making it premature to fully assess their contributions to achieving PSLF objectives. However, **the project proposals clearly align with key environmental goals**. Ten of the fourteen eligible proposals submitted by the sixth cut-off contribute to climate change mitigation and adaptation by reducing CO2 emissions and increasing energy efficiency. In addition, five address pollution prevention and control by improving air quality, as well as supporting biodiversity and ecosystem restoration. Only one proposal specifically targets water conservation through water-saving measures in buildings.

Lessons learnt

In spite of efforts to raise awareness and promote the Facility, full use of the grant budget seems unlikely under the first call. This may be possible under the second call which will not have pre-allocated national shares. **Current information on implementation and the expected duration of projects do not enable an assessment of the extent that PSLF objectives can be achieved on time.**

5.3. Efficiency

Use of PSLF resources

Conclusions

- **The duration of grant evaluation is in line with expectations.** On average the grant evaluation process took around two months, less than initially communicated. The award decision takes 6 to 13 months, in line with the call document.
- **This study cannot confirm the benefits of FNLC for the grant component as few projects are being implemented. However, the grant component procedure with FNLC and a pre-financing of 70% in the first year of the project is very much appreciated.** This is because progress is based on pre-defined results, which simplifies monitoring and reporting procedure.
- **The two application procedures for the grant and the EIB loan with different timelines are perceived as relatively complex** compared to other EU grant application procedures. This reflects the additional focus on assessing the

applicant's repayment capacity, as well as the need to align different requirements for the grant and loan components.

- **EUR 1 of PSLF grant brings about EUR 12 of total investments, including the EIB loan, at the level of beneficiaries.**

Lessons learnt

- **The project proposals show increasing interest in PSLF, better-quality applications and the importance of specialised support to increase administrative capacity and develop a suitable pipeline.** Such support can be from consultants or an NPBI, as in Czechia.
- **The PSLF budget has only been partially used.** In several countries no proposals have been submitted, while in France the national share has been exhausted. It is not possible to draw general conclusions because the first call is still ongoing, however national shares may limit the potential use of resources under the first call.

Monitoring and reporting

Conclusions

Information in section 2 of this report and the current status of PSLF implementation do not enable a full assessment of reporting and monitoring at the moment. However, a few important points emerge from the French experience. The most positive are the large share of the grant at project start and the positive assessment of monitoring and reporting requirements so far. Monitoring and reporting are perceived as efficient by the beneficiary, as it involved only (i) control of project implementation progress reports, (ii) on the spot monitoring and (iii) the interim evaluation and a final evaluation. On the other hand, interviews with beneficiaries highlighted that reporting to CINEA on grant implementation and separately to the EIB on loan implementation can be burdensome.

Lessons learnt

Case studies show that it is not yet possible to collect in-depth information on monitoring and reporting efficiency.

5.4. Coherence

This section covers PSLF coherence with other EU and national funds programmes, JTM pillars and the complementarity of EU resources for technical assistance and advisory offered by the EIB .

PSLF and other national and EU programmes

Conclusions

Several other EU funding instruments in direct and shared management such as RRF, cohesion policy funds – European Social Fund Plus (ESF+)⁷⁴, ERDF and CF, CEF, and LIFE⁷⁵ programme contribute to the Green Deal's objectives. Therefore, as PSLF, these EU instruments fall under the same strategic framework for countering climate change and for environmental protection. **Similar strategic frameworks can create synergies but also pose risks of competition.**

Synergies can occur because different funds contribute to the same goals with complementary support. In this regard, the TJTP framework promotes synergy. The three pillars of the JTM benefit from the same strategic planning process. However, similar strategic frameworks can also create the conditions for competition between funds. Therefore, potential beneficiaries and coordinating entities need the capacity to discern the most appropriate fund. Moreover, when implementation periods overlap, some funding options can be preferred for their more advantageous conditions. For instance, the higher grant coverage in cohesion policy and RRF than in PSLF has created competition in implementation. This competition is also related to administrative capacity that has largely been absorbed by other EU funding programmes rather than the PSLF. Other EU funding sources include grants from other EU programmes being combined with repayable funding at beneficiary level, resulting in a blending structure with a higher grant component than PSLF. Moreover, while there is potential for synergy, PSLF cannot be combined with other EU funding. The synergy of PSLF with these funds lies in providing additional resources to address similar needs or to support needs which cannot be covered under these funds due to their thematic focus.

Synergies between PSLF and CEF are mainly related to the transport sector, which is among the most covered by submitted proposals. LIFE aims to develop, demonstrate and promote innovative techniques to achieve EU environmental and climate goals, but only partially overlaps with topics and areas of intervention covered by PSLF.

Overlapping national funds with similar objectives, e.g. in Germany have discouraged PSLF applications, or led to project withdrawals due to the availability of other funding.

⁷⁴ ESF+ is a shared management fund. It provides an important contribution to EU employment, social, education and skills policies, including structural reforms in these areas. More information is available at: <https://european-social-fund-plus.ec.europa.eu/en>.

⁷⁵ LIFE is a direct management fund entirely dedicated to environmental, climate and energy objectives. More information is available [here](#).

Lessons learnt

A clear demarcation, as in France, would help project promoters choose the appropriate financing. Excluding the renewal of rolling stock in the French partnership agreement facilitated and increased interest in PSLF.

PSLF and other JTM pillars

Conclusions

PSLF is the third Pillar of the Just Transition Mechanism (JTM) alongside Pillar I JTF and Pillar II the InvestEU JTS. As part of the JTM, PSLF has a clear function as a blending facility, combining grants and EIB loans under direct management. This is different from the mostly grant-based JTF under shared management (Pillar I) and the budgetary guarantee InvestEU 'Just Transition' scheme (Pillar II). **These three Pillars provide complementary support to just transition regions. The coherence of the three Pillars is ensured in the TJTP framework.**

The three JTM pillars are included in the TJTP framework where Member States have identified territories and investments eligible for all three Pillars. While TJTPs mention all three pillars, JTF has usually been prioritised by JTM stakeholders over PSLF. Consequently, considerable human resources within potential beneficiaries were allocated to JTF and were less available for PSLF. The same applies for the timing. When Member States were drafting TJTPs, staff were also focused on JTF planning and programming, so they considered PSLF less. For JTM, the rationale requiring projects under PSLF to prove insufficient revenue appears unclear as the same requirement does not apply to projects receiving more grant coverage under Pillar I.

Lessons learnt

A clear indication in the TJTPs of sectors / areas of intervention and types of project covered by each pillar could have benefited PSLF uptake and ensured the specific and complementary contribution of each funding source to the just transition. However, **Member States have approached JTM complementarity differently in their TJTPs.** Many ensured that at least one paragraph mentions PSLF eligible investments while broadly citing investments included in recital 6 of the PSLF Regulation. This was meant to give PSLF the flexibility to complement other pillars by providing additional funds for needs which were not fully identified when the TJTPs were adopted.

The Swedish just transition process distinguishes between transition needs to be covered by JTF and those faced by the public sector to be addressed through PSLF. This is probably one reason for the PSLF uptake in Sweden. Greece has also ensured wider PSLF eligibility than JTF as PSLF extends to climate adaptation, beyond mitigation measures. Thus, projects related to wastewater treatment and water management are not excluded from PSLF. Concerns about the capacity to absorb JTF funds within the deadlines may have discouraged some national authorities from opting for demarcation.

Complementarity of EU resources for technical assistance and advisory offered by the EIB

Conclusions

It is not possible to fully assess the complementarity of EIB and other advisory mechanisms, as they are rarely provided simultaneously in the same country and several are still ongoing. Moreover, only a few Member States have so far involved consultants and used advisory services specifically for PSLF.

However, DG REGIO and EIB have strived to ensure that the EIB was involved in all technical assistance for PSLF provided from other sources, to ensure complementarity and consistency in the advice given to applicants.

Lessons learnt

It is possible to highlight findings at country level and across countries.

- Country level. In Greece and Romania all advisory support and technical assistance contributed to building capacity from needs assessment, to developing a project pipeline and preparing a PSLF application. The interviews highlighted that coordination between technical assistance and advisory projects is very important to avoid duplicated efforts.
- Across countries the scope varied. In the initial phase the focus was on awareness raising but more recently training and preparing proposals for applications have been more important.

Member States are free to mobilise the technical assistance provider they wish. However, since other technical assistance resources may be allocated to other priorities, while there are reserved resources for the PSLF in the framework of the InvestEU Advisory Hub, it is more advantageous to mobilise in priority the technical assistance available under the Hub as it is not available for other uses.

5.5. EU added value

Conclusions

Considering implementation, it is not yet possible to conduct a thorough analysis of added value. However, the study **suggests that PSLF is adding value and the grant component increases the likelihood that projects materialise, particularly in countries where similar support is either unavailable or is offered under less favourable conditions.**

Lessons learnt

PSLF is **adding value by mobilising additional resources to address transition needs in just transition regions**. In France it covers sectors without alternative funding resources. In Sweden, direct management is perceived as an additional opportunity for local public entities to cover just transition investments, which would not be possible only through their own resources. Moreover, **stakeholder consultation highlights that a PSLF blended approach adds value**. PSLF proposals need a medium to long-term view from local authorities to ensure sustainability of the investment. Especially for larger project proposals, promoters must establish a multiannual and sectoral plan, coordinate among different departments and competences and ensure a long-term commitment from those involved.

6. Annexes

Annex I – Evaluation criteria and questions

Criteria	Evaluation question
Relevance	<ol style="list-style-type: none"> 1. To what extent were and still are the design and objectives of the PSLF still relevant for the just transition needs of the TJTP regions? 2. How well adapted is the PSLF to changes or developments that have emerged since its introduction? Have the circumstances changed in the meantime so much that the intervention has to change/adapt to them over time? 3. Are PSLF's potential beneficiaries able to make use of debt-based instruments? Is their participation limited by factors such as their pre-existing level of debt, national legislations or credit exposure with the EIB or financial intermediaries?
Effectiveness	<ol style="list-style-type: none"> 4. How successful has the PSLF been in achieving (or progressing towards) its objectives? To what extent were the expected changes resulting from EU action delivered? 5. Does the call for proposals adequately reflect the objectives and requirements of the PSLF Regulation? 6. Have less developed regions been able to access PSLF funding as much as transition and more developed regions? what factors (unexpected or unintended) have driven or hindered this? Are the measures designed to support the implementation of the PSLF in less developed regions (25% grant, bonus points for less developed regions) effective, i.e. are these measures a sufficient incentive for less developed regions to apply? Has administrative capacity been a hindering factor for access to PSLF? Is the application process helpful in overcoming possible administrative capacity weaknesses? 7. To what extent have beneficiaries been able to access the advisory support offered under the PSLF and has it been effective? 8. Have communication and information actions implemented by DG REGIO and CINEA affected the implementation of the PSLF? Which were the most effective? To what extent have potential applicants been able to get answers to their questions concerning the application process and the call for proposals? 9. What factors intrinsic to the PSLF can explain the difference in the level of take up of the PSLF between MS? What external factors can explain the difference in the level of take up of the PSLF between Member States? 10. Has the inclusion of the PSLF in the TJTPs framework benefitted the effective implementation of the PSLF? 11. To what extent can the PSLF objectives still be achieved in time? If not, with what delay? 12. What are expectations/forecasts for PSLF project pipelines in the different EU Member States and TJTP regions? 13. Are there any unexpected or unintended effects that have occurred and which drove or hindered progress? What can explain these effects? 14. How are MS authorities supporting the effective implementation of the PSLF? 15. To what extent has the PSLF been contributing to environmental objectives as per (Article 9 of Regulation (EU) 2020/852 of the European Parliament and of the Council?
Efficiency	<ol style="list-style-type: none"> 16. To what extent are the costs appropriately sized to achieve the programme's expected benefits? In particular, are the available financial and human resources adequate to achieve the objectives and are they used in an optimal manner to ensure the PSLF delivers on its objectives? 17. What is the leverage ratio and multiplier of the PSLF's grant contribution (? 18. Have any inefficiencies been identified? Could the intervention have been done in a more efficient way? What is the simplification and cost reduction potential of the intervention and by what means? 19. How timely and efficient is the intervention's administrative process (e.g. for reporting and monitoring)?

