

Greening the Recovery

Panellists differed in their idea of how to do it, but the key phrase from the session was: **Anchoring long-run expectations.**

By sector

- **Buildings sector** the hot topic (similar to Timmermans). This is in the context of a forthcoming Renovation Wave at EU level for which details will be published over the next couple of months. Essentially financial incentives to renovate public + private buildings such that energy efficiency is improved (and potentially renewable power deployed).
 - Creates local jobs and companies
 - Lowers energy bills
- Across other sectors, a range of policies are required:
 - For Electric Vehicles, investment in infrastructure of charging networks.
 - For hydrogen, demonstration projects for production and industrial applications.
 - For power sector, technologies are there, deployment is required.

Broader elements

- Focus on the Just Transition now shifts to a focus on a Just Recovery:
 - Labour standards. Replace lost jobs.
 - All workers must be involved in the recovery.
- Carbon pricing:
 - Announcements on a future carbon price will guide all investments today toward a low-carbon world.
 - Also provide public revenue for the post-recovery consolidation phase.
- Clearer targets on efficiency targets for buildings.
- A focus on innovation is fundamental to decarbonisation.

Green Paradox

- The Green Paradox describes the future scenario in which reduced demand for fossil fuels by a significant portion of the world (e.g. EU) leads to depressed global fossil fuel prices. Perversely, decarbonisation then ends up encouraging the consumption of fossil fuels elsewhere:
 - Technological progress should allow renewables to keep pace in cost decreases.
 - But sensible policies will be required in the future to address this. Particularly, the correct sequencing of industrial policies and emissions prices.

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