

CZ-AT Energy Expert Group
9 December 2020

**Building back better:
Financing the transition towards a low-carbon economy**

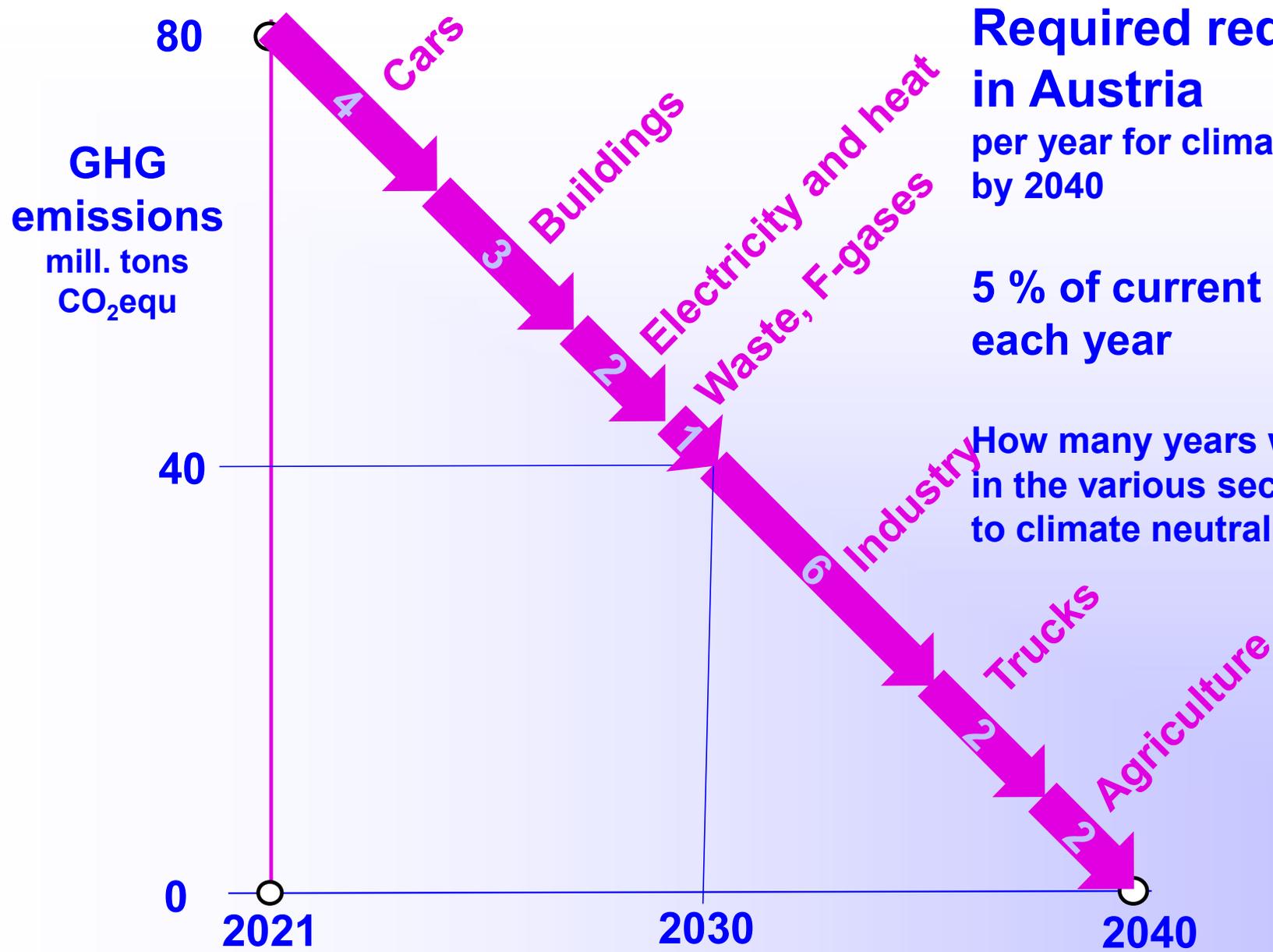
Raising the greenhouse gas emissions target ambition

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**The basics of
climate neutrality**