	20. Is the application process well understood by the applicants and conducive to the submission of high-quality applications with limited administrative burden? Does it account for country regulatory and customary specificities?
Coherence	<p>21. To what extent is PSLF coherent with other EU and national interventions and funding programmes that have similar objectives?</p> <p>22. How coherent is the PSLF with other JTM Pillars in terms of objectives, scope and activities? To what extent can synergies, complementarities, overlaps and crowding-out be observed in the JTM Pillars implementation?</p> <p>23. Do TJTPs support the coherence between the investments supported under the three pillars of the JTM?</p> <p>24. To what extent has the involvement of consultants financed by other technical assistance instruments (e.g. the Technical Support Instrument (TSI) and by cohesion policy funds) been complementary with PSLF advisory services offered by the EIB under the InvestEU Advisory Hub?</p>
Added Value	<p>25. Would the objectives of the PSLF be pursued in its absence? To what extent? What is their expected additional value compared to what could be reasonably achieved by Member States on their own and/or by other available EU funding programmes with similar objectives?</p> <p>26. Would projects financed by the PSLF materialise without the grant component of the PSLF?</p>

Annex II – Evaluation Matrix

The evaluation matrix offers an overview of the methodological approach to answer the evaluation questions of the study.

Evaluation criterion - Relevance						
EQ ⁷⁶ (1) To what extent were and still are the design and objectives of the PSLF still relevant for the just transition needs of the TJTP regions?						
Judgement criteria	<ul style="list-style-type: none">- Alignment of PSLF objectives with the just transition needs of the TJTP regions- Alignment of PSLF design with the just transition needs of the TJTP regions (focus on sectors, potential beneficiaries, delivery mechanism, finance partners, advisory support, budget and national shares)					
	<ul style="list-style-type: none">- Analysis of the sectors covered by the sample of TJTPs- Analysis of whether the sample of TJTPs refers to PSLF, consistently with the facility's needs and objectives- Description of eligible sectors and potential beneficiaries of the facility- Description of the design and delivery mechanism of the facility and of the rationale of the instrument- Analysis of the interviews and survey findings on relevance (in particular if the PSLF is still relevant)- In-depth analysis of the case specific situation (in particular if the PSLF is still relevant)					
Main activities						
Contribution of each task / method						
Task 1 (TJTPs)	Task 1 (regulations / work programmes / calls, other literature, implement. data)	Task 2a (survey)	Task 2b (interviews with institutions)	Task 2b (interviews with beneficiaries or applicants, MS authorities)	Task 2b (interviews with advisory, civil soc., academia, NGOs)	Task 3 (Case studies)
X	X	X	X	X	X	X

⁷⁶ EQ means evaluation question for this annex.

Evaluation criterion - Relevance						
EQ(2) How well adapted is the PSLF to changes or developments that have emerged since its introduction? Have the circumstances changed in the meantime so much that the intervention has to change/adapt to them over time?						
Judgement criteria	<ul style="list-style-type: none">- Adaptation to recent changes due to other policy instruments, which are perceived as more attractive- Adaptation to recent changes due to other types of events					
Main activities	<ul style="list-style-type: none">- Analysis of recent studies (i.e. Russia conflict in Ukraine, additional competing funding, change in priorities from MSs)- Analysis of the interviews findings to understand whether other instruments and other events require adaptation- In-depth analysis of the country specific situation (in particular if the PSLF is still relevant)- In-depth analysis of the case specific situation					
Contribution of each task / method						
Task 1 (TJTPs)	Task 1 (regulations / work programmes / calls, other literature, implement. data)	Task 2a (survey)	Task 2b (interviews with institutions)	Task 2b (interviews with beneficiaries or applicants, MS authorities)	Task 2b (interviews with advisory, civil soc., academia, NGOs)	Task 3 (Case studies)
X	X		X		X	X

Evaluation criterion – Relevance						
EQ(3) Are PSLF’s potential beneficiaries able to make use of debt-based instruments? Is their participation limited by factors such as their pre-existing level of debt, national legislations or credit exposure with the EIB or financial intermediaries?						
Judgement criteria	<ul style="list-style-type: none">- Potential beneficiaries’ capacity to use debt-based instruments- External factors affecting potential beneficiaries’ participation in debt-based instruments					
Main activities	<ul style="list-style-type: none">- Analysis of literature and studies- Analysis of the interviews findings to understand factors affecting beneficiaries’ capacity and key external factors- In-depth analysis of the case-specific situation (in particular if the PSLF is still relevant)					
Contribution of each task / method						
Task 1 (TJTPs)	Task 1 (regulations / work programmes / calls, other literature, implement. data)	Task 2a (survey)	Task 2b (interviews with institutions)	Task 2b (interviews with beneficiaries or applicants, MS authorities)	Task 2b (interviews with advisory, civil soc., academia, NGOs)	Task 3 (Case studies)
	X	X	X	X	X	X

Evaluation criterion - Effectiveness						
EQ(4) How successful has the PSLF been in achieving (or progressing towards) its objectives? To what extent were the expected changes resulting from EU action delivered?						
Judgement criteria	<ul style="list-style-type: none">- Financial progress/up-take of the PSLF- Effectiveness of the EU action					
Main activities	<ul style="list-style-type: none">- Analysis of implementation data for the financial progress of the PSLF- Analysis of the interviews, surveys and case studies for examples to assess the physical progress of implementation of the facility					
Contribution of each ask / method						
Task 1 (TJTPs)	Task 1 (regulations / work programmes / calls, other literature, implement. data)	Task 2a (survey)	Task 2b (interviews with institutions)	Task 2b (interviews with beneficiaries or applicants, MS authorities)	Task 2b (interviews with advisory, civil soc., academia, NGOs)	Task 3 (Case studies)
	X	X	X	X	X	X

Evaluation criterion - Effectiveness						
EQ(5) Does the call for proposals adequately reflect the objectives and requirements of the PSLF Regulation?						
Judgement criteria	- Alignment of the call for proposals to the PSLF objectives and requirements					
Main activities	- Analysis of the calls for proposals					
Contribution of each task / method						
Task 1 (TJTPs)	Task 1 (regulations / work programmes / calls, other literature, implement. data)	Task 2a (survey)	Task 2b (interviews with institutions)	Task 2b (interviews with beneficiaries or applicants, MS authorities)	Task 2b (interviews with advisory, civil soc., academia, NGOs)	Task 3 (Case studies)
	X					

Evaluation criterion - Effectiveness						
EQ(6) Have less developed regions been able to access PSLF funding as much as transition and more developed regions? what factors (unexpected or unintended) have driven or hindered this? Are the measures designed to support the implementation of the PSLF in less developed regions (25% grant, bonus points for less developed regions) effective, i.e. are these measures a sufficient incentive for less developed regions to apply? Has administrative capacity been a hindering factor for access to PSLF? Is the application process helpful in overcoming possible administrative capacity weaknesses?						
Judgement criteria	<ul style="list-style-type: none">- Capacity of less developed regions to access PSLF funding in comparison with other types of regions					
Main activities	<ul style="list-style-type: none">- Analysis of the implementation to compare the capacity of less developed regions with others					
	<ul style="list-style-type: none">- Analysis of the interviews and surveys and case studies to identify unexpected or unintended factors and the role of administrative capacity in that respect					
Contribution of each task / method						
Task 1 (TJTPs)	Task 1 (regulations / work programmes / calls, other literature, implement. data)	Task 2a (survey)	Task 2b (interviews with institutions)	Task 2b (interviews with beneficiaries or applicants , MS authorities)	Task 2b (interviews with advisory, civil soc., academia, NGOs)	Task 3 (Case studies)
	X		X	X	X	X

Evaluation criterion - Effectiveness						
EQ(7) To what extent have beneficiaries been able to access the advisory support offered under the PSLF and has it been effective?						
Judgement criteria	- Effectiveness of the advisory support					
Main activities	- Analysis of the interviews and surveys and case studies					
Contribution of each task / method						
Task 1 (TJTPs)	Task 1 (regulations / work programmes / calls, other literature, implement. data)	Task 2a (survey)	Task 2b (interviews with institutions)	Task 2b (interviews with beneficiaries or applicants, MS authorities)	Task 2b (interviews with advisory, civil soc., academia, NGOs)	Task 3 (Case studies)
		X		X	X	X

EQ(8) Have communication and information actions implemented by DG REGIO and CINEA affected the implementation of the PSLF? Which were the most effective? To what extent have potential applicants been able to get answers to their questions concerning the application process and the call for proposals?						
Judgement criteria	- Effectiveness of communication and information actions by REGIO and CINEA					
Main activities	- Analysis of the interviews and survey					
Contribution of each task / method						
Task 1 (TJTPs)	Task 1 (regulations / work programmes / calls, other literature, implement. data)	Task 2a (survey)	Task 2b (interviews with institutions)	Task 2b (interviews with beneficiaries or applicants, MS authorities)	Task 2b (interviews with advisory, civil soc., academia, NGOs)	Task 3 (Case studies)
		X		X		

Evaluation criterion - Effectiveness						
EQ(9) What factors intrinsic to the PSLF can explain the difference in the level of take up of the PSLF between MS? What external factors can explain the difference in the level of take up of the PSLF between Member States?						
Judgement criteria	<ul style="list-style-type: none">- Internal and external factors explaining the different uptake level between Member States					
Main activities	<ul style="list-style-type: none">- Analysis of specific literature on possible internal and external factors- Analysis of the interviews and survey- In-depth analysis of the case specific situation (in particular if the PSLF is still relevant)					
Contribution of each ask / method						
Task 1 (TJTPs)	Task 1 (regulations / work programmes / calls, other literature, implement. data)	Task 2a (survey)	Task 2b (interviews with institutions)	Task 2b (interviews with beneficiaries or applicants, MS authorities)	Task 2b (interviews with advisory, civil soc., academia, NGOs)	Task 3 (Case studies)
	X	X		X	X	X

Evaluation criterion - Effectiveness						
EQ(10) Has the inclusion of the PSLF in the TJTPs framework benefitted the effective implementation of the PSLF?						
Judgement criteria	- Benefits from the inclusion of the PSLF in the TJTP					
Main activities	- Analysis of the interview and the TJTPs					
Contribution of each task / method						
Task 1 (TJTPs)	Task 1 (regulations / work programmes / calls, other literature, implement. data)	Task 2a (survey)	Task 2b (interviews with institutions)	Task 2b (interviews with beneficiaries or applicants, MS authorities)	Task 2b (interviews with advisory, civil soc., academia, NGOs)	Task 3 (Case studies)
X				X		

Evaluation criterion - Effectiveness						
EQ(11) To what extent can the PSLF objectives still be achieved in time? If not, with what delay?						
Judgement criteria	- On-time achievement of the PSLF objectives					
Main activities	- Analysis of the implementation and inputs from interviews					
Contribution of each task / method						
Task 1 (TJTPs)	Task 1 (regulations / work programmes / calls, other literature, implement. data)	Task 2a (survey)	Task 2b (interviews with institutions)	Task 2b (interviews with beneficiaries or applicants, MS authorities)	Task 2b (interviews with advisory, civil soc., academia, NGOs)	Task 3 (Case studies)
	X		X			

