

International multidisciplinary discussion seminar

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

The EU is aiming to become climate-neutral in 2050. With this respect the 2030 climate targets have increased stirring a debate especially in Central Europe. In the same time, the post-Covid recovery represents an immense challenge and even a bigger opportunity to move towards a low carbon economy and society.

To open a discussion about these issues the Czech-Austrian Energy Expert Group (CZ-AT EEG) in cooperation with the Czech Technical University in Prague, Vienna University of Technology, the Institute for Economic and Environmental Policy (Jan Evangelista Purkyně University in Ústí nad Labem) organized this discussion seminar held on December 9, 2020. The event was opened by **Jaroslav Knápek** (Czech Technical University in Prague, Czechia) and **Georg Zehetner** (Deputy head of Mission at Austrian Embassy in Prague).

In the first session called **Raising the greenhouse gas emissions target ambition: national positions** the panellists **Adéla Denková** (Association of International Affairs, Czechia), **Reinhard Haas** (Vienna University of Technology, Austria), **Stefan Schleicher** (University of Graz, Austria) and **Tomáš Smejkal** (Ministry of Industry and Trade, Czechia) discussed how the central European countries (especially Czechia and Austria) view the new EU emission reduction targets, if the targets are viewed as a threat, an opportunity or inevitability and what should be done to meet the targets. The session was moderated by **Jiřina Jílková** (J. E. P. University in Ústí nad Labem, Czechia).

Nathalie Binet (European Investment Bank (Prague office), Czechia), **Agris Kamenders** (Riga Technical University, Latvia), **David Rusnok** (Climate and Company, Germany) and **Reinhard Haas** (Vienna University of Technology, Austria) as the panellists of the second session **Strategy to financing the transition to low carbon economy** discussed together with the moderator **Michaela Valentová** (Czech Technical University in Prague, Czechia) concrete pathways to low-carbon transition, especially the financial instruments needed to overcome the structural challenges and barriers.

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Highlights

The following section summarizes the key messages that conveyed during both sessions:

- There is a need to define a new paradigm - the need for radical change that would support a new way of thinking and solving the problems associated with energy transformation and the path to carbon neutrality
- We have to open much wider toolbox in redesign of energy systems and national economies, it is about the new way of thinking
- It will be necessary to reconsider the lifestyle, priorities and functioning and management of national economies including the logistic chains
- It is necessary to address the large gap between the declared ambitions and reality. With respect to financing the transition, we need to close the gap between the declaration of the goals and real measures implemented. Complex impacts of applied measures should be carefully considered.
- A seriously set-up carbon price will play a major role.
- Future is much less predictable than before, with this respect, the role of decision makers will change towards navigating the instability and introducing flexibility.
- The future is about finding balance between stability, predictability, affordability, sustainability, resilience and overall effectivity.
- Green hydrogen could play essential role in transformation of energy systems, but the key question is effectivity of its assurance taking into account conditions of individual countries (e.g. limited amount solar radiant in Central Europe)
- We have to find effective ways of energy (and economy) transformation financing. Proper price of carbon will play essential role.
- There is a room for a much wider selection of financial instruments to support the transition to low carbon economy. Technical assistance needs to be scaled up to facilitate the project pipeline.
- EU Taxonomy - classification system on sustainability of investments - will serve as the important navigator in energy transformation. Its proper implementation is crucial to signal the investors, but also to help minimize the effects of green washing.
- We have to search for common, but differentiated solutions for transformation of different sectors.

Video and presentations from the discussion seminar

To see the recordings from the event and full details, visit the website <http://www.energy-europe.org/index.php?year=2020ds>

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