are barely understood



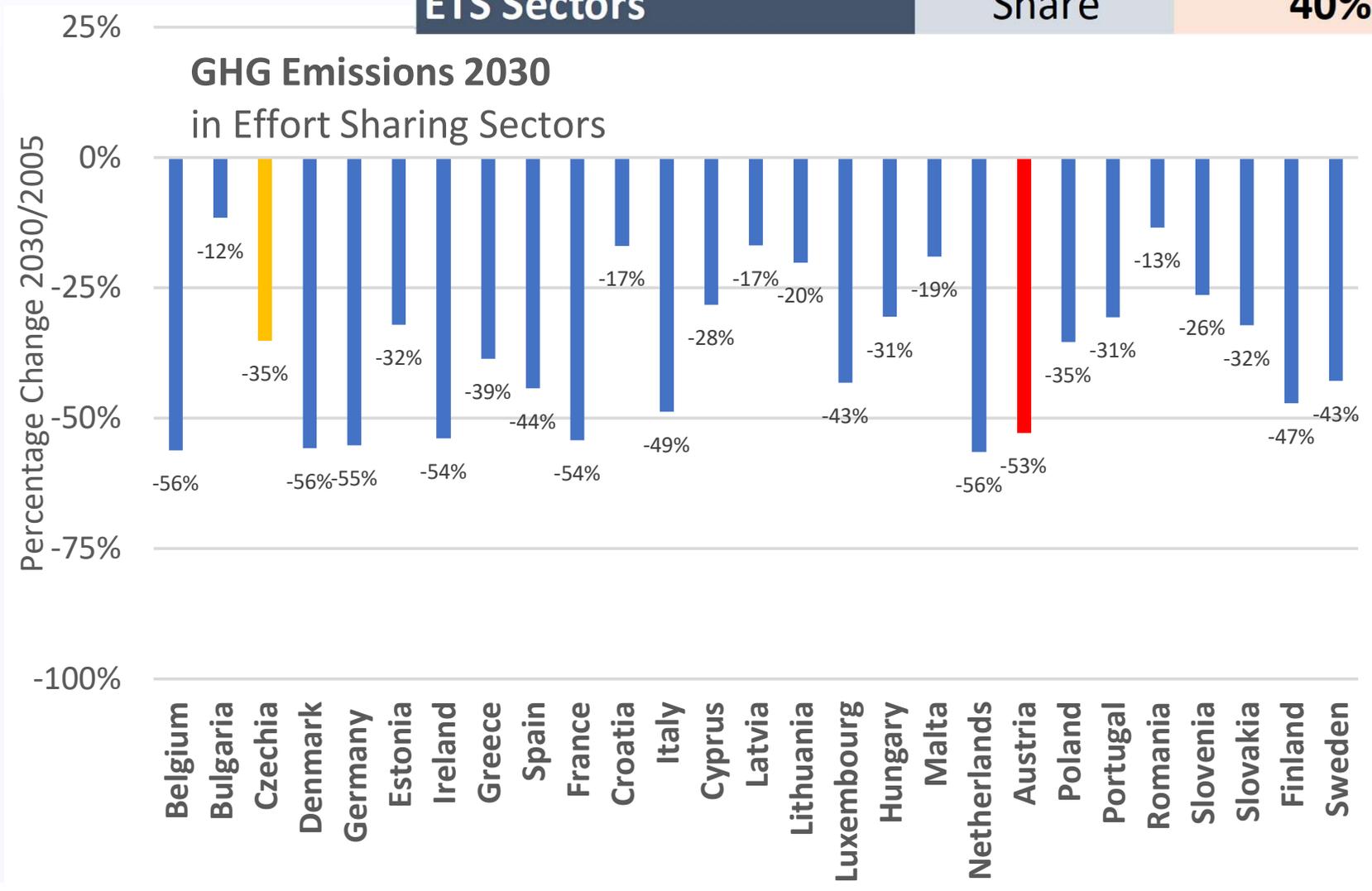
**The impacts of a more ambitious climate target
on Member States**

are not sufficiently evaluated

Impacts of a more ambitious climate target on Non-ETS sectors of Member States

EU-27 GHG Emissions Δ 2030/1990 **-55%**

ETS Sectors Share **40%**



The upcoming EU Funding Mechanisms

provide enormous innovation opportunities

The four funding mechanisms of EU ETS

	Eligibility	Size	Investment Areas
Solidarity Provision	16 Member States <i>(2013 GDP per capita <90% of the Union average)</i>	798,5m EUAs <i>(10% of total quantity of allowances to be auctioned)</i>	/
Innovation Fund	27 Member States, Iceland and Norway	450m EUAs	Focus on the following areas <i>(can differ between calls for proposals)</i> : <ul style="list-style-type: none"> • Low-Carbon technologies and processes in energy-intensive industry, including product substitution <ul style="list-style-type: none"> • Carbon capture and utilisation (CCU) • Construction and operation of carbon capture and storage (CCS) <ul style="list-style-type: none"> • Renewable energy generation • Energy Storage
Article 10c Derogation	10 Member States <i>(2013 GDP per capita <60% of the Union average)</i>	648m EUAs <i>(Up to 40% of each Member State's EUAs to be auctioned)</i>	Investments in electricity generating installations covered by EU ETS, in particular for: <ul style="list-style-type: none"> • Retrofitting and upgrading infrastructure; <ul style="list-style-type: none"> • Clean technologies; • Diversifying their energy mix and sources of supply
Modernisation Fund	10 Member States <i>(2013 GDP per capita <60% of the Union average)</i>	798,5m EUAs <i>(2% of total quantity of EUAs)</i>	Priority areas <i>(renewables, energy efficiency, electricity transmission grids, interconnections and Just Transition)</i> Non-priority areas 'consistent with 2030 framework and Paris Agreement'

NextGenerationEU

Grants **390.0**

*of which provisioning
for **guarantees*** **5.6** 

Loans  **360.0**

TOTAL **750.0**

	NGEU	Total with MFF
Recovery and Resilience Facility	672.5	673.3
<i>Of which GRANTS</i>	312.5	313.3
<i>Of which LOANS</i> 	360.0	360.0
REACT-EU	47.5	47.5
Rural development	7.5	85.4
Just Transition Fund	10.0	17.5
InvestEU 	5.6	9.4
rescEU	1.9	3.0
Horizon Europe	5.0	84.9

How is Austria doing?

The Austrian gap between ambition and reality

- **Austrian Government aims for leading EU energy and climate policy and declared 2040 as the target for climate neutrality**
- **Austria exhibits until 2019 rising GHG emissions**
- **The Covid-19 crisis has so far not be used for starting a radical innovation program**

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Thank You.

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