Evaluation criterion - Effectiveness						
EQ(12) What are expectations/forecasts for PSLF project pipelines in the different EU Member States and TJTP regions?						
Judgement criteria	- Expectations for the PSLF project pipelines					
Main activities	- Analysis of the implementation and inputs from surveys					
Contribution of each task / method						
Task 1 (TJTPs)	Task 1 (regulations / work programmes / calls, other literature, implement. data)	Task 2a (survey)	Task 2b (interviews with institutions)	Task 2b (interviews with beneficiaries or applicants, MS authorities)	Task 2b (interviews with advisory, civil soc., academia, NGOs)	Task 3 (Case studies)
	X	X				

Evaluation criterion - Effectiveness						
EQ(13) Are there any unexpected or unintended effects that have occurred and which drove or hindered progress? What can explain these effects?						
Judgement criteria	- Unexpected and unintended effects					
Main activities	- Analysis of the interviews and case studies					
Contribution of each task / method						
Task 1 (TJTPs)	Task 1 (regulations / work programmes / calls, other literature, implement. data)	Task 2a (survey)	Task 2b (interviews with institutions)	Task 2b (interviews with beneficiaries or applicants, MS authorities)	Task 2b (interviews with advisory, civil soc., academia, NGOs)	Task 3 (Case studies)
		X	X	X	X	X

Evaluation criterion - Effectiveness						
EQ(14) How are MS authorities supporting the effective implementation of the PSLF?						
Judgement criteria	- Effectiveness of the Member States in supporting the effective implementation					
Main activities	- Analysis of the survey, interviews and case studies					
Contribution of each task / method						
Task 1 (TJTPs)	Task 1 (regulations / work programmes / calls, other literature, implement. data)	Task 2a (survey)	Task 2b (interviews with institutions)	Task 2b (interviews with beneficiaries or applicants, MS authorities)	Task 2b (interviews with advisory, civil soc., academia, NGOs)	Task 3 (Case studies)
		X		X		X

Evaluation criterion - Effectiveness						
EQ(15) To what extent has the PSLF been contributing to environmental objectives as per (Article 9 of Regulation (EU) 2020/852 of the European Parliament and of the Council)?						
Judgement criteria	- Contribution to the environmental objectives					
Main activities	- Analysis of the case studies					
Task 1 (TJTPs)	Task 1 (regulations / work programmes / calls, other literature, implement. data)	Task 2a (survey)	Task 2b (interviews with institutions)	Task 2b (interviews with beneficiaries or applicants, MS authorities)	Task 2b (interviews with advisory, civil soc., academia, NGOs)	Task 3 (Case studies)
	X					X

Evaluation criterion - Efficiency						
EQ(16) To what extent are the costs appropriately sized to achieve the programme’s expected benefits? In particular, are the available financial and human resources adequate to achieve the objectives and are they used in an optimal manner to ensure the PSLF delivers on its objectives?						
Judgement criteria	- Appropriateness of financial and human resources					
Main activities	- Analysis of the interviews and survey					
	- In-depth analysis of the case specific situation (in particular if the PSLF is still relevant)					
Contribution of each task / method						
Task 1 (TJTPs)	Task 1 (regulations / work programmes / calls, other literature, implement. data)	Task 2a (survey)	Task 2b (interviews with institutions)	Task 2b (interviews with beneficiaries or applicants, MS authorities)	Task 2b (interviews with advisory, civil soc., academia, NGOs)	Task 3 (Case studies)
	X	X	X	X		X

Evaluation criterion - Efficiency						
EQ(17) What is the leverage ratio and multiplier of the PSLF's grant contribution ?						
Judgement criteria	- Leverage and multiplier					
Main activities	- Analysis of the leverage and multiplier of the PSLF's contribution based on the analysis of the implementation, survey and case studies (if they can provide any additional relevant information)					
Contribution of each task / method						
Task 1 (TJTPs)	Task 1 (regulations / work programmes / calls, other literature, implement. data)	Task 2a (survey)	Task 2b (interviews with institutions)	Task 2b (interviews with beneficiaries or applicants, MS authorities)	Task 2b (interviews with advisory, civil soc., academia, NGOs)	Task 3 (Case studies)
X						

Evaluation criterion - Efficiency						
EQ(18) Have any inefficiencies been identified? Could the intervention have been done in a more efficient way? What is the simplification and cost reduction potential of the intervention and by what means?						
Judgement criteria	<ul style="list-style-type: none">- Identification of inefficiencies and proposed solutions for simplification					
Main activities	<ul style="list-style-type: none">- Analysis of the interviews and survey					
	<ul style="list-style-type: none">- In-depth analysis of the case specific situation (in particular if the PSLF is still relevant)					
Contribution of each task / method						
Task 1 (TJTPs)	Task 1 (regulations / work programmes / calls for proposals, other literature)	Task 2a (survey)	Task 2b (interviews with institutions)	Task 2b (interviews with beneficiaries or applicants, MS authorities)	Task 2b (interviews with advisory, civil soc., academia, NGOs)	Task 3 (Case studies)
		X	X	X		X

Evaluation criterion - Efficiency						
EQ(19) How timely and efficient is the intervention’s administrative process (e.g. for reporting and monitoring)?						
Judgement criteria	- Efficiency of reporting and monitoring					
Main activities	- Analysis of the interviews					
	- In-depth analysis of the case specific situation (in particular if the PSLF is still relevant)					
Contribution of each task / method						
Task 1 (TJTPs)	Task 1 (regulations / work programmes / calls, other literature, implement. data)	Task 2a (survey)	Task 2b (interviews with institutions)	Task 2b (interviews with beneficiaries or applicants, MS authorities)	Task 2b (interviews with advisory, civil soc., academia, NGOs)	Task 3 (Case studies)
			X			X

Evaluation criterion - Efficiency						
EQ(20) Is the application process well understood by the applicants and conducive to the submission of high-quality applications with limited administrative burden? Does it account for country regulatory and customary specificities?						
Judgement criteria	<ul style="list-style-type: none">- Applicant's understanding of the application process					
Main activities	<ul style="list-style-type: none">- Analysis of the interviews and survey findings					
	<ul style="list-style-type: none">- In-depth analysis of the case specific situation (in particular if the PSLF is still relevant)					
Contribution of each task / method						
Task 1 (TJTPs)	Task 1 (regulations / work programmes / calls, other literature, implement. data)	Task 2a (survey)	Task 2b (interviews with institutions)	Task 2b (interviews with beneficiaries or applicants, MS authorities)	Task 2b (interviews with advisory, civil soc., academia, NGOs)	Task 3 (Case studies)
		X	X	X		X

Evaluation criterion - Coherence						
EQ(21) To what extent is PSLF coherent with other EU and national interventions and funding programmes that have similar objectives?						
Judgement criteria	<ul style="list-style-type: none">- PSLF coherence with other EU funds and programmes- PSLF coherence with other national programmes					
Main activities	<ul style="list-style-type: none">- Analysis of other studies and regulations about the differences and coherence between the PSLF and EU other funds (eligibility conditions, scope of support; compatibility of the EIB as a finance partner; understanding whether the fact that the PSLF cannot receive support from other EU programmes has limited its interest also considering the relatively lower grant intensity)- Analysis of the survey findings and interviews on coherence with national and EU funding- Case studies					
Contribution of each task / method						
Task 1 (TJTPs)	Task 1 (regulations / work programmes / calls, other literature, implement. data)	Task 2a (survey)	Task 2b (interviews with institutions)	Task 2b (interviews with beneficiaries or applicants, MS authorities)	Task 2b (interviews with advisory, civil soc., academia, NGOs)	Task 3 (Case studies)
	X	X	X	X	X	X

Evaluation criterion - Coherence						
EQ(22) How coherent is the PSLF with other JTM Pillars in terms of objectives, scope and activities? To what extent can synergies, complementarities, overlaps and crowding-out be observed in the JTM Pillars implementation?						
Judgement criteria	<ul style="list-style-type: none">- Coherence with other JTM pillars					
Main activities	<ul style="list-style-type: none">- Analysis of regulations on the coherence with other pillars and the different scope between pillars (e.g. more restrictive scope of JTF might leave more room for PSLF					
	<ul style="list-style-type: none">- Analysis of the interviews and survey findings to understand whether other instruments and other events require the PSLF adaptation- In-depth analysis of the case specific situation					
Contribution of each task / method						
Task 1 (TJTPs)	Task 1 (regulations / work programmes / calls, other literature, implement. data)	Task 2a (survey)	Task 2b (interviews with institutions)	Task 2b (interviews with beneficiaries or applicants, MS authorities)	Task 2b (interviews with advisory, civil soc., academia, NGOs)	Task 3 (Case studies)
X	X	X	X	X	X	X

Evaluation criterion - Coherence						
EQ(23) Do TJTPs support the coherence between the investments supported under the three pillars of the JTM?						
Judgement criteria	- TJTPs support to coherence between the three JTM pillars					
Main activities	- Analysis of TJTPs					
Contribution of each task / method						
Task 1 (TJTPs)	Task 1 (regulations / work programmes / calls, other literature, implement. data)	Task 2a (survey)	Task 2b (interviews with institutions)	Task 2b (interviews with beneficiaries or applicants, MS authorities)	Task 2b (interviews with advisory, civil soc., academia, NGOs)	Task 3 (Case studies)
X						

Evaluation criterion - Coherence						
EQ(24) To what extent has the involvement of consultants financed by other technical assistance instruments (e.g. the Technical Support Instrument (TSI) and by cohesion policy funds) been complementary with PSLF advisory services offered by the EIB under the InvestEU Advisory Hub?						
Judgement criteria	<ul style="list-style-type: none">- Complementarity of the TSI, with assistance offered by the EIB- Technical assistance at local level					
Main activities	<ul style="list-style-type: none">- Analysis of the interviews, if relevant additional information can be derived from case study experience					
Contribution of each task / method						
Task 1 (TJTPs)	Task 1 (regulations / work programmes / calls, other literature, implement. data)	Task 2a (survey)	Task 2b (interviews with institutions)	Task 2b (interviews with beneficiaries or applicants, MS authorities)	Task 2b (interviews with advisory, civil soc., academia, NGOs)	Task 3 (Case studies)
				X	X	X

Evaluation criterion – EU added value						
EQ(25) Would the objectives of the PSLF be pursued in its absence? To what extent? What is their expected additional value compared to what could be reasonably achieved by Member States on their own and/or by other available EU funding programmes with similar objectives?						
Judgement criteria	- Expected added value					
Main activities	- Analysis of the survey, interviews and case study findings on the extent of the PSLF added value in achieving its objectives (absolute – meaning no other way / instrument to deal with the objectives; partial – the PSLF amplifies or multiplies what would have happened without; no / very limited)					
Contribution of each task / method						
Task 1 (TJTPs)	Task 1 (regulations / work programmes / calls, other literature, implement. data)	Task 2a (survey)	Task 2b (interviews with institutions)	Task 2b (interviews with beneficiaries or applicants, MS authorities)	Task 2b (interviews with advisory, civil soc., academia, NGOs)	Task 3 (Case studies)
		X	X	X		X

Evaluation criterion – EU added value						
EQ(26) Would projects financed by the PSLF materialise without the grant component of the PSLF?						
Judgement criteria	<ul style="list-style-type: none">- Expected added value of the grant component					
Main activities	<ul style="list-style-type: none">- Analysis of the interviews, case studies findings in order to focus on the specific project situation and provide qualitative information on the PSLF added value for the materialisation of the projects without the grant component. The type of added value of the PSLF can be related to the development of just transition strategies with regards to the description of the transition process, identification of negative impact, proposed measure, contribution to the territorialisation of cohesion policy, improved governance models to territories, stakeholder involvement.					
Contribution of each task / method						
Task 1 (TJTPs)	Task 1 (regulations / work programmes / calls, other literature, implement. data)	Task 2a (survey)	Task 2b (interviews with institutions)	Task 2b (interviews with beneficiaries or applicants, MS authorities)	Task 2b (interviews with advisory, civil soc., academia, NGOs)	Task 3 (Case studies)
			X	X	X	X

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List of projects from Kohesio considered for comparison (Evaluation question 25):

Table 3 – Comparison between PSLF proposals / projects and Kohesio projects

Funding source	Member State	Region	Category of region	Code	Area of intervention	Grant amount (EUR million)	Total project value (EUR million)
PSLF	CZ	Moravian-Silesian Region	Less developed	2023-4-CZ-SP-KS	Energy efficiency and cultural sector	21.0	115.5
ERDF programme	CZ	Moravian-Silesian Region	Less developed	Reduced energy intensity of the House of Culture in Mankovice No. 137	Energy efficiency and cultural sector	0.1	0.1
PSLF proposal	CZ	Moravian-Silesian Region	Less developed	The project was submitted by the University of Ostrava but is still under assessment	Housing	3.0	?
ERDF programme	CZ	Moravian-Silesian Region	Less developed	Regeneration of housing stock Mírová Osada — 1st stage (ul. Chrustova 260/8, 261/10, 262/12, 263/14, 1505/16, 1506/18, 1016/20, 1021/22), Ostrava	Housing	0.3	0.8
PSLF proposal	CZ	NorthWest	Less developed	The Czech proposals under assessment vary substantially. One covers local mobility, one urban regeneration, the other transport and energy efficiency.	Several	Their grant amount goes from EUR 0.4 million to EUR 2.4 million. Their total amount from EUR 1 million to EUR 13 million.	

Funding source	Member State	Region	Category of region	Code	Area of intervention	Grant amount (EUR million)	Total project value (EUR million)
ERDF programme	CZ	NorthWest	Less developed	There are several projects under Kohesio database for greener, carbon-free Europe and low-carbon economy, focusing on housing stock and building insulation, public transport and energy performance, district heating.	Several	The total project values vary a lot. Some are similar to PSLF proposals, others differ.	
PSLF	EL	Region Western Macedonia	Less developed	2023-3-EL-LS-SETPDM	Energy efficiency and renewable energy integration, upgrading buildings and street lighting facilities	14.5 (each project averages EUR 1 million)	80.7 (each project averages EUR 5.4 million)
ERDF programme	EL	Western Macedonia	Less developed	Energy upgrading of the Florina General Hospital	Energy efficiency and building upgrade	NA	3.0
ERDF programme	EL	Western Macedonia	Less developed	Energy upgrading of a Serbia health centre	Energy efficiency and building upgrade	NA	0.2
PSLF	FR	Pays de la Loire	Transition	2023-4-FR-SP-SMILES	Local mobility	30.0	405.0
PSLF	FR	Nord-Pas de Calais	Transition	2023-4-FR-SP-GREENMO	Local mobility	31.5	420.2

Funding source	Member State	Region	Category of region	Code	Area of intervention	Grant amount (EUR million)	Total project value (EUR million)
PSLF	FR	Provence-Alpes-Côte d'Azur	Transition	2023-4-FR-SP-ETNS1	Local mobility	15.0	320.0
ERDF programme	FR	Nord-Pas de Calais	Transition	DK'More Mobility	Local mobility	11.7	26.5
ERDF programme	FR	Nord-Pas de Calais	Transition	Development of a GNV station	Local mobility	1.7	2.4
ERDF programme	FR	Nord-Pas de Calais	Transition	Maubeuge Multimodal Exchange Hub (PEM) -	Local mobility	1.0	2.0
ERDF programme	FR	Pays de la Loire	Transition	Creation of a rail stop in Trélazé	Local mobility	1.0	3.3
PSLF	SE	Upper Norrland	More developed	2023-3-SE-LS-SHERIS	sustainable and affordable housing	10.6	141.6
ERDF programme	SE	Upper Norrland	More developed	SUNCOLD	sustainable and affordable housing	0.2	0.5
PSLF	PL	Silesian Voivodeship	Less developed	The proposal (for a framework loan) covers reconstruction of transport infrastructure, technical	Transport and energy efficiency	The EU grant amount is EUR 4.3 million and the total project value could reach EUR 31 million	

Funding source	Member State	Region	Category of region	Code	Area of intervention	Grant amount (EUR million)	Total project value (EUR million)
				infrastructure and energy modernisation in public facilities			
ERDF programme	PL	Silesian Voivodeship	Less developed	Projects cover renewable energy sources for residents, one improving the energy efficiency of State Treasury buildings, and one the construction of an energy unit	Several sectors but all related to energy efficiency	The support varies from EUR 1.3 million to EUR 29 million. The total project value between EUR 1.4 million and EUR 39.8 million	

Source: t33 & Prognos AG elaborations based on grant agreements provided by the EC (last update August 2024) and Kohesio database – rounding is to one decimal place.

Annex IV – Synopsis report

Introduction and background

This synopsis report summarises the stakeholder consultation conducted as part of the ‘Study to support the interim evaluation of the Public Sector Loan Facility (PSLF)’. A consortium of t33 srl and Prognos AG started the study on 24 April 2024.

Consultation strategy and methodology

The stakeholder consultation was based on a strategy that involved a public Call for Evidence (launched by the European Commission as part of the Better Regulation cycle), a targeted survey (through EUSurvey), interviews and feedback collected during dedicated PSLF events. The table below provides a short description of the stakeholders targeted, as well as the timing and the number of participants per consultation activity.

Table 4 – Overview of stakeholder consultation activities

Consultation activities	Stakeholders targeted	Timing, stakeholder engagement
Call for Evidence	Individual citizens, academic and research institutions, NGOs, consumer and social organisations, individual economic operators and representatives as well as public authorities.	2 February 2024 – 1 March 2024; 2 responses.
Survey	<ul style="list-style-type: none"> • National, regional and local public authorities; • Other public or quasi-public organisations; • Private bodies (with a public service mission); • Applicants/beneficiaries; • European Commission and/or CINEA; • European Investment Bank (EIB); • National and regional promotional banks and institutions; • Research and academia; • Third-party interest groups (non-governmental organisations, trade unions, social partners). 	9 July 2024 – 13 September 2024; 102 submissions.
Interviews	Three groups were interviewed: <ol style="list-style-type: none"> 1. EU institutional actors; 2. Beneficiaries, applicants and national, regional and local authorities; 3. Other stakeholders. 	4 July 2024 – 11 November 2024; 39 interviews.
Workshop ‘Translating just transition from plans into investments: combining grants, financing and advisory’ in the context of the European Week of Regions and Cities 2024⁷⁷	Cohesion policy managing authorities, NGOs, academic and research institutions, staff from EU institutions, and other cohesion policy stakeholders.	8 October 2024.

⁷⁷ European Investment Bank & European Commission (2024). Translating Just Transition from plans into investments: Combining grants, financing and advisory support. Workshop organised by the European Investment Bank and the European Commission in the European Committee of the Regions as part of the European Week of Regions and Cities. Background note. Retrieved from https://regions-and-cities.europa.eu/sites/default/files/webform/multimedia_center/42490/ewrc-session-outline_8-oct-2024_final.pdf (last accessed on 10 October 2024).

Consultation activities	Stakeholders targeted	Timing, stakeholder engagement
Session ‘Third Pillar of the Just Transition Mechanism – All You Want to Know’ in the context of the 10th Just Transition Platform Conference⁷⁸	JTF managing authorities, NGOs, academic and research institutions, and other just transition relevant stakeholders.	16 October 2024

Source: t33 srl & Prognos AG.

Results of the consultations

Call for Evidence

The Call for Evidence supported the preparation of the PSLF interim evaluation. It was open for feedback from 2 February 2024 to 1 March 2024.⁷⁹ The European Commission received only two responses which were unrelated to the topic of the consultation. One comment was removed as it did not comply with the European Commission's rules for publishing feedback and suggestions.

Survey

A survey was conducted between July 2024 and September 2024 targeting national, regional and local public authorities, other public and quasi-public organisations, private bodies (with a public mission, PSLF applicants and beneficiaries, European Commission representatives, European Investment Bank representatives, national and regional promotional banks and institutions, research and academia as well as third-party interest groups (non-governmental organisations, trade unions, social partners).

Overview of respondents

Overall, there were 102 submissions to the survey:

- 24 respondents from local public authorities;
- 15 from national public authorities;
- 14 from regional public authorities;
- 12 respondents representing the European Commission and/or CINEA;
- 8 respondents from the EIB;
- 7 respondents representing national promotional banks and institutions (NPBIs);

⁷⁸ See <https://app.swapcard.com/event/10th-just-transition-platform-conference/planning/UGxhbm5pbmdfMjA1NDM0Ng==> (last accessed on 10 October 2024).

⁷⁹ See https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/13972-Public-Sector-Loan-Facility-interim-evaluation_en (last accessed on 10 October 2024).

- 6 third-party interest groups, including NGOs and trade unions;
- 3 respondents representing applicant/beneficiary groups and other public or quasi-public organisations;
- 2 answers representing research and academia; and
- 1 answer representing a private body with a public service mission.

The highest participation came from Poland with 15 submissions, followed by Belgium with eleven and Romania with nine. France and Luxembourg each had seven submissions. Czechia, Slovenia, and the Netherlands are represented by five submissions each. Germany, Croatia, Italy, and Portugal each had four submissions. Spain had three, while Sweden had two. Cyprus, Denmark, Hungary, Ireland, and Greece are each represented by one submission.

88% of respondents (38 out of 43) answered that they were located in a TJTP territory while 12% (5 out of 43) were not. Regarding the question 'To what extent are you familiar with the PSLF?' 16% of respondents (15 out of 96) were familiar 'to a very large extent', 26% (25 out of 96) 'to a large extent', 33% (32 out of 96) 'to some extent', 20% (19 out of 96) 'to little extent' and 5% (five out of 96) 'to no extent'.

Overview of feedback provided

(a) Relevance

35% (33 out of 93) of the respondents indicated that the grant is relevant 'to a very large extent' for them. 25% (23 out of 93) accounts for 'to a large extent', while 32% (30 out of 93) indicated the grant to be relevant only 'to some extent'. 6% (6 out of 93) of the respondents answered that the grant is relevant 'to little extent' and 1% (1 out of 93) 'to no extent'.

When differentiating the respondents by type of stakeholder, local public authorities, regional public authorities, national public authorities, private bodies (with a public service mission), applicants/beneficiaries, and other public or quasi-public organisations respond more optimistically with 43% (24 out of 56) indicating it is relevant 'to a very large extent', while for 30% (17 out of 56) it is 'to a large extent'. 'To some extent' has 18% (10 out of 56), 'to little extent' 7% (4 out of 56), and 'to no extent' 2% (1 out of 56). On the other hand, the 20 responses from the European Commission and/or CINEA and EIB were less optimistic than the PSLF target group as regards relevance. The category 'to a very large extent' saw 15% (3 out of 20). 'To a large extent' accounts for 20% (4 out of 20), while 'to some extent' includes 60% (12 out of 20). 'To little extent' was 5% (1 out of 20) and 'to no extent' makes up 0% (0 out of 20) of respondents.

47% (27 out of 58)⁸⁰ are either implementing projects benefiting from PSLF or intend to submit a proposal to a PSLF call. Of those 27 participants, more than 50% responded that the grant component is relevant 'to a very large extent' and for 33% 'to a large extent'.

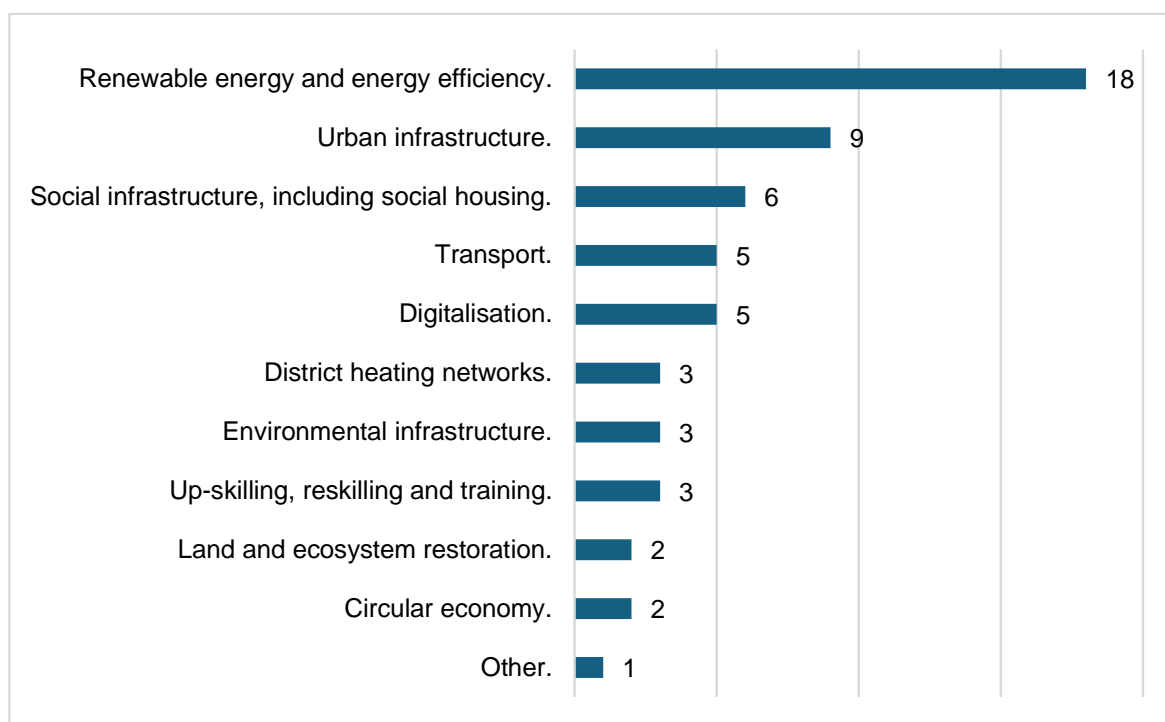
For those not implementing projects or none are planned, many have limited capacity, high loan fees and the application process is complex. Additionally, they find it difficult to manage

⁸⁰ Only national, regional and local public authorities, other public or quasi-public organisations, private bodies (with a public service mission), and applicants/beneficiaries were asked this question.

large-scale projects due to their limited annual budgets. Some regions have already exhausted their funding envelopes while others have access to other loan facilities.

Figure 17 indicates that ‘Renewable energy and energy efficiency’ projects are the most common, with 18 out of 27 respondents indicating they intend to implement or are implementing projects⁸¹. ‘Urban infrastructure’ follows with 9 projects, then ‘Social infrastructure, including social housing’ with 6 intended to be implemented or implemented. Other significant categories include ‘Digitalisation’ and ‘Transport’, each with 5 projects. There are fewer for ‘Circular economy’ (2) and ‘Land restoration’ (2).

Figure 17: Replies to the question ‘In which areas do you intend to implement or are you implementing projects supported by the PSLF? Please select a maximum of three.’



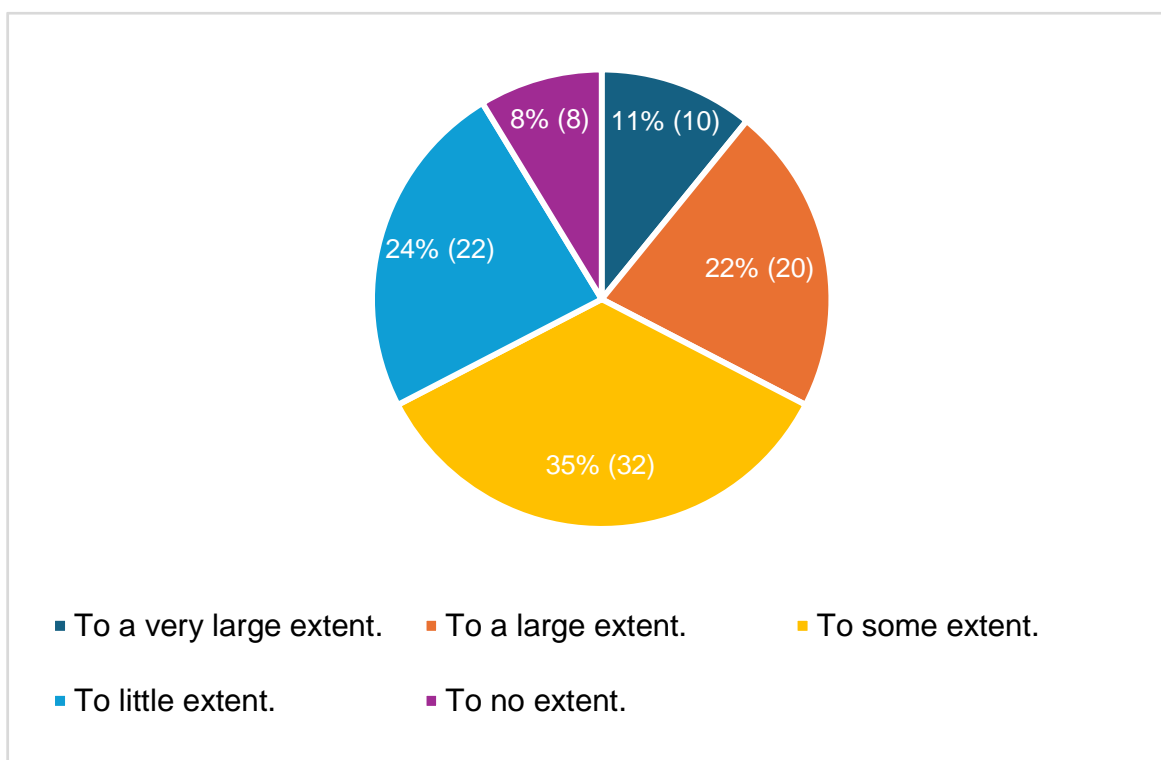
Source: t33 srl & Prognos AG.

(b) Effectiveness

⁸¹ Respondents could select in the survey a maximum of three areas in which they intend to implement or are implementing projects supported by the PSLF.

Figure 18 shows that 11% of respondents (10 out of 92) believe the PSLF has been effective in addressing serious social, economic and environmental challenges of the transition in Member States 'to a very large extent'. In comparison, 22% (20 out of 92) responded 'to a large extent', 35% (32 out of 92) 'to some extent', 24% (22 out of 92) 'to little extent' and 8% (8 out of 92) 'to no extent'.

Figure 18: Replies to the question ‘In your opinion, to what extent has the PSLF been effective in addressing the serious social, economic and environmental challenges of the transition in EU Member States?’



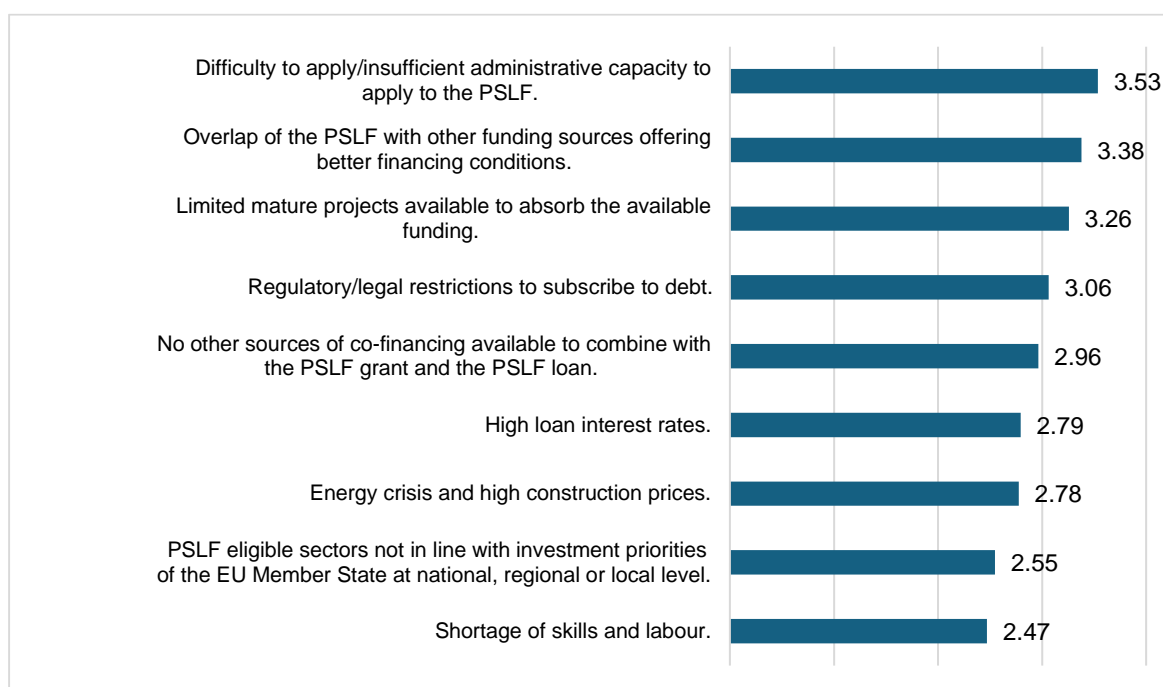
Source: t33 srl & Prognos AG. Note: The absolute number of responses is in brackets.

When differentiating the respondents by type of stakeholder, local public authorities, regional public authorities, national public authorities, private bodies (with a public service mission), applicants/beneficiaries, and other public or quasi-public organisations respond more optimistically with 21% (10 out of 48) indicating it is effective ‘to a very large extent’, while for 27% (13 out of 48) it is ‘to a large extent’. ‘To some extent’ has 29% (14 out of 48), ‘to little extent’ 15% (7 out of 48), and ‘to no extent’ 8% (4 out of 48). On the other hand, the 20 responses from the European Commission and/or CINEA and EIB were less optimistic than the PSLF target group. The category ‘to a very large extent’ saw 0% (0 out of 20). ‘To a large extent’ accounts for 15% (3 out of 20), while ‘to some extent’ includes 40% (8 out of 20). ‘To little extent’ was 35% (7 out of 20) and ‘to no extent’ makes up 10% (2 out of 20) of respondents.

When the participants were asked to explain their assessment, the key points were that the PSLF is seen as crucial for supporting just transition in regions aiming to reach climate objectives and for providing financial resources for the just transition. The grant component is essential for making investments feasible, particularly in negatively affected regions by the green transition. 10% (7 out of 70) respondents highlighted in their qualitative feedback to the question the need for larger grants to reduce financial burdens on public authorities and better align with other funding sources. While PSLF is appreciated, some find it less attractive compared to other EU funds.

Figure 19 shows that circumstances influencing the uptake of PSLF include 'difficulty to apply/insufficient administrative capacity to apply to the PSLF', with a score of 3.53 in an index created to compare the responses. This is followed by 'overlap of the PSLF with other funding sources offering better financing conditions' with 3.38. The item 'limited mature projects available to absorb the available funding' scores 3.26. Those least influencing the uptake are 'PSLF eligible sectors not in line with investment priorities of the EU Member State at national, regional or local level' and 'shortage of skills and labour' which scored 2.55 and 2.47 respectively.

Figure 19: Replies to the question 'From your point of view, to what extent has the uptake of the PSLF been influenced by the following evolving circumstances?'

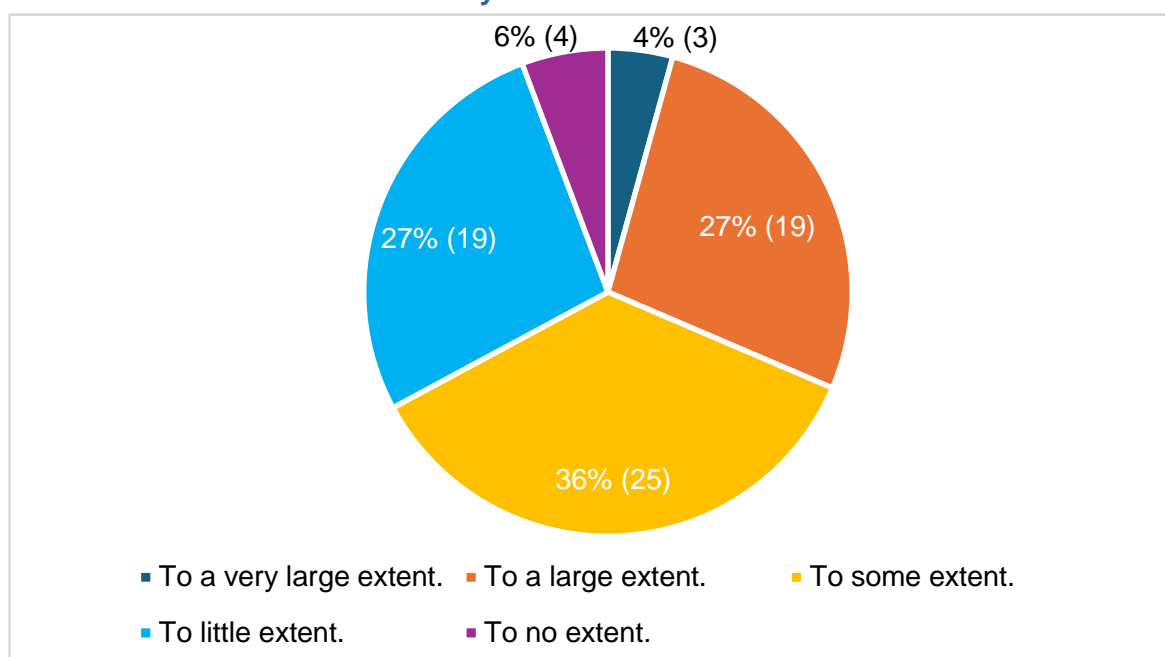


Source: t33 srl & Prognos AG. The index rates how much each circumstance influenced the uptake of PSLF on a scale from one ('to no extent') to five ('to a very large to extent'). Each response is rated from one ('to no extent') to five ('to a very large extent'), and the sum is divided by the total number of responses.

As for information about the PSLF,

Figure 20 shows that 4% of respondents (3 out of 70) felt informed ‘to a very large extent’. In comparison, 27% (19 out of 70) responded ‘to a large extent’, 36% (25 out of 70) ‘to some extent’, and 27% (19 out of 70) ‘to little extent’ while 6% (4 out of 70) answered ‘to no extent’. Respondents from TJTP territories seem to be informed as much as those outside with 6% (2 out of 36) indicating they are informed ‘to a very large extent’, with 19% (7 out of 36) ‘to a large extent’ and ‘to some extent’ accounts for 50% (18 out of 36). In comparison, ‘to little extent’ and ‘to no extent’ were 17% (6 out of 36) and 8% (3 out of 36) respectively of the responses.

**Figure 20: Replies to the question
‘To what extent do you feel informed about the PSLF?’**



Source: t33 srl & Prognos AG. Note: The absolute number of responses is in brackets.

Most respondents (38 out of 69) received information about the PSLF from the European Commission and/or CINEA⁸². This is followed by the EIB (25 out of 69), national authorities (13 out of 69), regional authorities (12 out of 69) and local authorities (10 out of 69) of EU Member States. A few respondents received information about the PSLF from other sources (5 out of 69) or from a third-party interest group (3 out of 69).

The information was mostly received through e-mails (44 out of 71), followed by meetings (33 out of 71), website/online material (30 out of 71), involvement in preparing the TJTP (21 out of 71), events (16 out of 71), and social media/newsletter (12 out of 71)⁸³. 3 respondents said that they received information through other channels, referring to the InvestEU Advisory Hub, the Technical Support Instrument, a regional workshop and associations like European Association of Public Banks and European Long-Term Investors Association (ELTI).

60% of respondents (37 out of 62) were aware of the advisory and technical assistance services available for PSLF while 40% (25 out of 62) were not. Of the 24% (8 out of 34) who

⁸² Respondents could select in the survey more than one answer on the question from whom information on the PSLF was received.

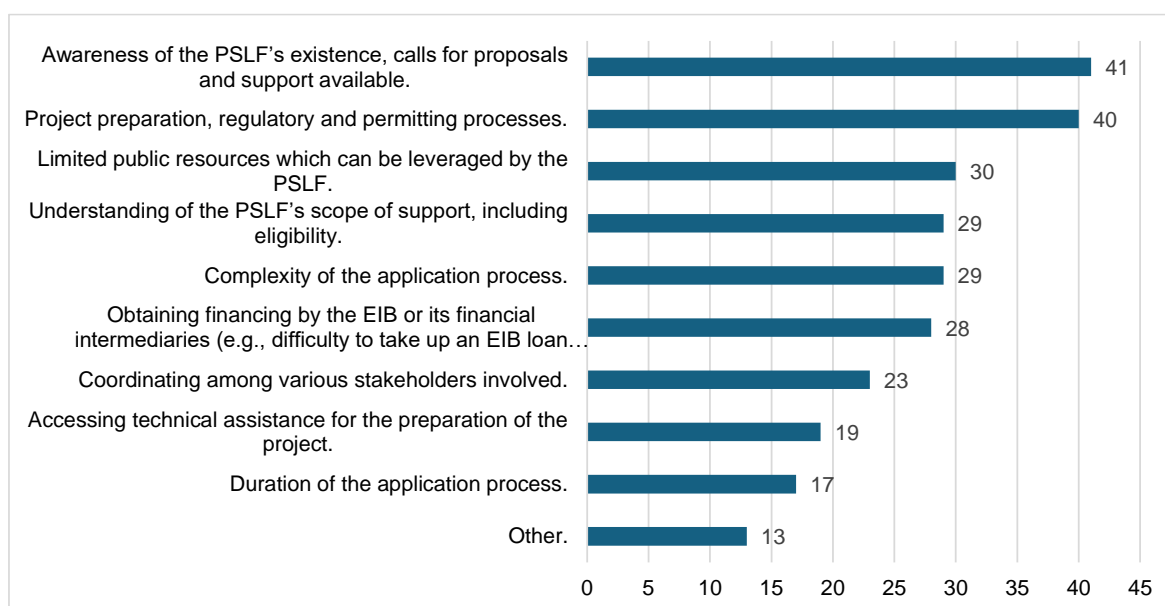
⁸³ Respondents could select in the survey more than one answer on the question through what channels or sources they were informed about the PSLF.

made use of advisory and technical assistance, it was mostly for ‘project preparation and development’ (4 out of 34), followed by ‘project identification/generation’ (2 out of 34) and ‘other’ (2 out of 34). Both ‘financial structuring’ and ‘market development activities’ were mentioned once each⁸⁴. Of the 8 who used the services, 25% (2 out of 8) were satisfied ‘to a very large extent’, while 50% (4 out of 8) and 25% (2 out of 8) were satisfied ‘to a large’ and ‘to some extent’.

(c) Efficiency

Figure 21 shows specific obstacles regarding the process to apply for the grant centre on ‘awareness of the PSLF’s existence, calls for proposals and support available’ (41 responses), followed by ‘project preparation, regulatory and permitting processes’ (40) and ‘limited public resources which can be leveraged by the PSLF’ (30)⁸⁵. ‘Accessing technical assistance for the preparation of the project’ and the ‘duration of the application’ are less of an obstacle with 19 and 17 responses respectively. ‘Other’ obstacles were reported 13 times.

Figure 21: Replies to the question ‘Can you identify any specific obstacles regarding the application process for the grant component of the PSLF? More than one answer is possible.’



Source: t33 srl & Prognos AG.

23% (19 out of 84) responded that such obstacles prevent them from applying for PSLF ‘to a very large extent’. In comparison, for 46% (39 out of 84) it was ‘to a large extent’, for 25% (21 out of 84) ‘to some extent’, for 2% (2 out of 84) ‘to little extent’ and for 4% (3 out of 84) ‘to no extent’.

To improve PSLF implementation, the qualitative feedback emphasises the need for better integration between grant and loan components, simplified processes and clearer communication from the European Commission/CINEA. Suggestions also include

⁸⁴ Respondents could select in the survey more than one area in which they sought support in terms of advisory and technical assistance services.

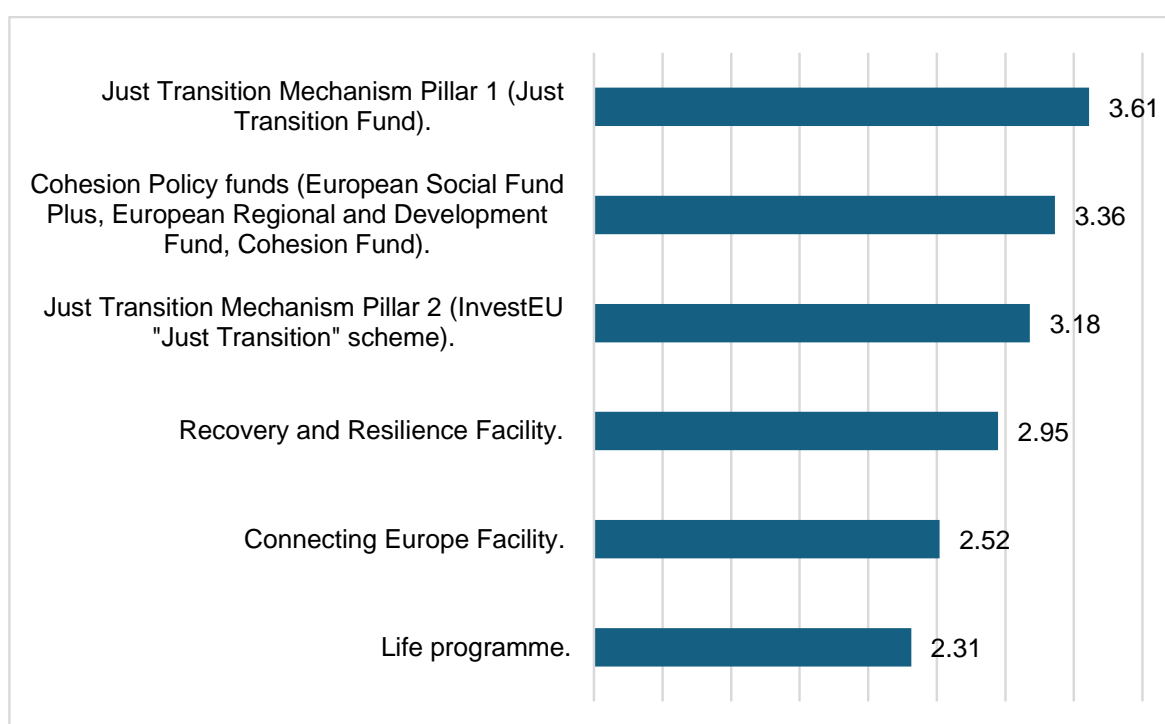
⁸⁵ The 86 respondents to the question could select more than one specific obstacle regarding the application process for the grant component of the PSLF.

expanding eligibility to more public entities, increasing the grant share and offering more training on the application process. Many respondents call for greater flexibility to accommodate smaller projects and to combine PSLF with other funds that share a similar objective. More local support from national and regional bodies with improved outreach and promotion of PSLF were also suggested.

(d) Coherence

The index to compare responses on synergies between PSLF and other EU instruments had a score of 3.61 for synergies with the 'Just Transition Mechanism Pillar 1 (Just Transition Fund)'. Following this, 'Cohesion Policy funds (European Social Fund Plus, European Regional and Development Fund, Cohesion Fund)' scored 3.36. The 'Just Transition Mechanism Pillar 2 (InvestEU 'Just Transition' scheme)' scored 3.18, 'Recovery and Resilience Facility' 2.95, while 'Other' scored 2.71. Fewer synergies exist with CEF (2.52), and LIFE (2.31).

Figure 22: Replies to the statement 'Please indicate the extent to which there are synergies between the PSLF and the following EU instruments and funds at the intervention level:'



Source: t33 srl & Prognos AG. Note: An index has been calculated that rates the synergies on a scale from one ('to no extent') to five ('to a very large extent'). Each response is rated from one ('to no extent') to five ('to a very large extent'), and the sum is divided by the total number of responses.

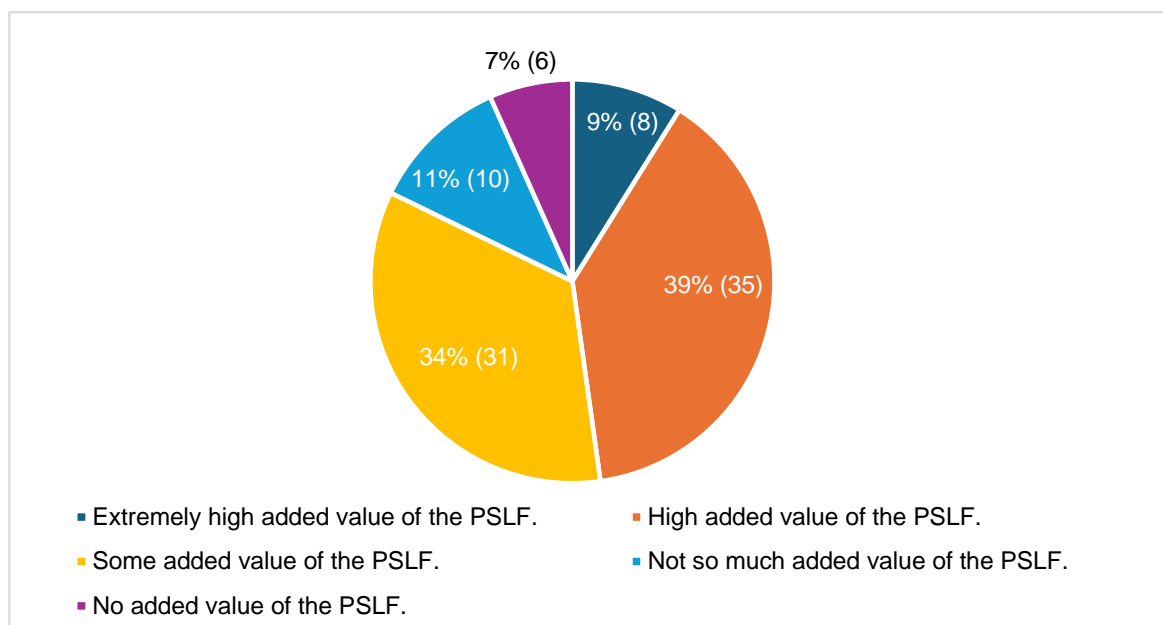
(e) EU added value

The figure below shows that 9% of respondents (8 out of 90) believe there is an 'extremely high added value of the PSLF'. In comparison, 39% (35 out of 90) indicated 'high added value', 34% (31 out of 90) 'some', 11% (10 out of 90) 'not so much' and 7% (6 out of 90) 'no added value'.

When differentiating respondents by stakeholder group, 12% (6 out of 50) of local public authorities, regional public authorities, national public authorities, private bodies (with a public service mission), applicants/beneficiaries, and other public or quasi-public organisations replied there is an 'extremely high added value of the PSLF'. In comparison, 'high added value of the PSLF' accounts for 32% (16 out of 50), 'some added value of the PSLF' includes 36% (18 out of 50), 'not so much added value of the PSLF' represents 12% (6 out of 50), and 'no added value of the PSLF' comprises 8% (4 out of 50).

Regarding the responses from the EIB and the European Commission and/or CINEA, 10% (2 out of 20) replied 'extremely high added value of the PSLF'. In comparison, 'high added value of the PSLF' accounts for 30% (6 out of 20), 'some' includes 45% (9 out of 20) with 'not so much' for 15% (3 out of 20). No participant replied, 'no added value of the PSLF'.

Figure 23: Replies to the question 'From your point of view, how do you assess the EU added value of the PSLF for the just transition in EU Member States? Low added value means that national/regional policies would fully pursue PSLF objectives, while high added value means that national/regional policies would not – or to a limited extent – pursue PSLF objectives in the absence of PSLF interventions.'



Source: t33 srl & Prognos AG. Note: The absolute number of responses is in brackets.

The survey indicates that PSLF has a high potential to support just transitions to climate neutrality, especially for projects that otherwise would not be funded. However, the added value is limited by administrative complexity, a lack of identified projects and alternative, more attractive funding sources in some regions.

Interviews

In the context of the interim evaluation study, a total of 39 interviews were conducted between 4 July and 11 November 2024. The interviews allowed to collect the views and perspectives from different types of stakeholders providing insights on overall issues related to the relevance, effectiveness, efficiency, coherence and EU added value of the PSLF.

Overview of respondents

In the first round of interviews (July - August 2024), 8 interviews were conducted with staff from the European Commission/CINEA working on the implementation of the PSLF. 8 interviews were carried out with staff from the EIB working on the implementation of the loan component of the PSLF (including the advisory component of the PSLF). In a second round (September-November 2024), interviews were carried out with 13 representatives from national, regional and local authorities involved in the design and implementation of the PSLF, of which 5 interviews were with PSLF beneficiaries. Over the whole period, 10 interviews were conducted with other stakeholders such as consultants who are involved in the technical assistance services related to PSLF, NGOs closely following the implementation of the PSLF or helping with increasing the awareness about it, as well as NPBIs.

Overview of feedback provided

(a) Relevance

Feedback suggests that PSLF is highly relevant for addressing just transition needs, particularly given the substantial investments needed to counter climate change (actors with EU institutions, EIB, national, regional and local actors, beneficiaries and applicants, other third-party actors such as consultants and civil society). The PSLF is seen as a critical financial instrument to complement the limited financial resources available at the level of EU Member States (actors with EU institutions). Moreover, it is seen as an instrument which can diversify the sources of funding available at the EU level (actors with EU institutions).

It was confirmed that the scope of support is broad enough to cover PSLF objectives in line with the objectives of the European Green Deal (actors with EU institutions, national, regional and local actors, beneficiaries and applicants, other third-party actors such as consultants and civil society).. This is also proved by the scope of the PSLF projects which were received so far aiming at among others reducing CO2 emissions, diversifying the economy of just transition regions, and retaining young people in those regions by creating jobs and making those regions more attractive for them (actors with EU institutions, national, regional and local actors, beneficiaries and applicants, other third-party actors such as consultants and civil society).

It was also noted that the PSLF is relevant, though its uptake varies significantly across the different Member States (actors with EU institutions, EIB, national, regional and local actors, beneficiaries and applicants, other third-party actors such as consultants and civil society). This depends among others on their progress on just transition (actors with EU institutions, other third-party actors such as consultants and civil society).

Stakeholders also pointed out the limited fiscal capacity of the public sector and country-specific rules and procedures for taking on additional debt that generally restricted the use of debt-based instruments like PSLF (actors with EU institutions, EIB, national, regional and local actors, beneficiaries and applicants, other third-party actors such as consultants and civil society). While PSLF could be attractive for larger municipalities or entities with more experience in handling loans, smaller municipalities might struggle to meet the requirements due to financial and administrative constraints (actors with EU institutions, EIB, national, regional and local actors, beneficiaries and applicants, other third-party actors such as consultants and civil society). The responses highlight the diversity of municipalities, particularly in Romania and Poland (other third-party actors such as consultants and civil society). Some municipalities can access financial markets and may find PSLF irrelevant, while others, especially those in transition and less developed regions, seek simpler options for project support (actors with EU institutions, EIB, national, regional and local actors, beneficiaries and applicants, other third-party actors such as consultants and civil society). Some beneficiaries, applicants and other authorities indicated that they however prefer support from JTF due to its simpler application process, higher grant coverage and lower own contribution.

Several stakeholders pointed out that PSLF can be relevant for several types of investments such as housing (beneficiaries and applicants, other third-party actors such as consultants and civil society). However, the complex application process and the related conditions, including repaying loans, can discourage potential applicants (actors with EU institutions, EIB, national, regional and local actors, beneficiaries and applicants, other third-party actors such as consultants and civil society). Targeted outreach and informative campaigns could help increase awareness and understanding of the PSLF, making it a more appealing instrument for municipalities (actors with EU institutions, EIB, national, regional and local actors, beneficiaries and applicants, other third-party actors such as consultants and civil society).

Respondents generally agree that the relevance of PSLF has not significantly changed since its inception. (actors with EU institutions, EIB, national, regional and local actors, beneficiaries and applicants, other third-party actors such as consultants and civil society). It was suggested however that PSLF may become more relevant once the funding available from other sources such as JTF is absorbed (actors with EU institutions, EIB, other third-party actors such as consultants and civil society). PSLF seems also relevant for local public sector bodies, particularly in Member States that have less resources of EU funding available (actors with EU institutions, EIB, beneficiaries and applicants). PSLF being implemented in direct management enables local public bodies to access PSLF directly at EU level (actors with EU institutions, national, regional and local actors, beneficiaries and applicants, other third-party actors such as consultants and civil society).

(b) Effectiveness

Interviews confirm a slow and challenging start of PSLF implementation (actors with EU institutions, EIB, national, regional and local actors, beneficiaries and applicants, other third-party actors such as consultants and civil society). Many stakeholders note that it is too early to assess results due to the early stage of implementation (actors with EU institutions, EIB, national, regional and local actors, beneficiaries and applicants, other third-party actors such as consultants and civil society). Few projects are signed and many of them have just recently started implementation (actors with EU institutions). Some stakeholders highlighted that the disbursement of funds has been significantly lower than anticipated (actors with EU institutions, EIB, national, regional and local actors, other third-party actors such as consultants and civil society). For instance, Poland has a national share of EUR 300 million, yet absorption through concrete projects is low (actors with EU institutions, EIB, national, regional and local actors, other third-party actors such as consultants and civil society).

The separate application processes required for the PSLF EIB loan component and PSLF European Commission grant component have led to some confusion and delays for submitting project proposals which can discourage potential applicants, especially those with limited administrative capacity (actors with EU institutions, EIB, national, regional and local actors, beneficiaries and applicants, other third-party actors such as consultants and civil society). Institutional actors highlight that detailed evaluation of applications is critical to ensuring the quality of projects and the soundness of funding decisions, as many applications have had difficulty in demonstrating the ability to repay the loan (actors with EU institutions, EIB). The example of France with very high PSLF uptake gives an indication that more developed regions can access PSLF funding more easily (actors with EU institutions, EIB).

Another challenge which was highlighted is the administrative capacity of applicants (actors with EU institutions, EIB, national, regional and local actors, beneficiaries and applicants, other third-party actors such as consultants and civil society). In particular, small regions struggle with their administrative capacity to be able to apply for PSLF (actors with EU institutions, EIB, national, regional and local actors, beneficiaries and applicants, other third-party actors such as consultants and civil society). Other stakeholders reported that small entities often lack the human resources and financial expertise needed to engage effectively with a blending mechanism like PSLF (EIB, national, regional and local actors, beneficiaries and applicants, other third-party actors such as consultants and civil society). Therefore, they may prefer other types of funding instruments which they are familiar with rather than navigating the novelty of PSLF (EIB, national, regional and local actors, other third-party actors such as consultants and civil society).

The language of the documents and limited maturity of project pipelines were identified as other challenges for the uptake of the PSLF (actors with EU institutions, EIB, national, regional and local actors, beneficiaries and applicants, other third-party actors such as consultants and civil society). For instance, the interview with the authority from Croatia highlighted the limited project pipeline to address just transition needs, but also the availability of funding from other EU sources which limited their engagement with PSLF (national, regional and local actors).

Beneficiaries, applicants and Member State authorities also pointed to limited fiscal capacity of the public sector and country-specific rules and procedures for taking on additional debt that generally restricted the use of debt-based instruments like PSLF (actors with EU institutions, EIB, national, regional and local actors, beneficiaries and applicants, other third-party actors such as consultants and civil society).

Stakeholders have highlighted the availability and accessibility of advisory services either by the EIB or other sources as crucial for increasing effectiveness of PSLF (actors with EU institutions, EIB, national, regional and local actors, beneficiaries and applicants, other third-party actors such as consultants and civil society). Efforts such as developing handbooks in own language were appreciated (beneficiaries and applicants, other third-party actors such as consultants and civil society). It was suggested that support should be available at all times and is crucial for in particular smaller size entities (actors with EU institutions, EIB, national, regional and local actors, beneficiaries and applicants, other third-party actors such as consultants and civil society).

(c) Efficiency

Interviews confirm that the separate application process for the EIB loan component and the European Commission grant component is perceived as less efficient by some stakeholders (actors with EU institutions, EIB, national, regional and local actors,

beneficiaries and applicants, other third-party actors such as consultants and civil society). The option of one-stop-shop was considered during negotiations of the administrative agreement between the European Commission and EIB but was not found feasible (actors with EU institutions, EIB).

The use of financing not linked to costs and pre-financing of project costs has lightened the administrative workload for the European Commission/CINEA and was appreciated by the beneficiaries of the PSLF (actors with EU institutions, beneficiaries and applicants). Another element which was highlighted is that CINEA is using less human resources than initially expected due to limited implementation (actors with EU institutions).

Some applicants submitted project proposals with low quality which resulted in the need to revise and resubmit their proposals which have also affected the efficiency of the implementation (actors with EU institutions, EIB). The need for clear guidance and dedicated support to fill in the application form was highlighted in this regard (actors with EU institutions, EIB, beneficiaries and applicants, other third-party actors such as consultants and civil society).

The time required to complete applications was highlighted, particularly in relation to the expiry of national shares by the end of 2025 after which grants will be awarded on a 'first come first served' basis (actors with EU institutions, EIB, national, regional and local actors, beneficiaries and applicants, other third-party actors such as consultants and civil society). This could result in a competitive atmosphere for applicants where only a limited number of projects can secure funding (actors with EU institutions, EIB, national, regional and local actors, beneficiaries and applicants, other third-party actors such as consultants and civil society).

Beneficiaries in Greece and France already anticipate a positive assessment of the monitoring and reporting requirements of the PSLF due to the FNLC conditions which do not require them to report on the related project costs (actors with EU institutions, beneficiaries and applicants). However, the separate reporting and monitoring for the EIB loan component and the European Commission grant component are anticipated to be less efficient by the same beneficiaries (beneficiaries and applicants).

The role of the EIB advisory services and other type of technical assistance deployed has been highlighted in improving the knowledge about the grant application process and thus improving the quality of the project proposals basis (actors with EU institutions, EIB, national, regional and local actors, beneficiaries and applicants, other third-party actors such as consultants and civil society). Prior experience with other EU funding instruments has been identified as another factor which has helped beneficiaries progressing with their project proposals (actors with EU institutions).

(d) Coherence

The provided feedback reveals a complex landscape of overlaps, synergies and challenges. PSLF objectives are to some extent similar and overlapping with the JTF, CF, ERDF and RRF. Therefore, projects may struggle to determine the most suitable funding source (actors with EU institutions, EIB, national, regional and local actors, beneficiaries and applicants, other third-party actors such as consultants and civil society).

Interviews also suggest that PSLF competes with other EU funding resources that provide more favourable conditions. Among others, the higher coverage of EU grants, greater familiarity with application procedures, etc. were highlighted (actors with EU institutions, EIB, national, regional and local actors, beneficiaries and applicants, other third-party actors such as consultants and civil society)). Some stakeholders reported that some managing

authorities find JTF easier to access and administer than PSLF, resulting in a preference for the former (other third-party actors such as consultants and civil society).

Interviews also confirm that a few Member States (such as Denmark, Germany, Luxembourg) have national/regional policies, strategies and reforms with better conditions (high grant amounts, familiarity with procedures, absence of language barriers, accessible guidance and alignment with local and regional demands) than PSLF (actors with EU institutions, national, regional and local actors).

Interviews highlighted that while some Member States have a more flexible approach towards the eligible areas of support for PSLF in their TJTPs, others have been more precise in identifying the sectors eligible for funding under PSLF, such as the Netherlands, ensuring complementarity between the three JTM Pillars (actors with EU institutions, national, regional and local actors, beneficiaries and applicants, other third-party actors such as consultants and civil society).

Stakeholders also pointed out the challenge that PSLF cannot be combined with other sources of funding (actors with EU institutions, EIB, national, regional and local actors, beneficiaries and applicants).

The involvement of consultants for advisory and technical assistance services has helped potential applicants to prepare applications for PSLF (actors with EU institutions, EIB, national, regional and local actors, beneficiaries and applicants, other third-party actors such as consultants and civil society). In practice, different forms of advisory support have joined forces through joint events and training to coordinate and enhance the support provided for the PSLF (beneficiaries and applicants, other third-party actors such as consultants and civil society).

(e) EU added value

Institutional actors recognise significant advantages of providing support through an EU-level blending instrument like PSLF (actors with EU institutions, EIB). This includes more resources for just transition territories that might otherwise lack access to adequate funding (actors with EU institutions, EIB). The EU's role helps to address investment gaps in specific areas, particularly for projects related to just transition (actors with EU institutions, EIB). PSLF is noted for its flexibility and place-based approach, enabling a targeted response to the unique needs of territories most affected by transition, particularly decarbonisation and climate adaptation (actors with EU institutions, EIB). This is highlighted as a key advantage over national or regional solutions, which may not always adequately consider the local context (actors with EU institutions, EIB).

The evaluation of project proposals by institutional actors raises the standard of projects due to the rigorous requirements for applying (actors with EU institutions, EIB). The grant enhances attractiveness compared to national funding options, which may lack similar incentives (actors with EU institutions, EIB, beneficiaries and applicants). There is recognition of the complexity introduced by the blending mechanism itself and by having multiple, partly overlapping funding sources and instruments at EU level (actors with EU institutions, EIB, national, regional and local actors, beneficiaries and applicants, other third-party actors such as consultants and civil society).

Beneficiaries, applicants and Member State authorities recognise the PSLF added value and indicate that it complements other EU, national and regional sources, filling gaps where those may not be applicable or attractive (national, regional and local actors, beneficiaries and applicants). In addition, some respondents hope that projects funded through PSLF

could be models for other regions, showcasing the use of blended finance and inspiring additional local and regional projects (actors with EU institutions, EIB, other third-party actors such as consultants and civil society). Experience from navigating the PSLF process is considered valuable for institutions with limited knowledge of blended finance models. This is expected to contribute to capacity building and a more comprehensive understanding of how to manage complex financial instruments (actors with EU institutions, EIB, beneficiaries and applicants, other third-party actors such as consultants and civil society).

Interviews acknowledge the PSLF's EU added value to channel resources to the just transition regions (actors with EU institutions, EIB, beneficiaries and applicants, other third-party actors such as consultants and civil society). They welcome the emphasis on small public authorities, municipalities instead of regional centres, which are prevalent in just transition territories. PSLF can drive local engagement and ensure a wider range of stakeholders can access funding, enhancing the local impact of EU investments (actors with EU institutions, EIB, beneficiaries and applicants, other third-party actors such as consultants and civil society).

Events

'Translating just transition from plans into investments: combining grants, financing and advisory'

An event in the context of the European Week of Regions 2024, entitled '*Translating just transition from plans into investments: combining grants, financing and advisory*' took place on 8 October 2024 which delivered additional feedback about the functioning of the PSLF.

Overview of feedback provided

Short presentations on the grant and loan component of the PSLF were followed by insights and experiences which were shared by the French beneficiary of the Metropole of Nantes and the Bulgarian Ministry of Energy who applied for advisory services under the PSLF. The speakers highlighted the importance of thorough project preparation. In addition, effective good collaboration with different entities involved was also mentioned as a crucial factor, alongside a long-term planning to ensure the economic and financial sustainability of investments. PSLF added value has been confirmed and lies in supporting economic diversification of the regions. In addition, the session also underscored the role of advisory services for improving understanding about the application process and raising awareness about the PSLF.

'Third Pillar of the Just Transition Mechanism – All You Want to Know'

Another event in the context of the 10th Just Transition Platform Conference, entitled '*Third Pillar of the Just Transition Mechanism – All You Want to Know*' took place on 16 October 2024 which delivered additional feedback on the functioning of the PSLF.

Overview of feedback provided

The session highlighted PSLF's role in supporting climate objectives and facilitating the just transition by addressing economic, social and environmental challenges. PSLF beneficiaries provided deeper insights into PSLF approved projects. It was explained that

the housing project in the municipality of Skellefteå (Sweden) is responding to increased housing needs due to development of green industry in the area expected to create additional jobs for the workers. It is expected to build 750 affordable housing units, some of which will be also accessible for persons with disabilities and for students. The PSLF beneficiary of Metropole of Lille (France) presented the sustainable mobility project aiming at upgrading the tramway network, a 200-kilometre cycling path, and clean hydrogen vehicles. The Ostrava Concert Hall (Czech Republic) is another project expected to transform the cultural infrastructure of the region and to foster its economic diversification.

The added value of the PSLF for funding all these projects has been highlighted. In addition, a good preparation of the project with the help of PSLF advisory services or other available technical assistance has been stressed.

Annex V – Case studies

See the separate file.

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